United Food and Commercial Workers Unions
And Participating Employers
Pension Fund

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MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
UFCW UNIONS AND PARTICIPATING EMPLOYERS
PENSION FUND
VIA VIDEO CONFERENCE
SEPTEMBER 20, 2023
(DRAFT)

The following Trustees were present:

UNION TRUSTEES
J. Chorpenning- Secretary
D. Blitzstein
M. Federici
C. Hoffman
R. Wildt

EMPLOYER TRUSTEES
W. Seehafer - Chairperson
P. Lin
V. Marsh

Also present were:

B. Antoshak - Associated Administrators, LLC
M. Buckberg - Withum
A. Dietrich – Slevin & Hart P.C.
S. Goodman - Slevin & Hart P.C.
P. Hardcastle - Cheiron
J. Herron - Associated Administrators, LLC
J. Ianniello - Associated Administrators, LLC
M. Keadle - Withum
J. Kimble - Morgan, Lewis and Bockius, LLP
C. McDonough - Investment Performance Services
B. McKiver - UFCW Local 400
C. Murphy - Associated Administrators, LLC
R. Murray - Cheiron
A. Sims - Associated Administrators, LLC
L. Walsh - Associated Administrators, LLC
B. Warren - Cheiron
M. Wilson – UFCW Local 400

I. CALL TO ORDER

A quorum being present, Chairman Seehafer called the meeting to order.

II. MINUTES

Mr. Ianniello presented the minutes of the special meeting held on May 15, 2023, and the minutes for the regular meeting held on June 8, 2023, which were previously circulated.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED, that the minutes of the special meeting held on May 15, 2023, and the regular meeting held on June 8, 2023, are approved as presented.

III. FINANCIAL REPORT INVESTMENT PERFORMANCE SERVICES ("IPS")

A. Cash Flow Summary

Mr. McDonough reviewed the cash flow for the second quarter of 2023, noting a beginning market value of $104,279,670, contributions of $6,854,109, and withdrawals of $10,128,951, producing a net cash flow of -$3,274,842, and investment income of $1,876,916 for an ending value of $102,881,744.

B. Master Consulting Services Report – June 30, 2023

Mr. McDonough reviewed the Master Consulting Services Report for the period through June 30, 2023, noting that the Fund is up 5.4% YTD, gross of fees, and 5.1% net of fees, compared to the benchmark of 6.6%. Trustee Blitzstein asked that a line be added to the report showing return vs. benchmark for each category. Mr. McDonough said all holdings are within the Fund's investment policy ranges. Mr. McDonough said the Fund currently is 54th on the PBGC waiting list for SFA applications. The Trustees thanked Mr. McDonough for his report and excused him from the meeting.

IV. AUDITOR'S REPORT

The Trustees welcomed Mr. Mark Buckberg and Mr. Matt Keadle from Withum to the meeting.

A. Financial Statement Year End 2022

Mr. Buckberg presented the audited Financial Statements for the period ending December 31, 2022. He stated that his firm rendered an unmodified ("clean") opinion on the financial statements and that they conform to generally accepted accounting principles.

Mr. Buckberg reported that assets as of December 31, 2022, were $105,081,541, and liabilities were $710,681, producing net assets available for benefits of $104,370,860. Mr. Buckberg reviewed the Notes to Financial Statements, Schedule of Assets Held for Investment Purposes, Employer Contributions Schedule, and Administrative Expenses Schedule. Mr. Buckberg noted there were a few minor changes to the report made as a result of timing. After discussing the financial statements and the 5500,

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to delegate to Chair and Secretary the authority to sign the final Form 5500.**

V. ACTUARY'S REPORT

A. Preliminary 2023 Valuation Results

Mr. Warren reviewed the 2023 Preliminary Actuarial Valuation Results. Mr. Warren reported that the Fund had 1,698 active participants, 6,438 terminated vested participants, and 3,745 participants in pay status, resulting in 11,881 participants as of January 1, 2023. Mr. Warren stated that the market value of the assets on January 1, 2023 was $103,999,880, the actuarial value of the assets was $113,456,215, and the present value of accrued benefits and accrued liability was $253,394,919. The Pension Protection Act funding ratio was 44.7%.

