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 DECEMBER 7, 2021 VIA VIDEO CONFERENCE

The following Trustees were present:

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

Also present were:

M. Buckberg -- Withum
P. Hardcastle -- Cheiron
J. Herron -- Associated Administrators, LLC
T. Hipkins -- UFCW Local 27
J. Ianniello- Associated Administrators, LLC
J. Kimble -- Morgan, Lewis and Bockius, LLP
C. Murphy --- Associated Administrators, LLC
J. Mink--Investment Performance Services
R. Murray -- Cheiron
S. Sanchez-- Slevin & Hart P.C.
A. Sims -- Associated Administrators, LLC
B. Slevin -- Slevin & Hart P.C.
L. Walsh -- Associated Administrators, LLC
M. Wilson -- UFCW Local 400
B. Warren -- Cheiron

I. CALL TO ORDER

A. Trustee Appointment

Mr. Ianniello noted that he had received correspondence from UNFI dated September 28th, 2021 appointing Peggy Lin as an Employer Trustee to replace Jon Born. In addition, Mr. Ianniello received correspondence from UFCW Local 400 dated December 6, 2021, appointing David Blitzstein as a Union Trustee to replace Yolanda Anwar. A quorum being present, the meeting was called to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on September 22, 2021, and the two special meetings held on November 4, 2021 and November 15, 2021, which were previously circulated.

The Trustees noted that the minutes of the September 22, 2021 meeting should be corrected to reflect that the Delinquency Policy amendment was approved by the Chair and Secretary between meetings.

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

RESOLVED, that the minutes of the regular meeting held on September 22, 2021, amended as described above, are approved; and

FURTHER RESOLVED, that the minutes of the special meetings held on November 4, 2021 and November 15, 2021 are approved.

Trustee Blitzstein abstained from voting because he was not in attendance at those meetings.

III. FINANCIAL REPORT

A. PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for the period January 1, 2021 through September 30, 2021 which had been previously circulated. The report showed a beginning market value of $127,199,902, receipts of $4,405,880, disbursements of $16,086,789 and an investment gain of $14,698,134, producing an ending market balance of $130,217,127 as of September 30, 2021.

B. <u>Investment Performance Services ("IPS")</u>

The Trustees welcomed Jennifer Mink from ("IPS") to the meeting.

1. **<u>Master Consulting Services Report – September 30, 2021</u>**

Ms. Mink reviewed the Master Consulting Report as of September 30, 2021, which had been pre-circulated. The report indicated a beginning market value of $131,501,160, a negative net cash flow of $2,934,702 and a net investment change of $1,650,669, producing an ending market value of $130,217,127 for the third quarter.

2. <u>October Performance Update- October 31, 2021</u>

Ms. Mink reviewed the preliminary Performance Update for the period ending October 31, 2021 which had been pre-circulated. The report showed the Fund had a beginning market value of $130,217,127, negative cash flow of $1,448,632, and investment income of $3,077,787, producing an ending market value of $131,846,282 on October 31, 2021. The year-to-date return as of October 31, 2021 was 14.7% gross of fees.

Ms. Mink provided an overview of the financial markets. Ms. Mink reported that all of the Fund's asset allocations except value add real estate are within the Investment Policy ranges. She noted that as capital calls are made, the Fund's allocation to value add real estate is expected to rebalance within the Investment Policy range without having to reduce the current allocation. Ms. Mink reported on IPS's recommendation that the Fund rebalance its investment allocations by moving $1.0 million from domestic large cap equity managed by Westfield to short duration high yield fixed income managed by Chartwell. After discussion,

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

> **RESOLVED, to move $1.0 million from the domestic large cap equity portfolio managed by Westfield to the short duration high yield fixed income portfolio managed by Chartwell.**

Ms. Mink described IPS's recommendation that earnings from Principal US Property and Boyd Watterson be re-invested with Principal and Boyd Watterson, respectively. After discussion, On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to approve IPS's recommendation that income from the Fund's investments with Boyd Watterson and Principal US Property be reinvested into those investments.**

Ms. Mink reported that, on October 20, 2021, Chartwell announced an ownership change and noted that IPS recommends the Board consent to the ownership change. After discussion,

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

> **RESOLVED, to consent to Chartwell's ownership change.**

The Trustees thanked Ms. Mink for her report and she was excused from the meeting.

IV. <u>Auditor's Report</u>

The Trustees welcomed Mr. Mark Buckberg from Withum Smith and Brown ("Withum") to the meeting.

Mr. Buckberg presented the Financial Statements for the period ended December 31, 2020. He stated that his firm rendered an unmodified opinion on the financial statements and that they are in conformity with generally accepted accounting principles.

Mr. Buckberg reported that total assets as of December 31, 2020 were $126,959,709 and total liabilities were $244,856, producing net assets available for benefits of $126,714,853. Mr. Buckberg reviewed the Notes to Financial Statements, Schedule of Assets Held for Investment Purposes, Schedule of Employer Contributions and Schedule of Administrative Expenses.

