

**Industry And Local 338
Pension Fund**
911 Ridgebrook Road
Sparks, MD 21152-9451
Telephone No. (855) 412-3797 (toll free)
www.associated-admin.com

AGENDA

October 15, 2019

- I. CALL MEETING TO ORDER – 9:15 A.M.
- II. ACTUARY REPORT
- III. SEI REPORT
- IV. APPROVAL OF MINUTES – July 16, 2019
- V. FUND MANAGER’S ADMINISTRATIVE REPORT
 - a. Pension and Termination Benefit Applications
 - b. Fund Financial Matters
 - c. Changes in Employer Contribution Rates
 - d. Delinquent Employer Report
 - e. Participant Report
 - f. Other Fund matters
- VI. COUNSEL REPORT
- VII. NEXT MEETING DATE
- VIII. ADJOURNMENT

Industry And Local 338
Pension Fund
911 Ridgebrook Road
Sparks, MD 21152-9451
Telephone No. (855) 412-3797 (toll free)
www.associated-admin.com

Minutes of the Meeting of the Board of Trustees

Held on July 16, 2019
via
Conference Call

The following Trustees were present:

UNION TRUSTEES

Roberta Dunker
Mickey Smith
Barry Russell

EMPLOYER TRUSTEES

Theresa Bresten
Chris Palmer

Also present were:

Kristen Barshinger – Associated Administrators, LLC
Pat Blizzard – SEI Institutional Group
Alicia Cochran – Associated Administrators, LLC
Mary Ann Dunleavy – Horizon Actuarial Services, LLC
Dylan Nitta – Horizon Actuarial Services, LLC
Elizabeth O’Leary, Esq. – Kauff McGuire & Margolis LLP

I. CALL TO ORDER

The meeting was called to order at 9:02 a.m.

II. ACTUARY REPORT

Ms. Mary Ann Dunleavy and Mr. Dylan Nitta of Horizon Actuarial Services, LLC reviewed Horizon’s report which was previously distributed.

Ms. Dunleavy presented information on the Plan’s funded status and the July 1, 2019 PPA zone certification, the Plan’s funding levels and zone status certifications between July,

2008 and July, 2018, and updated funding forecasts. She discussed the terms of the Rehabilitation Plan, including the contribution schedules and the amounts included in current collective bargaining agreements (“CBAs”).

Ms. Dunleavy then discussed the 2019 PPA certification and presented the assumptions used for projecting liabilities and assets, noting that the projection of liabilities is based on the July 1, 2018 valuation and the projection of assets is based on the preliminary return of 5.03% for the plan year ended June 30, 2019. Ms. Dunleavy noted that projections for certification purposes may include only future contribution increases that have been negotiated and included in current CBAs.

Ms. Dunleavy explained that, under the baseline scenario, with no change to the assumptions used for the July 1, 2018 valuation and with a level future active population, the Plan will emerge from Critical Status and be certified in the “Green” zone for the July 1, 2019 – June 30, 2020 plan year. Scenarios showing the sensitivity of the projections to alternative investment experience were reviewed.

Ms. Dunleavy discussed the discount rate assumption used for valuing the liabilities of the Plan, and referred to previous discussions regarding potentially lowering the Plan’s investment risk. She noted that, in general, investment professionals have lowered their assumptions for future investment returns over the last several years and that it may be appropriate to lower the discount rate assumption to 7.25%. A funding projection using 7.25% was reviewed. She explained that, under the revised discount rate assumption, the Plan would also be certified “Green” for the 2019-2020 plan year.

Ms. Dunleavy noted that the certification must be issued by September 28, 2019 and noted that once the Plan is certified in the “Green” zone, the Rehabilitation Plan ceases to exist. She stated that contribution increases required by the existing CBAs will go into effect as scheduled, but future CBAs will not be required to include the contribution increases previously anticipated by the Rehabilitation Plan. The Trustees provided

guidance on future levels of work, affirming an assumption of steady work hours at the level experienced in the 2018-2019 plan year by active employers.

Ms. Dunleavy presented information on developing a funding policy for the plan after emergence from critical status. Fund Counsel reviewed her memo dated July 15, 2019 which covered historical issues regarding enforcing the funding policy in bargaining, Trust Agreement provisions regarding the Trustees' authority with respect to contributions, and contribution requirement issues following emergence from Critical Status. The Trustees requested that the Fund's professionals provide additional information on setting a funding policy at the next Trustees' meeting.

III. INVESTMENT CONSULTANT REPORT

Mr. Patrick Blizzard of SEI reviewed SEI's report which was previously distributed.

Mr. Blizzard discussed the firm's investment outlook, provided an overview of the capital markets, and answered questions about general market conditions as well as issues specific to the Fund's portfolio.

Mr. Blizzard reported that the Fund's ending market value as of June 30, 2019 was \$90,338,451 and the fiscal year-to-date total rate of return is 5.63% compared to 6.13% for the index. Since inception with SEI (01/31/2011), the rate of return is 7.78%, compared to the 7.18% return for the index. The current portfolio allocation as of June 30, 2019 is 10.20% Large Cap Index Fund, 2.70% Small Cap Fund, 18.60% World Equity - US, 14.10% US Equity Factor Allocation Fund, 3.00% Emerging Markets Debt Fund, 7.00% Dynamic Asset Allocation Fund, 10.00% Core Fixed Income Fund, 4.80% Limited Duration Fund, 4.00% High Yield Bond Fund, 3.90% Opportunistic Income Fund, 2.80% Emerging Markets Equity Fund, 2.40% Ultra Short Bond Fund, 3.20% Special Situations Fund CIT, 1.70% Structured Credit Collective Fund, 11.60% Core Property Collective Invest TR, and 0% cash and equivalents.

Mr. Blizzard discussed the Ultra Short Bond Fund. Due to the underperformance in this asset allocation, he recommended eliminating the Ultra Short Bond Fund and using the proceeds to fund the Core Fixed Income Fund.

After a discussion,

MOTION was made, seconded and unanimously adopted to approve the recommendation of SEI to eliminate the Ultra Short Bond Fund and invest the proceeds in the Core Fixed Income Fund.

IV. APPROVAL OF MINUTES

The minutes of the meeting held on April 23, 2019, which were previously distributed, were reviewed.

MOTION was made, seconded and unanimously adopted to approve the minutes of the meeting held on April 23, 2019.

