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 JUNE 3, 2024 (DRAFT)

The following Trustees were present:

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

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

Also present were:

B. Antoshak - Associated Administrators, LLC
A. Dietrich – Slevin & Hart P.C.
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. McDonough - Investment Performance Services
B. McKiver - UFCW Local 400
C. Murphy - Associated Administrators, LLC
R. Murray - Cheiron
S. Sanchez - Slevin & Hart P.C.
A. Sims - 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

The Trustees reviewed the previously circulated minutes of the last regular meeting on March 4, 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 March 4, 2024, are approved as presented.**

III. FINANCIAL REPORT

The Trustees welcomed Mr. Chris McDonough from IPS to the meeting.

A. Cash Flow Summary

Mr. McDonough presented the Master Consulting report as of March 31, 2024. He reviewed the cash flow for the first quarter of 2024, noting a beginning market value of $98,709,590, contributions of $4,126,930, and withdrawals of $7,023,990 producing a negative net cash flow of $2,897,060, and investment gains of $3,374,633, for an ending value of $99,187,164.

B. Master Consulting Services Report – March 31, 2024

Mr. McDonough reviewed the Financial Market Performance and the Fund's first quarter returns. He noted that the Short Term Fixed Income position was within the Policy range but slightly overweight due to the money that was put aside for current cash needs until the SFA money is received. The Fund has a 2024 Year to Date return of 3.5% compared to the benchmark return of 2.9%.

Mr. McDonough presented an April update, noting that as of April 30, 2024, the Fund's balance was $96,743,055, with a year-to-date return of 2.1%.

The Trustees thanked Mr. McDonough for his report.

IV. ACTUARY'S REPORT

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

A. SFA Update

Mr. Hardcastle presented an update on the SFA application process. He said that at this time, it appears the Fund will likely be eligible to submit its SFA application in approximately February of 2025. Mr. Hardcastle noted that many funds have had to re-file their SFA applications due to death audit issues and this has slowed down PBGC's review process. Mr. Hardcastle said that the PBGC has recommended that funds not file their SFA applications until PBGC has completed its death audit verification process for the applicant fund.

Mr. Hardcastle reported that Cheiron is in the process of reviewing PBGC's death audit results for the Fund. Mr. Ianniello stated that the Fund office has sent letters to the last known addresses of all 105 individuals identified by PBGC as deceased but has not yet received any responses. He also noted that the Fund office runs death audits of the participant population on a monthly basis. The Trustees discussed the possibility that a small number of the participants identified as deceased by PBGC may be using fraudulent Social Security Numbers.

B. Shoppers Food Warehouse Hours

Mr. Hardcastle spoke about the three Shoppers stores that were reopened and have now officially closed. Mr. Warren noted that hours have been relatively flat for Shoppers from middle of 2023 through the first quarter of 2024. He said that Cheiron would continue to monitor the hours to so that the Trustees can further discuss the contributions assumption for the Fund's SFA application.

The Trustees thanked Cheiron for their report.

V. ATTORNEYS' REPORT

A. Participant Overpayments

Ms. Sanchez reported on overpayments made on behalf of three deceased participants. Two of these overpayments, in the amounts of $714 and $2,280, were made via direct deposit after the date of death. A third overpayment of approximately $23,000 was due to the fraudulent cashing of pension checks sent after the participant's death. After Discussion, On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to write off the $714 and $2,280 overpayments based on the specific facts and circumstances; and**
>
> **FURTHER RESOLVED, to delegate to Chairman and Secretary the authority to make any necessary decisions relating to the $23,000 overpayment.**

B. Plan Amendment Secure 2.0

Ms. Sanchez presented for signature the Plan amendment reflecting the changes approved by the Board relating to SECURE 2.0 Act.

C. Required Minimum Distributions for Former Meat and Poultry Group

Ms. Sanchez reported on the RMD payments applicable to former Meat & Poultry Fund participants.

D. Cybersecurity Update

Ms. Sanchez reported on the cybersecurity addenda and questionnaires received from Fund providers.

E. Cyber Liability Insurance

Ms. Sanchez reported on the Fund's Cyber Liability Insurance Policy.

F. DOL Proposed Information Request

Ms. Sanchez reported on the DOL's request for comments on its proposed information request to pension funds.

G. Withum Engagement Letter

Ms. Sanchez reported that the Withum Engagement letters had been executed.

H. Fiduciary Renewal Review

Ms. Sanchez reported on the Fund's Fiduciary Insurance Renewal Policy.

I. Annual Funding Notice

Ms. Sanchez reported on the Fund's Annual Funding Notice and Critical Status Notice.

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

A. First Quarter 2024 Report

Mr. Ianniello presented the Administrative Manager's Report for the First Quarter of 2024, which had been pre-circulated. The report showed a total income of $1,506,579 and total expenses of $4,316,366, producing a net deficit of $2,809,787 for the quarter. He noted that the Fund received contributions on behalf of 1,648 Plan participants. Next, he reviewed the Stipend Income & Expenses, which showed a stipend income of $40,500 and stipend expenses of $40,746 for 30 Plan participants.

Mr. Ianniello reported that there were no delinquencies for the First Quarter of 2024.

B. Pension Applications

Mr. Ianniello presented the list of pension applications submitted for approval during the First 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 first quarter of 2024 are approved for payment.**

Trustee Blitzstein asked how long it takes from when Associated receives a pension application to when benefit payments begin. Mr. Ianniello said he would get some figures from the Pension department and let Trustee Blitzstein know the average time.

C. Invoices

Mr. Ianniello presented a list of pre-circulated invoices dated June 3, 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 June 3, 2024, invoices are approved for payment subject to Withum confirming its charges and correcting the title of its invoice.**

VI. OTHER FUND BUSINESS

A. Cowan Recapture

Mr. Ianniello reported that the Fund had received checks for $59.53 from Cowan commission recapture services.

B. Ratify the Information request from Shoppers

Mr. Ianniello reported that, in between meetings, the Board approved via email poll the disclosure of certain information requested by Shopper's Food Warehouse.

C. Intercontinental Real Estate Payment

Mr. Ianniello reported that the Fund received a redemption payment of $43,730.60 from Intercontinental.

D. Cyber Liability Insurance

Mr. Ianniello presented the proposed Cyber Liability Insurance renewal with Travelers/Tokyo Marine HCC for a $2 million limit of liability, with a premium of $14,190 split between the Pension, Health & Welfare, and Legal Funds.

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

> **RESOLVED, to renew the Fund's Cyber Liability Insurance Policy at a limit of liability of $2 million and a premium of $14,190 with Travelers/Tokyo Marine for the period of 6/8/2024 through 6/8/2025, with the premium and liability limits split between the Pension, Health & Welfare, and Legal Funds.**

VII. 2024 MEETING DATES & LOCATIONS

The next regular Board meeting is scheduled via Zoom on September 13, 2024.

VIII. ADJOURNMENT

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

Respectfully Submitted,

Jason Chorpenning, Secretary