Mr. Buckberg noted that the Fund's Form 5500 was filed on time.

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

> **RESOLVED, to accept the Auditor's 2020 Financial Statements, as presented.**

The Trustees thanked Mr. Buckberg for his report and he was excused from the meeting.

IV. ATTORNEY'S REPORT

A. Rehabilitation Plan ("RP")

Mr. Slevin reported on the Fund's Rehabilitation Plan.

B. American Rescue Plan Act ("ARPA")

Mr. Slevin reported on ARPA and related guidance issued thereunder. After discussion, the Trustees directed the Fund office to send a notice to the Fund's participating employers and unions, notifying them of the Board's intent to apply for Special Financial Assistance under ARPA once the Fund is eligible to do so.

C. Shoppers Contribution Delinquency

Mr. Slevin reported on Shoppers' contribution delinquency.. The Employer Trustees and Mr. Kimble were recused from any discussion on the matter.

D. Department of Labor ("DOL") Cybersecurity Best Practices

Ms. Sanchez reported on the DOL guidance related to cybersecurity best practices.

After discussion, and on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to direct the Fund office to send cybersecurity questionnaires and contract addenda to Fund vendors that receive or maintain financial, personal or otherwise confidential information relating to the Fund.**

E. Eligible Rollover Distributions

Ms. Sanchez reported on the administration of eligible rollover distributions. The Trustees agreed to apply the Internal Revenue Code's definition of required beginning date to eligible rollover distributions.

F. <u>G&G/Eddies</u>

Ms. Sanchez reported on G&G/Eddie's withdrawal liability obligation.

G. <u>Fiduciary Liability Insurance</u>

Ms. Sanchez reported on the Fund's fiduciary liability insurance renewal.

H. <u>Form 5500 and Financial Statements.</u>

Ms. Sanchez reported on the Fund's Form 5500 and financial statements.

I. <u>104(d) Notice</u>

Ms. Sanchez reported on the Fund's 104(d) Notice.

VI. ADMINISTRATIVE MANAGER'S REPORT –Third Quarter 2021 Report

A. <u>Third Quarter 2021 Report</u>

Mr. Ianniello presented the Administrative Manager's Report for the third quarter 2021, which had been pre-circulated. The report showed total income of $1,430,435 and total expenses of $4,221,620, producing a net deficit of $2,791,185 for the quarter. He noted that the Fund received contributions on behalf of 1,632 Plan participants. He reviewed the Stipend Income & Expenses, which showed stipend income of $94,050 and stipend expenses of $94,578 for 64 Plan participants.

Mr. Ianniello reported that there were no delinquencies for the Third Quarter 2021.

B. <u>Pension Applications</u>

Mr. Ianniello presented the list of pension applications submitted for approval during the third quarter 2021.

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 third quarter 2021 are approved for payment.

C. INVOICES

Mr. Ianniello presented a list of invoices dated December 7, 2021. He noted there were 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 December 7, 2021 are approved for payment.

D. OTHER FUND BUSINESS

1. Cowan Recapture

Mr. Ianniello reported that the Fund had received a check in the amount of $144.45 from Cowan commission recapture services.

2. IFEPB Trustee Renewals

Mr. Ianniello presented the IFEBP membership renewals.. After discussion,

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

RESOLVED, to renew the Funds membership with IFEBP using the most economical method available.

3. Pension Benefit Guarantee Corporation 2022 Premium Rates

Mr. Ianniello reported that the Pension Benefit Guaranty Corporation 2022 Comprehensive Premium Rates are increasing to $32 per participant.

4. Administrative Services Contract Renewal

Mr. Ianniello stated that Associated Administrators, LLC's contract expires December 31, 2021. He presented a request for a three-year extension of the contract and reviewed the request for renewal.

Ms. Walsh announced that Harbour Benefit Holdings had purchased Associated Administrators, LLC on November 30, 2021. She explained that Harbour had approached Associated about the transaction, and she reviewed the reasons she believes Associated will be equipped to provide exemplary services to the Fund while having no effect on locations, personnel, or Associated's existing agreements. Associated will continue to be a distinct entity under the Harbour umbrella and its name will not change. Ms. Walsh stated that the CEO of Harbour offered to discuss the acquisition with the Trustees if they so desire.

The Trustees requested a meeting with the CEO of Harbour Benefit Holdings to discuss the acquisition.

IX. 2022 MEETING DATES AND LOCATIONS

After discussion, The Trustees selected the following dates and meeting locations for 2022:

March 3, 2022 – 10:00 a.m. – Virtual
June 9, 2022 – Time – TBD, Location – TBD
September 12, 2022 – Time – TBD, Location – TBD
December 1, 2022 – Time – TBD, Location – TBD

X. ADJOURNMENT

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

Respectfully Submitted,

William Seehafer, Chairman