V. ASSOCIATED ADMINISTRATORS, LLC REPORT

A. Cash Operating Statement

Ms. Cochran submitted the Cash Operating Statement from July 1, 2018 through March 31, 2019. The report is attached hereto as **Exhibit "A."**

B. Disbursement Report

Ms. Cochran referred to the Authorization for Disbursements reports for the months of January, February, and March 2019. The reports are attached hereto as **Exhibit "B."**

MOTION was made, seconded and unanimously adopted authorizing the disbursements listed in Exhibit "B."

C. Delinquency Report

Ms. Cochran reviewed the report in detail. The report is attached hereto as Exhibit "C." Ms. Cochran discussed changes to Associated's procedures with respect to continuing to bill Employers any late payment charges after the initial demand letters are sent. Ms. O'Leary noted that any amounts that were due more than six (6) years ago are uncollectable.

MOTION was made, seconded and unanimously adopted to write off the following late payments as uncollectable: Suburban Propane (\$17.42; 2/13 to 3/13); Friesland Campina (\$201.71; 3/13); Paraco Gas Corp. (\$26.39; 3/13, 6/13).

Ms. Cochran reported that Associated has billed the College of New Rochelle for \$135,431.40 owed to the Pension Fund in retroactive contribution rate increases under its new CBA.

D. Withdrawal Liability

Ms. Cochran reviewed the report in detail. The report is included at the bottom of Exhibit "C."

E. Employer Contribution Rate Report

Ms. Cochran reviewed the report in detail. The report is attached hereto as Exhibit "D."

F. Active Members & Retirees Receiving Benefits

Ms. Cochran referred to the report for the period from January 2019 through March 2019. The report is attached hereto as **Exhibit "E."**

G. Administrative Manager's Report

Ms. Cochran reviewed the report in detail. The report is attached hereto as **Exhibit "F."**

H. CulinArt Withdrawal Liability

Ms. Cochran reported that the Notice of Demand letter, Withdrawal Liability calculation and the ERISA Section 4219(a) Request for Information was sent on June 18, 2019. She said the first monthly payment of \$15,690 was received on June 28, 2019.

VI. COUNSEL REPORT

Ms. O'Leary referred the Trustees to her memo dated July 15, 2019 and reported on the following withdrawal liability items.

A. CulinArt, Inc.

Ms. O'Leary noted that, as previously reported, the Fund assessed CulinArt, Inc. with withdrawal liability of \$3,207,145, and that CulinArt has until on or about September 16, 2019, 90 days from the date it received the notice and demand of withdrawal liability, to request review of the assessment and that, if it does not file a timely request for review, it will have waived any defenses it may have to the assessment. She explained that CulinArt is subject to the 20-year cap on withdrawal liability payments, that its payment schedule requires payment of \$15,690 per month for 240 months, with the final payment due on June 1, 2039, and that, if it makes each monthly payment for the duration of the payment schedule, it will have paid a total of \$3,765,600.

Ms. O’Leary reported that, following receipt of the withdrawal liability demand, Kevin Wright of Littler, counsel for CulinArt’s parent company (Compass Group), inquired about settling this matter for a lump sum payment prior to CulinArt determining whether to request a review of the assessment or to waive any defenses. She stated that she asked Horizon to calculate the present value of the 20-year monthly payment stream. She reviewed with the Trustees a worksheet prepared by Horizon which showed 13 different present value calculations based on interest rates ranging from 0.0% to 7.5%. It was noted that, as shown on the Horizon calculation, the present value number ranges from a high of \$3,765,600 at a 0.0% interest rate to \$1,966,710 at a 7.50% interest rate. Ms. O’Leary stated that CulinArt’s counsel has stated his view that the appropriate interest rate for settlement discussions would be somewhere between 4% or 5% and 7.5%, but has not presented a dollar amount, and that CulinArt has not been provided with the Horizon worksheet. The Trustees and the professionals had a lengthy discussion of settlement considerations and the appropriate discount rate.

After a discussion,

MOTION was made, seconded and unanimously adopted to authorize Fund counsel to advise CulinArt’s counsel that the Trustees are amenable to applying a 3% discount rate which equates to a lump sum payment of \$2,837,978.

Ms. O’Leary discussed with the Trustees the request for review process and advised that she will update the Trustees if CulinArt files a request for review. Ms. Dunleavy and Ms. O’Leary briefly discussed the pending Second Circuit appeal in the New York Times case which, among other things, involves a challenge to the Segal Blend, and noted that a decision in that case can be expected to influence whether an employer challenges a withdrawal liability assessment in which the Segal Blend is used. She also stated that, based on CulinArt’s response to the Trustees’ offer, she may ask SEI to

analyze the impact on the Fund of various settlement scenarios compared to the 20-year payment stream.

B. College of New Rochelle

Ms. O’Leary referred to the upcoming anticipated withdrawal of the College of New Rochelle (“CNR”). She noted that the Trust Agreement permits the Trustees to determine that an Employer is in default on withdrawal liability if, among other factors, a petition is filed in bankruptcy court or upon the occurrence of any event or circumstance indicating that the Employer will be unable to pay its future withdrawal liability. She stated that, upon default, the Trustees may require immediate payment of all withdrawal liability. Ms. O’Leary recommended that the Trustees determine that, based on the anticipated bankruptcy filing and other reports of inability to pay, CNR will be in default upon its withdrawal and that the Trustees should demand the full amount due.

After a discussion,

MOTION was made, seconded and unanimously adopted to determine that CNR shall be in default of its withdrawal liability obligations and to demand the full amount due rather than installment payments.

VII. NEXT MEETING DATE/ADJOURNMENT

A regular meeting of the Board of Trustees is scheduled for Tuesday, October 15, 2019 at 9:15 a.m. via conference call. With no further business to come before the Board, the meeting was adjourned at 11:27 a.m.