B. Shoppers Food Warehouse Hours

Peter Hardcastle reviewed a report comparing hours worked in 2022 to hours worked YTD in 2023, noting that the projected decline in hours he was expecting has not materialized in 2023. The Trustees discussed hours information in the context of the assumptions on which the Fund's SFA application will be based. Trustee Marsh stated that Shoppers' store openings and closings were generally stable at this time and that Shoppers did not expect much movement in the next year. Mr. Blitzstein questioned when Shoppers would assess its business for the following year. Ms. Marsh replied that Shoppers' fiscal year starts on or about August 1st, and projections wouldn't be done again until next year. The Trustees discussed reviewing actual hours reported in 2023 and finalizing the assumptions by February 2024, enabling the Fund to use actual 2023 hours and information.

C. Update on the SFA Application

Mr. Hardcastle noted that the Fund currently is 54th on the PBGC SFA application waitlist. Mr. Hardcastle estimated that the Fund would be eligible to file its SFA application near the end of May 2024. He stated that the PBGC offered to take the Fund's file of Deferred Vested participants and pre-audit it against PBGC's records to check for deceased participants.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **Resolved to have Cheiron submit the entire Retirees file to PBGC prior to submission of the Fund's SFA application for death audit purposes.**

The Trustees thanked the Cheiron representatives, and they were excused from the meeting.

VI. ATTORNEYS' REPORT

A. Segal Bryant Agreement

Ms. Goodman reported on the Segal Bryant Agreement.

B. Annual Funding Notice

Ms. Goodman reported on the Department of Labor's updated Annual Funding Notice.

C. Cybersecurity

Ms. Goodman on the provider cybersecurity questionnaires and addendums. She also reported on the cybersecurity consulting contract with Segal.

D. W-4P Form

Ms. Goodman reported on the Form W-4P.

E. Secure 2.0 Plan Amendment

Ms. Goodman reported on the Plan amendment regarding the required beginning date under the Plan.

F. Cheiron Fee Amendment

Ms. Goodman reported on the 2023 Cheiron fee amendment.

G. LIBOR Class Action

Ms. Goodman reported on the LIBOR class action.

H. Shoppers Withdrawal Liability Estimate

Ms. Goodman reported on Shoppers' withdrawal liability estimate request.

VII. ADMINISTRATIVE MANAGER'S REPORT – First Quarter 2023 Report

A. Second Quarter 2023 Report

Mr. Ianniello presented the Administrative Manager's Report for the Second Quarter of 2023, which had been pre-circulated. The report showed a total income of $1,529,240 and total expenses of $4,522,300, producing a net deficit of $2,993,060 for the quarter. He noted that the Fund received contributions on behalf of 1,515 Plan participants. Next, he reviewed the stipend income and expenses, which showed a stipend income of $49,500 and stipend expenses of $49,801 for 37 Plan participants.

Mr. Ianniello reported that there were no delinquencies for the first quarter of 2023.

B. Pension Applications

Mr. Ianniello presented the list of pension applications submitted for approval during the second quarter of 2023.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, that the pension applications contained in the Administrative Manager's Report for the second quarter of 2023 are approved for payment.**

C. Invoices

Mr. Ianniello presented a list of invoices dated September 20, 2023, which were pre-circulated. He noted no additions, deletions, or changes to the list.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, that the invoices on the list dated September 20, 2023, are approved for payment.**

VIII. OTHER FUND BUSINESS

A. Cowan Recapture

Mr. Ianniello reported that the Fund had received a $552.42 check from Cowan commission recapture services.

B. W-4P mailed out August 1, 2023

Mr. Ianniello reported that the updated Form W-4P had been mailed to participants.

C. Excess Cyber Liability Insurance Policy

Mr. Ianniello reported that Segal sent requests for bids to several companies to obtain Excess Cyber Liability coverage. Two companies said they could not quote on a Fund of this size. Others have not responded. The Trustees decided to continue to send requests to provide Excess Cyber Liability coverage to other carriers.

IX. 2023 MEETING DATES & LOCATIONS

The next regular Board meeting is scheduled via Zoom on December 14, 2023.

X. ADJOURNMENT

There being no further business to come before the Trustees, the meeting was adjourned.

Respectfully Submitted,

Jason Chorpenning, Secretary