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 13, 2024

(DRAFT)

UNION TRUSTEES	EMPLOYER TRUSTEES
J. Chorpenning- Secretary	W. Seehafer - Chairperson
D. Blitzstein	L. Fiergola
M. Federici	P. Lin
R. Wildt	V. Marsh

Also present were:

M. Buckberg - Withum
A. Dietrich – Slevin & Hart P.C.
P. Hardcastle - Cheiron
J. Herron - Associated Administrators, LLC
T. Hipkins - UFCW Local 27
J. Ianniello - Associated Administrators, LLC
M. Keadle - Withum
J. Kimble - Morgan, Lewis and Bockius, LLP
C. McDonough - Investment Performance Services
J. Mink - Investment Performance Services
C. Murphy - Associated Administrators, LLC
R. Murray - Cheiron
S. Sanchez - Slevin & Hart P.C.
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

The Trustees reviewed the previously circulated minutes of the last regular meeting on June 11, 2024.

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

> **RESOLVED, that the minutes of the regular meeting held on June 11, 2024, are approved as presented.**

III. FINANCIAL REPORT

The Trustees welcomed Ms. Jennifer Mink and Mr. Chris McDonough from IPS to the meeting.

A. Cash Flow Summary

Ms. Mink presented the Master Consulting report as of June 30, 2024. She reviewed the cash flow for the second quarter of 2024, noting a beginning market value of $99,326,057, investment gains of $1,058,263, contributions of $4,442,650, and withdrawals of $7,637,832. This produced a negative net cash flow of $3,195,183 for an ending value of $97,189,137.

B. Master Consulting Services Report – June 30, 2024

Ms. Mink noted that the Fund was up for the quarter and that all asset allocations were within the allowable ranges. She stated that no changes to the asset allocations are necessary. Ms. Mink stated that IPS is working on a proposed restated investment policy for presentation at the December meeting.

C. Special Financial Assistance ("SFA")

Mr. McDonough gave an update on the status of the Fund's position on the Special Financial Assistance waitlist. He stated that the Fund is number 72 on the SFA waitlist. Mr. McDonough recommended that the Trustees interview potential investment managers for the SFA money at the December meeting. He recommended interviewing Loomis Sayles and a second manager. Mr. McDonough reviewed the permissible investment options for SFA assets and reported on several manager options. Mr. McDonough stated that IPS would work with Cheiron to do modeling for the potential SFA portfolio and would obtain cashflow information from Cheiron.

After discussion, the Trustees agreed to interview two potential investment managers at the December Trustee meeting.

The Trustees thanked the IPS representatives for their report and excused them from the meeting.

IV. AUDITOR'S REPORT

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

A. Financial Statement Year End 2023

Mr. Buckberg presented the Financial Statements for the period ending December 31, 2023. He stated that Withum issued an unmodified opinion on the financial statements and that the financial statements conform to generally accepted accounting principles.

Mr. Buckberg reported that assets as of December 31, 2023 were $101,127,273, and liabilities were $852,036, producing net assets available for benefits of $100,275,237. 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 a few minor changes to the report that were made as a result of timing. After discussion

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.**

Mr. Blitzstein and Ms. Lin requested that Withum prepare a separate management report showing a breakdown of investment-related and non-investment related expenses.

V. ACTUARY'S REPORT

The Trustees welcomed Mr. Peter Hardcastle, Mr. Robert Murray, and Mr. Brett Warren from Cheiron to the meeting.

A. Preliminary 2024 Valuation Results

Mr. Warren reviewed the 2024 Preliminary Actuarial Valuation Results. Mr. Warren reported that there were 1,828 active participants, 6,317 deferred vested participants, and 3,767 participants in pay status, for a total of 11,912 participants as of January 1, 2024. Mr. Warren stated that the market value of the assets on January 1, 2024, was $99,956,010, the actuarial value of the assets was $109,029,387, and the present value of accrued benefits and accrued liability was $251,820,075. The Pension Protection Act funding ratio was 43.2%.

B. SFA Update

Mr. Hardcastle reported on the SFA application process and the assumptions required as part of the application. The Trustees discussed the CBU assumption. After discussion, the Trustees agreed to hold a Special Board meeting via Zoom on Wednesday, November 20, 2024 at 4:00 p.m. to discuss the SFA application.

The Trustees thanked Cheiron for their report and excused them from the meeting.

VI. ATTORNEYS' REPORT

A. Participant Overpayments

Ms. Sanchez reported on a pension overpayment of approximately $23,000 to a participant. After discussion,

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

> **RESOLVED to write off the overpayment of approximately $23,000 based on the specific facts and circumstances.**

B. Required Minimum Distributions for Former Meat and Poultry Group

Ms. Sanchez reported on required minimum distributions for the former Meat and Poultry participants.

C. Cybersecurity Update

Ms. Sanchez reported on the cyber security questionnaires and vendor addenda.

D. Cyber Liability Update

Ms. Sanchez reported on the Fund's cyber liability insurance policy.

E. Review Financial Statements

Ms. Sanchez reported on co-counsel's review of the draft audited financial statements.

VII. ADMINISTRATIVE MANAGER'S REPORT – Second Quarter 2024 Report

A. Second Quarter 2024 Report

Mr. Ianniello presented the Administrative Manager's Report for the Second Quarter of 2024, which had been pre-circulated. The report showed a total income of $1,653,412 and total expenses of $4,401,538, producing a net deficit of $2,748,126 for the quarter. He noted that the Fund received contributions on behalf of 1,532 Plan participants. Next, he reviewed the Stipend Income & Expenses, which showed a stipend income of $48,600 and stipend expenses of $48,849 for 30 Plan participants.

Mr. Ianniello reported no delinquencies for the Second Quarter of 2024.

B. Pension Applications

Mr. Ianniello presented the list of pension applications submitted for approval during the second quarter of 2024.

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 2024 are approved for payment.**

C. Invoices

Mr. Ianniello presented a list of pre-circulated invoices dated September 13, 2024. 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 13, 2024, are approved for payment.**

VIII. OTHER FUND BUSINESS

A. Appeal

The Trustees considered appeal P24/110-3429 and reviewed the related file.

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

> **RESOLVED, that appeal P24/110-3429 is denied based on the Plan's terms.**

B. Cowan Recapture

Mr. Ianniello reported that the Fund had received checks for $194.20 from Cowan commission recapture services.

C. Shoppers Withdrawal Liability Request

Mr. Ianniello reported that Shopper's requested a withdrawal liability estimate and the estimate is being prepared.

D. Pension Processing Time

Mr. Blitzstein requested an update on his request that Associated provide a report on the processing time for pension applications. Mr. Ianniello stated that the report is almost complete.

IX. 2024 MEETING DATES & LOCATIONS

The next regular Board meeting is scheduled for December 5, 2024, with the location to be determined.

X. ADJOURNMENT

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

Respectfully Submitted,

Jason Chorpenning, Secretary