INDUSTRY & LOCAL 338 PENSION FUND
JULY 1, 2018 THROUGH JUNE 30, 2019
CASH OPERATING STATEMENT

	JANUARY	FEBRUARY	MARCH	JANUARY - MARCH	YEAR TO DATE
Remittances					
Employer Contributions *	322,455.30	274,487.16	299,419.42	896,361.88	2,669,942.74
Withdrawal Liability Principal	6,045.56	5,222.48	4,383.45	15,651.49	45,266.21
Withdrawal Liability Interest	11,776.78	10,054.41	8,347.99	30,179.18	89,680.35
Withdrawal Liability Fee	0.00	0.00	0.00	0.00	1,500.00
Payroll Audit	0.00	0.00	0.00	0.00	773.76
Payroll Audit Interest	0.00	0.00	0.00	0.00	77.10
Interest- Delinquent Employer	17.07	222.67	0.00	239.74	1,446.99
Interest Income- BNY Mellon	0.00	0.00	0.00	0.00	0.00
Dividend Income	61,763.58	60,160.19	55,840.80	177,764.57	1,368,745.30
SEI Fund Rebate	0.00	29,424.82	0.00	29,424.82	97,500.81
Net Adjustment Per Custodian	0.00	0.00	0.00	0.00	0.00
Total Income **	402,058.29	379,571.73	367,991.66	1,149,621.68	4,274,933.26
Benefit Expenses					
Pension Benefits	670,686.17	688,532.90	702,080.00	2,061,299.07	6,125,602.29
Total Benefit Expenses	670,686.17	688,532.90	702,080.00	2,061,299.07	6,125,602.29
Administrative Expenses					
AA, LLC- Admin. Fees *	9,341.00	9,341.00	9,341.00	28,023.00	84,069.00
Legal Fees	0.00	0.00	0.00	0.00	15,050.41
Consulting Fees	0.00	0.00	0.00	0.00	0.00
SEI Invest./Custody Fees	0.00	147,763.58	0.00	147,763.58	451,655.95
Fiduciary Liability Insurance	0.00	0.00	0.00	0.00	30,943.00
Year End Audit	20,000.00	0.00	0.00	20,000.00	20,000.00
Payroll Audits	934.05	0.00	997.85	1,931.90	3,415.33
PBGC Insurance	0.00	0.00	0.00	0.00	0.00
Fidelity Bond Insurance	1,606.28	0.00	0.00	1,606.28	1,606.28
Convention & Seminars	0.00	1,995.00	0.00	1,995.00	2,586.22
Printing & Stationery	0.00	0.00	93.19	93.19	234.05
Postage	141.92	0.00	61.60	203.52	2,949.32
Office Supplies & Expenses	0.00	0.00	0.00	0.00	(4.31)
Bank Charges	271.65	343.30	188.75	803.70	2,062.05
Meeting Expenses	0.00	325.38	399.42	724.80	2,350.16
Dues & Membership	0.00	0.00	0.00	0.00	546.00
IFEBP Registration Fee	0.00	0.00	0.00	0.00	1,865.00
Actuarial Fees	0.00	0.00	26,013.34	26,013.34	70,509.28
Cyber Liability	0.00	0.00	0.00	0.00	1,608.30
TOTAL EXPENSES	702,981.07	848,301.16	739,175.15	2,290,457.38	6,817,048.33
INCREASE/(DECREASE)	(300,922.78)	(468,729.43)	(371,183.49)	(1,140,835.70)	(2,542,115.07)

FUND RESERVE AS OF 3/31/19: \$88,789,112.80

* Cash to Accrual

** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for January are (4,857.87) & 4,119,561.66

** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for February are 21,233.03 & 1,517,759.90

** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for March are 18,116.99 & 628,390.93

**INDUSTRY AND LOCAL 338 PENSION FUND
AUTHORIZATION FOR DISBURSEMENTS
JANUARY 31, 2019**

PENSION FUND CHECKING		
CHECK	DESCRIPTION	AMOUNT
	FEDERAL WITHHOLDING TAX (FEBRUARY)	61,327.95
	TOTAL PAYMENTS	61,327.95

**INDUSTRY AND LOCAL 338 PENSION FUND
AUTHORIZATION FOR DISBURSEMENTS
FEBRUARY 28, 2019**

PENSION FUND CHECKING		
CHECK	DESCRIPTION	AMOUNT
	FEDERAL WITHHOLDING TAX (MARCH)	60,323.20
	TOTAL PAYMENTS	60,323.20

**INDUSTRY AND LOCAL 338 PENSION FUND
AUTHORIZATION FOR DISBURSEMENTS
MARCH 31, 2019**

PENSION FUND CHECKING		
CHECK	DESCRIPTION	AMOUNT
	FEDERAL WITHHOLDING TAX (APRIL)	59,199.95
	TOTAL PAYMENTS	59,199.95

Local 338 Delinquency Log

Delinquencies as of 3/31/19

Employer	Month(s) Delinquent
College of New Rochelle	2/19 *

Late Fees

Employer	Pension	Total Balance Owed	Month(s) Owed
Culinart, Inc.	\$29.59	\$29.59	7/15
College of New Rochelle	\$774.27	\$774.27	6/16-9/16, 11/16, 2/19-5/19
**Suburban Propane	\$17.42	\$17.42	2/13-3/13
**Friesland Campina USA LP	\$201.71	\$201.71	3/13
**Paraco Gas Corp.	\$26.39	\$26.39	3/13, 6/13

Status of Withdrawal Liability Payments as of 3/31/19

Employer	Start Date	Amount of W/L Pymt Mthly	Total # of Pymts Required	Pymts Made to Date	Past Due?	Employer ID#	Date of withdrawal
Sodexo	6/1/2013	\$11,251.86	240	71	No	56	8/31/2012
Suburban Propane	8/1/2013	\$2,545.45	240	69	No	7	5/22/2013
Local 338 Welfare Fund	3/1/2014	\$1,479.58	240	61	No	36	6/30/2013

