

UFCW – Safeway Variable Annuity Pension Fund

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MINUTES OF THE MEETING OF THE **BOARD OF TRUSTEES OF THE** **UFCW AND SAFEWAY VARIABLE ANNUITY PENSION FUND** **VIA VIDEO CONFERENCE** **DECEMBER 9, 2022**

The following Trustees were present:

UNION TRUSTEES

M. Federici – Chairman
J. Chorpenning
D. Blitzstein (Alternate)

EMPLOYER TRUSTEES

D. Dosenbach – Secretary
W. Wescott
J. Williams (Alternate)

Also present were:

Associated Administrators, LLC

Cheiron
Investment Performance Services, LLC
Milliman, Inc.
Schulte Roth & Zabel LLP
Slevin & Hart, P.C.

W. Antoshak, D. Jensen, B. Maiorano,
R. McKnight, A. Sims
G. Kalwarski, H. Merlak, K. Woodrich
J. Carroll
V. Harte, A. Shapiro
S. Bernstein, R. Richman
S. Sanchez, B. Slevin

I. CALL TO ORDER

A quorum being present, the meeting was called to order.

II. MINUTES

The Trustees reviewed the minutes of the regular meetings held on August 10, 2022 and September 23, 2022, which were pre-circulated.

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

RESOLVED that the minutes of the regular meetings held on August 10, 2022 and September 23, 2022 are approved, as presented.

III. INVESTMENT CONSULTANT'S REPORT

The Trustees welcomed Jennifer Carroll from Investment Performance Services to the meeting.

Ms. Carroll reported that she continues to work with Fund Co-Counsel and the investment managers to finalize the investment manager contracts. She noted that the American Realty Advisors contract has been fully executed and this investment was funded as of October 1, 2022. Ms. Carroll stated the proposed Investment Policy Statement is currently under review by Co-Counsel and IPS expects to present it for the Trustees' review at the next Board meeting. Trustee Blitzstein requested that IPS provide updated capital market assumptions and risk return profiles for the Trustees' review at the next meeting, considering the current market trends and the dramatic changes in capital markets and interest rates.

The Trustees thanked Ms. Carroll for her report.

IV. ACTUARY'S REPORT

Mr. Victor Harte of Milliman, Inc. was welcomed to the meeting. Mr. Harte stated the January 1, 2022 actuarial valuation is in progress and Milliman expects to complete it before the next Board of Trustees meeting.

Mr. Harte reported on the contribution amounts paid by Safeway to date. The Trustees, Milliman and Cheiron discussed the amount of additional contributions to be remitted by

Safeway prior to March 1, 2023 and Safeway's contribution schedule for 2023. Trustee Dosenbach stated that Safeway will be remitting a \$5 million contribution to the Fund by the end of December 2022. Mr. Harte stated that Milliman and Cheiron would coordinate to determine the additional amount of tax-deductible contributions that Safeway could make prior to March 2023. Trustee Dosenbach stated that Safeway would make an additional contribution payment in January 2023, based on Milliman's and Cheiron's determination of the appropriate amount..

The Trustees thanked Mr. Harte for his report.

V. ATTORNEY'S REPORT

A. Investment Rate of Return Amendment

Ms. Sanchez reported on the Plan's definition of Actual Investment Rate of Return. The Trustees discussed this definition and the Fund's 2021 and 2022 investment returns. The Trustees agreed on the concept of neutrality – meaning that there would be no increase or decrease on the value of benefits or the value of the stabilization reserve as a result of actual returns in 2021 and 2022.

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

RESOLVED to amend the Plan document to provide that the Investment Rate of Return for 2021 and 2022 will be 5.5%; and

FURTHER RESOLVED to delegate authority to Chairman and Secretary to review and execute the above-referenced Plan Amendment.

B. Investment Policy Statement

Ms. Sanchez reported on the Fund's Investment Policy Statement.

C. Investment Manager Agreements

Ms. Sanchez reported on the Fund's Investment Manager Agreements.

D. PNC Custodian Agreement

Ms. Sanchez reported on the Custodian Agreement with PNC.

E. IRS Determination Letter Application

Ms. Sanchez reported on the status of the IRS determination letter application.

The Trustees thanked Co-Counsel for their report.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Sims presented the Administrative Manager's Report for the third quarter 2022. The report indicated regular employer contributions of \$7,756,894 and a stabilization reserve employer contribution of \$4,000,000, resulting in total income of \$11,756,894 for the quarter. Expenses for the third quarter 2022 totaled \$267,686, resulting in a surplus of \$11,489,208 for the quarter.

VII. INVOICES

The Trustees reviewed the list of invoices dated December 9, 2022. It was 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 9, 2022
are approved for payment.**

VIII. OTHER FUND BUSINESS

A. Form 5500 Filed

Ms. Sims reported the Form 5500 had been filed on October 14, 2022.

B. PBGC Premium Filing – 2021 & 2022

Ms. Sims reported the PBGC premiums have been paid for 2021 and 2022. She noted the total premium for Plan Year 2021 was \$0, and for Plan Year 2022, the total premium was \$507,760 .

IX. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the next regular Board meeting on March 7, 2023 via video conference.

X. ADJOURNMENT

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

Respectfully submitted,

Mark Federici, Chairman

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