* College of New Rochelle Paid February Contributions on 4/15/19

** Exceeds 6-year statute of limitations

Local 338 Pension Fund Employer Contribution Rates

Employer	Employer #	***Pen Count	Contract Effective Date	Contract Expiration Date	Contract Rate	*5% Surcharge	**10% Surcharge	Rehab Plan	Total Weekly Pension Rate	Current CBA on file	Union
College of New Rochelle	9	20	9/1/2012	12/31/2019	174.00				174.00	Yes	445
			9/1/2013		182.80				182.80		
			9/1/2014		192.00				192.00		
			9/1/2015		201.60				201.60		
			9/1/2016		211.60				211.60		
			9/1/2017		232.80				232.80		
			4/1/2018		232.80			17.55	250.35		
			4/1/2019		232.80			36.24	269.04		
Crowley Foods-LaFargeville	13	85	11/1/2017	10/31/2020	286.43			17.55	303.98	Yes	687
			11/1/2018		286.43			36.24	322.67		
			11/1/2019		286.43			56.15	342.58		
Culinart, Inc. <i>Currently in negotiations</i>	60	16	1/1/2014	12/31/2016						No	445
			1/1/2014		187.53				187.53		
			1/1/2015		206.28				206.28		
			1/1/2016		226.91				226.91		
			11/1/2017		226.91	11.35			238.26		
			4/1/2018		226.91	11.35		17.55	255.81		
			7/1/2018		226.91		22.69	17.55	267.15		
Freisland Campina/ DMV mV Nutritionals	25	59	1/1/2019	12/31/2021						Yes	317
			11/1/2017		215.09				215.09		
			1/1/2018		225.09	11.25			236.34		
			7/1/2018		225.09		22.51		247.60		
			1/1/2019		225.09			17.55	242.64		
			1/1/2020		225.09			36.24	261.33		
			1/1/2021		225.09			56.15	281.24		
L.P. Transportation	43	32	8/16/2016	8/15/2019						Yes	445
			8/16/2016		290.80				290.80		
			8/16/2017		305.20				305.20		
			11/1/2017		305.20	15.26			320.46		
			7/1/2018		305.20		30.52		335.72		
			8/16/2018		305.20			17.55	322.75		

* 5% Surcharge Effective 11/1/17
** 10% Surcharge Effective 7/1/18

Local 338 Pension Fund Employer Contribution Rates

Employer	Employer #	***Pen Count	Contract Effective Date	Contract Expiration Date	Contract Amt	*5% Surcharge	**10% Surcharge	Rehab Plan	Total Weekly Pension Rate	Current CBA on file	Union
Montefiore New Rochelle	50	16	7/12/2018 11/6/2018 11/6/2019	11/5/2020	234.06 234.06 234.06			17.55 36.24 56.15	251.61 270.30 290.21	Yes	445
Paraco Gas Corp.	54	8	2/1/2018 2/1/2018 2/1/2019 2/1/2020	1/31/2021	227.60 227.60 227.60			17.55 36.24 56.15	245.15 263.84 283.75	Yes	445
Westchester Local 860 <i>Currently in negotiations</i>	21	1	10/1/2009 10/1/2009 10/1/2010 10/1/2011 10/1/2012 11/1/2017 4/1/2018 7/1/2018	9/30/2013	154.17 169.59 186.55 205.21 205.21 205.21 205.21				154.17 169.59 186.55 205.21 215.47 233.02 243.28	No	445

* 5% Surcharge Effective 11/1/17

** 10% Surcharge Effective 7/1/18

*** Participant Count as of 5/31/19

INDUSTRY AND LOCAL 338 PENSION FUND NUMBER OF ACTIVE MEMBERS & RETIREES RECEIVING BENEFITS JANUARY 2019 - DECEMBER 2019		
MONTH	<u>ACTIVES</u> PENSION	PENSION PAID
January-19	248	672
February-19	245	671
March-19	243	668
April-19		
May-19		
June-19		
July-19		
August-19		
September-19		
October-19		
November-19		
December-19		

INDUSTRY AND LOCAL 338

PENSION FUND

THIRD QUARTER 2018-19

ADMINISTRATIVE MANAGER'S REPORT

INDUSTRY & LOCAL 338 PENSION FUND
JANUARY 2019
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS *

	<u>RATE</u>	<u>PARTICIPANTS</u>	<u>CONTRIBUTIONS</u>
COLLEGE OF NEW ROCHELLE	\$ 208.95	20	\$ 20,895
WESTCHESTER LOCAL 860	\$ 243.28	1	\$ 973
LP TRANSPORTATION	\$ 322.75	36	\$ 57,449
CROWLEY FOODS- LA FARGEVILLE	\$ 303.98	89	\$ 109,385
CULINART	\$ 267.15	17	\$ 22,708
MONTEFIORE NEW ROCHELLE	\$ 251.61	16	\$ 25,949
PARACO GAS	\$ 245.15	7	\$ 7,844
FRIESLAND CAMPINA USA	\$ 247.60	62	\$ 77,251
SUB TOTAL		248	\$ 322,454

TOTAL CONTRIBUTIONS	\$ 322,454
----------------------------	-------------------

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
FEBRUARY 2019
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS *

	<u>RATE</u>	<u>PARTICIPANTS</u>	<u>CONTRIBUTIONS</u>
COLLEGE OF NEW ROCHELLE	\$ 208.95	20	\$ 16,716
WESTCHESTER LOCAL 860	\$ 243.28	1	\$ 973
LP TRANSPORTATION	\$ 322.75	35	\$ 44,540
CROWLEY FOODS- LA FARGEVILLE	\$ 322.67	87	\$ 110,353
CULINART	\$ 267.15	16	\$ 16,029
MONTEFIORE NEW ROCHELLE	\$ 270.30	16	\$ 17,299
PARACO GAS	\$ 263.84	8	\$ 7,915
FRIESLAND CAMPINA USA	\$ 247.60	62	\$ 60,662
SUB TOTAL		245	\$ 274,487

TOTAL CONTRIBUTIONS	\$ 274,487
----------------------------	-------------------

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
MARCH 2019
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS *

	<u>RATE</u>	<u>PARTICIPANTS</u>	<u>CONTRIBUTIONS</u>
COLLEGE OF NEW ROCHELLE	\$ 208.95	20	\$ 16,298
WESTCHESTER LOCAL 860	\$ 243.28	1	\$ 973
LP TRANSPORTATION	\$ 322.75	34	\$ 41,635
CROWLEY FOODS- LA FARGEVILLE	\$ 322.67	88	\$ 139,071
CULINART	\$ 267.15	15	\$ 16,029
MONTEFIORE NEW ROCHELLE	\$ 270.30	16	\$ 17,299
PARACO GAS	\$ 263.84	8	\$ 8,443
FRIESLAND CAMPINA USA	\$ 247.60	61	\$ 59,672
SUB TOTAL		243	\$ 299,420

TOTAL CONTRIBUTIONS	\$ 299,420
----------------------------	-------------------

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
JANUARY 2019
EXPENSES

BENEFIT EXPENSES

<u>BENEFIT</u>	<u>RATE</u>	<u>EXPENSE</u>	<u>COMMENT</u>
PENSION BENEFITS		\$ 670,686	
SUB TOTAL		\$ 670,686	

ADMINISTRATIVE EXPENSES

AA, LLC ADMIN FEES *		\$ 9,341	
LEGAL FEES		\$ -	
CONSULTING FEES		\$ -	
SEI INVESTMENT FEES		\$ -	
FIDUCIARY LIAB. INSURANCE		\$ -	
YEAR-END AUDIT		\$ 20,000	
PAYROLL AUDITS		\$ 934	
PBGC INSURANCE		\$ -	
FIDELITY BOND INSURANCE		\$ 1,606	
CONVENTION & SEMINARS		\$ -	
PRINTING & STATIONERY		\$ -	
POSTAGE		\$ 142	
OFFICE EXPENSES		\$ -	
BANK CHARGES		\$ 272	
TRAVEL EXPENSES		\$ -	
MEETING EXPENSES		\$ -	
DUES & MEMBERSHIP		\$ -	
IFEBP REGISTRATION FEES		\$ -	
ACTUARIAL FEES		\$ -	
CYBER LIABILITY		\$ -	
SUB TOTAL		\$ 32,295	

TOTAL EXPENSES	\$ 702,981
-----------------------	-------------------

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
FEBRUARY 2019
EXPENSES

BENEFIT EXPENSES

<u>BENEFIT</u>	<u>RATE</u>	<u>EXPENSE</u>	<u>COMMENT</u>
PENSION BENEFITS		\$ 688,533	
SUB TOTAL		\$ 688,533	

ADMINISTRATIVE EXPENSES

AA, LLC ADMIN FEES *		\$ 9,341	
LEGAL FEES		\$ -	
CONSULTING FEES		\$ -	
SEI INVESTMENT FEES		\$ 147,764	
FIDUCIARY LIAB. INSURANCE		\$ -	
YEAR-END AUDIT		\$ -	
PAYROLL AUDITS		\$ -	
PBGC INSURANCE		\$ -	
FIDELITY BOND INSURANCE		\$ -	
CONVENTION & SEMINARS		\$ 1,995	
PRINTING & STATIONERY		\$ -	
POSTAGE		\$ -	
OFFICE EXPENSES		\$ -	
BANK CHARGES		\$ 343	
TRAVEL EXPENSES		\$ -	
MEETING EXPENSES		\$ 325	
DUES & MEMBERSHIP		\$ -	
IFEBP REGISTRATION FEES		\$ -	
ACTUARIAL FEES		\$ -	
CYBER LIABILITY		\$ -	
SUB TOTAL		\$ 159,768	

TOTAL EXPENSES	\$ 848,301
-----------------------	-------------------

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
MARCH 2019
EXPENSES

BENEFIT EXPENSES

<u>BENEFIT</u>	<u>RATE</u>	<u>EXPENSE</u>	<u>COMMENT</u>
PENSION BENEFITS		\$ 702,080	
SUB TOTAL		\$ 702,080	

ADMINISTRATIVE EXPENSES

AA, LLC ADMIN FEES *		\$ 9,341	
LEGAL FEES		\$ -	
CONSULTING FEES		\$ -	
SEI INVESTMENT FEES		\$ -	
FIDUCIARY LIAB. INSURANCE		\$ -	
YEAR-END AUDIT		\$ -	
PAYROLL AUDITS		\$ 998	
PBGC INSURANCE		\$ -	
FIDELITY BOND INSURANCE		\$ -	
CONVENTION & SEMINARS		\$ -	
PRINTING & STATIONERY		\$ 93	
POSTAGE		\$ 62	
OFFICE EXPENSES		\$ -	
BANK CHARGES		\$ 189	
TRAVEL EXPENSES		\$ -	
MEETING EXPENSES		\$ 399	
DUES & MEMBERSHIP		\$ -	
IFEBP REGISTRATION FEES		\$ -	
ACTUARIAL FEES		\$ 26,013	
CYBER LIABILITY		\$ -	
SUB TOTAL		\$ 37,095	

TOTAL EXPENSES	\$ 739,175
-----------------------	-------------------

* Cash to Accrual

**INDUSTRY AND LOCAL 338
Pension Fund**

**PENSION APPLICATIONS SUBMITTED FOR APPROVAL
August 23, 2019**

NAME	AGE	TYPE OF PENSION	EFFECTIVE DATE	YEARS OF SERVICE	BENEFIT AMOUNT	J&S OPT	LAST EMPLOYER	LAST DAY WORKED
Michael Bathrick	65	Statutory (DV)	05-01-2019	14.50	\$1,268.84	50%	HP Hood	10-07-2004
Juan Ibarra	68	Normal	06-01-2019	29.00	\$2,543.15	N/A	College of New Rochelle	05-31-2019

APPROVED BY THE BOARD OF TRUSTEES

BARRY RUSSELL

THERESA BRESTEN

ROBERTA DUNKER

CHRIS PALMER

MICKEY SMITH

ALICIA COCHRAN
ACCOUNT EXECUTIVE

INDUSTRY & LOCAL 338 PENSION FUND
JULY 1, 2018 THROUGH JUNE 30, 2019
CASH OPERATING STATEMENT

	APRIL	MAY	JUNE	APRIL - JUNE	YEAR TO DATE
Remittances					
Employer Contributions *	278,742.98	299,362.98	283,352.16	861,458.12	3,531,400.86
Withdrawal Liability Principal	5,282.52	6,198.14	4,466.16	15,946.82	61,213.03
Withdrawal Liability Interest	9,994.37	11,624.20	8,265.28	29,883.85	119,564.20
Withdrawal Liability Fee	0.00	0.00	0.00	0.00	1,500.00
Payroll Audit	0.00	5,445.85	0.00	5,445.85	6,219.61
Payroll Audit Interest	0.00	608.59	0.00	608.59	685.69
Interest- Delinquent Employer	58.65	0.00	106.10	164.75	1,611.74
Interest Income- BNY Mellon	0.00	0.00	0.00	0.00	0.00
Dividend Income	223,869.57	59,458.66	118,043.95	401,372.18	1,770,117.48
SEI Fund Rebate	0.00	29,301.95	0.00	29,301.95	126,802.76
Net Adjustment Per Custodian	0.00	0.00	0.00	0.00	0.00
Total Income **	517,948.09	412,000.37	414,233.65	1,344,182.11	5,619,115.37
Benefit Expenses					
Pension Benefits	668,682.00	666,475.23	665,434.81	2,000,592.04	8,127,200.58
Total Benefit Expenses	668,682.00	666,475.23	665,434.81	2,000,592.04	8,127,200.58
Administrative Expenses					
AA, LLC- Admin. Fees *	9,808.00	9,808.00	9,808.00	29,424.00	113,493.00
Legal Fees	7,500.00	0.00	0.00	7,500.00	22,550.41
Consulting Fees	0.00	0.00	0.00	0.00	0.00
SEI Invest./Custody Fees	0.00	131,956.81	0.00	131,956.81	583,612.76
Fiduciary Liability Insurance	0.00	0.00	0.00	0.00	30,943.00
Year End Audit	0.00	0.00	0.00	0.00	20,000.00
Payroll Audits	344.08	260.00	770.66	1,374.74	4,790.07
PBGC Insurance	33,544.00	0.00	0.00	33,544.00	33,544.00
Fidelity Bond Insurance	0.00	0.00	0.00	0.00	1,606.28
Convention & Seminars	0.00	0.00	0.00	0.00	2,586.22
Printing & Stationery	76.26	0.00	0.00	76.26	310.31
Postage	0.00	0.00	0.00	0.00	2,949.32
Office Supplies & Expenses	0.00	0.00	0.00	0.00	0.00
Bank Charges	212.00	198.10	206.80	616.90	2,678.95
Meeting Expenses	0.00	0.00	0.00	0.00	2,350.16
Dues & Membership	0.00	0.00	0.00	0.00	546.00
IFEBP Registration Fee	0.00	0.00	0.00	0.00	1,865.00
Actuarial Fees	8,746.67	5,854.17	14,212.09	28,812.93	99,322.21
Cyber Liability	0.00	0.00	0.00	0.00	1,608.30
TOTAL EXPENSES	728,913.01	814,552.31	690,432.36	2,233,897.68	9,051,956.57
INCREASE/(DECREASE)	(210,964.92)	(402,551.94)	(276,198.71)	(889,715.57)	(3,432,841.20)

FUND RESERVE AS OF 6/30/19: \$90,299,606.55

* Cash to Accrual

** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for April are 34,770.27 & 1,878,635.70

** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for May are 22,032.38 & (2,865,101.18)

** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for June are 38,640.38 & 3,360,835.32

**INDUSTRY AND LOCAL 338 PENSION FUND
AUTHORIZATION FOR DISBURSEMENTS
APRIL 30, 2019**

PENSION FUND CHECKING		
CHECK	DESCRIPTION	AMOUNT
	FEDERAL WITHHOLDING TAX (MAY)	59,139.95
	TOTAL PAYMENTS	<u>59,139.95</u>

**INDUSTRY AND LOCAL 338 PENSION FUND
AUTHORIZATION FOR DISBURSEMENTS
MAY 31, 2019**

PENSION FUND CHECKING		
CHECK	DESCRIPTION	AMOUNT
	FEDERAL WITHHOLDING TAX (JUNE)	59,239.95
	TOTAL PAYMENTS	59,239.95

**INDUSTRY AND LOCAL 338 PENSION FUND
AUTHORIZATION FOR DISBURSEMENTS
JUNE 30, 2019**

PENSION FUND CHECKING		
CHECK	DESCRIPTION	AMOUNT
	FEDERAL WITHHOLDING TAX (JULY)	59,239.95
	TOTAL PAYMENTS	59,239.95

Local 338 Delinquency Log

Delinquencies as of 6/30/19

Employer	Month(s) Delinquent
N/A	N/A

Late Fees

Employer	Pension	Total Balance Owed	Month(s) Owed
College of New Rochelle	\$977.56	\$977.56	6/16-9/16, 11/16, 2/19, 4/19, 6/19

Status of Withdrawal Liability Payments as of 6/30/19

Employer	Start Date	Amount of W/L Pymt Mthly	Total # of Pymts Required	Pymts Made to Date	Past Due?	Employer ID#	Date of withdrawal
Sodexo	6/1/2013	\$11,251.86	240	74	No	56	8/31/2012
Suburban Propane	8/1/2013	\$2,545.45	240	71	No	7	5/22/2013
Local 338 Welfare Fund	3/1/2014	\$1,479.58	240	64	No	36	6/30/2013

Local 338 Pension Fund Employer Contribution Rates

Employer	Employer #	***Pen Count	Contract Effective Date	Contract Expiration Date	Contract Rate	*5% Surcharge	**10% Surcharge	Rehab Plan	Total Weekly Pension Rate	Current CBA on file	Union
College of New Rochelle	9	15	9/1/2012	12/31/2019	174.00				174.00	Yes	445
			9/1/2013		182.80				182.80		
			9/1/2014		192.00				192.00		
			9/1/2015		201.60				201.60		
			9/1/2016		211.60				211.60		
			9/1/2017		232.80				232.80		
			4/1/2018		232.80			17.55	250.35		
			4/1/2019		232.80			36.24	269.04		
Crowley Foods-LaFargeville	13	86	11/1/2017	10/31/2020	286.43			17.55	303.98	Yes	687
			11/1/2018		286.43			36.24	322.67		
			11/1/2019		286.43			56.15	342.58		
Culinart, Inc.****	60	0	1/1/2014	5/10/2019						Yes	445
			1/1/2014		187.53				187.53		
			1/1/2015		206.28				206.28		
			1/1/2016		226.91				226.91		
			11/1/2017		226.91	11.35			238.26		
			4/1/2018		226.91	11.35		17.55	255.81		
			7/1/2018		226.91		22.69	17.55	267.15		
Freisland Campina/ DMV mV Nutritionals	25	60	1/1/2016	12/31/2018						Yes	317
			1/1/2016		205.09				205.09		
			1/1/2017		215.09				215.09		
			11/1/2017		215.09	10.75			225.84		
			1/1/2018		225.09	11.25			236.34		
			7/1/2018		225.09		22.51		247.60		
			1/1/2019		225.09			17.55	242.64		
			1/1/2020		225.09			36.24	261.33		
			1/1/2021		225.09			56.15	281.24		

* 5% Surcharge Effective 11/1/17

** 10% Surcharge Effective 7/1/18

*** Participant Count as of 8/31/19

**** Closed as of 5/10/19

Local 338 Pension Fund Employer Contribution Rates

Employer	Employer #	***Pen Count	Contract Effective Date	Contract Expiration Date	Contract Amt	*5% Surcharge	**10% Surcharge	Rehab Plan	Total Weekly Pension Rate	Current CBA on file	Union
L.P. Transportation <i>Currently in negotiations</i>	43	28	8/16/2016	8/15/2019						No	445
			8/16/2016		290.80				290.80		
			8/16/2017		305.20				305.20		
			11/1/2017		305.20	15.26			320.46		
			7/1/2018		305.20		30.52		335.72		
			8/16/2018		305.20			17.55	322.75		
Montefiore New Rochelle	50	17		11/5/2020						Yes	445
			7/12/2018		234.06			17.55	251.61		
			11/6/2018		234.06			36.24	270.30		
			11/6/2019		234.06			56.15	290.21		
Paraco Gas Corp.	54	7	2/1/2018	1/31/2021						Yes	445
			2/1/2018		227.60			17.55	245.15		
			2/1/2019		227.60			36.24	263.84		
			2/1/2020		227.60			56.15	283.75		
Westchester Local 860 <i>Currently in negotiations</i>	21	1	10/1/2009	9/30/2013						No	445
			10/1/2009		154.17				154.17		
			10/1/2010		169.59				169.59		
			10/1/2011		186.55				186.55		
			10/1/2012		205.21				205.21		
			11/1/2017		205.21	10.26			215.47		
			4/1/2018		205.21	10.26		17.55	233.02		
			7/1/2018		205.21		20.52	17.55	243.28		

* 5% Surcharge Effective 11/1/17

** 10% Surcharge Effective 7/1/18

*** Participant Count as of 8/31/19

INDUSTRY AND LOCAL 338 PENSION FUND NUMBER OF ACTIVE MEMBERS & RETIREES RECEIVING BENEFITS JANUARY 2019 - DECEMBER 2019		
MONTH	<u>ACTIVES</u> PENSION	PENSION PAID
January-19	248	672
February-19	245	671
March-19	243	668
April-19	237	666
May-19	241	662
June-19	224	662
July-19		
August-19		
September-19		
October-19		
November-19		
December-19		

INDUSTRY AND LOCAL 338

PENSION FUND

FOURTH QUARTER 2018-19

ADMINISTRATIVE MANAGER'S REPORT

INDUSTRY & LOCAL 338 PENSION FUND
APRIL 2019
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS *

	<u>RATE</u>	<u>PARTICIPANTS</u>	<u>CONTRIBUTIONS</u>
COLLEGE OF NEW ROCHELLE	\$ 250.35	20	\$ 20,028
WESTCHESTER LOCAL 860	\$ 243.28	1	\$ 973
LP TRANSPORTATION	\$ 322.75	32	\$ 49,058
CROWLEY FOODS- LA FARGEVILLE	\$ 322.67	85	\$ 108,417
CULINART	\$ 267.15	16	\$ 17,098
MONTEFIORE NEW ROCHELLE	\$ 270.30	16	\$ 17,299
PARACO GAS	\$ 263.84	8	\$ 8,179
FRIESLAND CAMPINA USA	\$ 242.64	59	\$ 57,691
SUB TOTAL		237	\$ 278,743

TOTAL CONTRIBUTIONS	\$ 278,743
----------------------------	-------------------

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
MAY 2019
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS *

	<u>RATE</u>	<u>PARTICIPANTS</u>	<u>CONTRIBUTIONS</u>
COLLEGE OF NEW ROCHELLE	\$ 269.04	19	\$ 24,752
WESTCHESTER LOCAL 860	\$ 243.28	1	\$ 1,460
LP TRANSPORTATION	\$ 322.75	31	\$ 39,375
CROWLEY FOODS- LA FARGEVILLE	\$ 322.67	87	\$ 109,708
CULINART	\$ 267.15	18	\$ 21,372
MONTEFIORE NEW ROCHELLE	\$ 270.30	17	\$ 18,380
PARACO GAS	\$ 263.84	8	\$ 10,026
FRIESLAND CAMPINA USA	\$ 242.64	60	\$ 74,290
SUB TOTAL		241	\$ 299,363

TOTAL CONTRIBUTIONS	\$ 299,363
----------------------------	-------------------

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
JUNE 2019
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS *

	<u>RATE</u>	<u>PARTICIPANTS</u>	<u>CONTRIBUTIONS</u>
COLLEGE OF NEW ROCHELLE	\$ 269.04	18	\$ 18,295
WESTCHESTER LOCAL 860	\$ 243.28	1	\$ 973
LP TRANSPORTATION	\$ 322.75	31	\$ 47,767
CROWLEY FOODS- LA FARGEVILLE	\$ 322.67	89	\$ 111,966
CULINART **	\$ 267.15		\$ 20,877
MONTEFIORE NEW ROCHELLE	\$ 270.30	17	\$ 18,380
PARACO GAS	\$ 263.84	8	\$ 6,860
FRIESLAND CAMPINA USA	\$ 247.60	60	\$ 58,234
SUB TOTAL		224	\$ 283,352

TOTAL CONTRIBUTIONS	\$ 283,352
----------------------------	-------------------

* Cash to Accrual

** Closed as of 5/10/19

INDUSTRY & LOCAL 338 PENSION FUND
APRIL 2019
EXPENSES

BENEFIT EXPENSES

<u>BENEFIT</u>	<u>RATE</u>	<u>EXPENSE</u>	<u>COMMENT</u>
PENSION BENEFITS		\$ 668,682	
SUB TOTAL		\$ 668,682	

ADMINISTRATIVE EXPENSES

AA, LLC ADMIN FEES *		\$ 9,808	
LEGAL FEES		\$ 7,500	
CONSULTING FEES		\$ -	
SEI INVESTMENT FEES		\$ -	
FIDUCIARY LIAB. INSURANCE		\$ -	
YEAR-END AUDIT		\$ -	
PAYROLL AUDITS		\$ 344	
PBGC INSURANCE		\$ 33,544	
FIDELITY BOND INSURANCE		\$ -	
CONVENTION & SEMINARS		\$ -	
PRINTING & STATIONERY		\$ 76	
POSTAGE		\$ -	
OFFICE EXPENSES		\$ -	
BANK CHARGES		\$ 212	
TRAVEL EXPENSES		\$ -	
MEETING EXPENSES		\$ -	
DUES & MEMBERSHIP		\$ -	
IFEBP REGISTRATION FEES		\$ -	
ACTUARIAL FEES		\$ 8,746	
CYBER LIABILITY		\$ -	
SUB TOTAL		\$ 60,230	

TOTAL EXPENSES	\$ 728,912
-----------------------	-------------------

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
MAY 2019
EXPENSES

BENEFIT EXPENSES

<u>BENEFIT</u>	<u>RATE</u>	<u>EXPENSE</u>	<u>COMMENT</u>
PENSION BENEFITS		\$ 666,475	
SUB TOTAL		\$ 666,475	

ADMINISTRATIVE EXPENSES

AA, LLC ADMIN FEES *		\$ 9,808	
LEGAL FEES		\$ -	
CONSULTING FEES		\$ -	
SEI INVESTMENT FEES		\$ 131,957	
FIDUCIARY LIAB. INSURANCE		\$ -	
YEAR-END AUDIT		\$ -	
PAYROLL AUDITS		\$ 260	
PBGC INSURANCE		\$ -	
FIDELITY BOND INSURANCE		\$ -	
CONVENTION & SEMINARS		\$ -	
PRINTING & STATIONERY		\$ -	
POSTAGE		\$ -	
OFFICE EXPENSES		\$ -	
BANK CHARGES		\$ 198	
TRAVEL EXPENSES		\$ -	
MEETING EXPENSES		\$ -	
DUES & MEMBERSHIP		\$ -	
IFEBP REGISTRATION FEES		\$ -	
ACTUARIAL FEES		\$ 5,854	
CYBER LIABILITY		\$ -	
SUB TOTAL		\$ 148,077	

TOTAL EXPENSES	\$ 814,552
-----------------------	-------------------

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND
JUNE 2019
EXPENSES

BENEFIT EXPENSES

<u>BENEFIT</u>	<u>RATE</u>	<u>EXPENSE</u>	<u>COMMENT</u>
PENSION BENEFITS		\$ 665,435	
SUB TOTAL		\$ 665,435	

ADMINISTRATIVE EXPENSES

AA, LLC ADMIN FEES *		\$ 9,808	
LEGAL FEES		\$ -	
CONSULTING FEES		\$ -	
SEI INVESTMENT FEES		\$ -	
FIDUCIARY LIAB. INSURANCE		\$ -	
YEAR-END AUDIT		\$ -	
PAYROLL AUDITS		\$ 771	
PBGC INSURANCE		\$ -	
FIDELITY BOND INSURANCE		\$ -	
CONVENTION & SEMINARS		\$ -	
PRINTING & STATIONERY		\$ -	
POSTAGE		\$ -	
OFFICE EXPENSES		\$ -	
BANK CHARGES		\$ 207	
TRAVEL EXPENSES		\$ -	
MEETING EXPENSES		\$ -	
DUES & MEMBERSHIP		\$ -	
IFEBP REGISTRATION FEES		\$ -	
ACTUARIAL FEES		\$ 14,212	
CYBER LIABILITY		\$ -	
SUB TOTAL		\$ 24,998	

TOTAL EXPENSES	\$ 690,433
-----------------------	-------------------

* Cash to Accrual

INDUSTRY & LOCAL 338 PENSION FUND 2018-19 QUARTERLY RECAP
--

INCOME	FIRST 2018	SECOND 2018	THIRD 2019	FOURTH 2019	TOTAL
EMPLOYER CONTRIBUTIONS *	\$ 863,130	\$ 910,451	\$ 896,361	\$ 861,458	\$ 3,531,400
SUPPLEMENTAL CONTRIBUTIONS *	\$ -	\$ -	\$ -	\$ -	\$ -
W/L PRINCIPAL & INTEREST	\$ 32,033	\$ 57,083	\$ 45,830	\$ 45,830	\$ 180,776
W/L FEE	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
W/L - SOUND SHORE	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST INCOME- BNY	\$ -	\$ -	\$ -	\$ -	\$ -
PAYROLL AUDIT & INTEREST	\$ -	\$ 851	\$ -	\$ 6,055	\$ 6,906
INTEREST & DIVIDENDS	\$ 268,170	\$ 924,018	\$ 178,005	\$ 401,538	\$ 1,771,731
SEI FUND REBATE	\$ 35,986	\$ 32,090	\$ 29,425	\$ 29,302	\$ 126,803
NET ADJUSTMENT PER CUSTODIAN	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL INCOME **	\$ 1,200,819	\$ 1,924,493	\$ 1,149,621	\$ 1,344,183	\$ 5,619,116

EXPENSES	FIRST 2018	SECOND 2018	THIRD 2019	FOURTH 2019	TOTAL
PENSION BENEFITS	\$ 2,053,151	\$ 2,012,159	\$ 2,061,299	\$ 2,000,592	\$ 8,127,201
AA, LLC ADMIN FEES *	\$ 28,023	\$ 28,023	\$ 28,023	\$ 29,424	\$ 113,493
LEGAL FEES	\$ 7,550	\$ 7,500	\$ -	\$ 7,500	\$ 22,550
CONSULTING FEES	\$ -	\$ -	\$ -	\$ -	\$ -
SEI INVESTMENT FEES	\$ 152,357	\$ 151,536	\$ 147,764	\$ 131,957	\$ 583,614
FIDUCIARY LIABILITY INSURANCE	\$ 30,943	\$ -	\$ -	\$ -	\$ 30,943
YEAR-END AUDIT	\$ -	\$ 950	\$ 20,000	\$ -	\$ 20,950
PAYROLL AUDITS	\$ 533	\$ -	\$ 1,932	\$ 1,375	\$ 3,840
PBGC INSURANCE	\$ -	\$ -	\$ -	\$ 33,544	\$ 33,544
FIDELITY BOND INSURANCE	\$ -	\$ -	\$ 1,606	\$ -	\$ 1,606
CONVENTION & SEMINARS	\$ -	\$ 591	\$ 1,995	\$ -	\$ 2,586
PRINTING & STATIONERY	\$ 34	\$ 106	\$ 93	\$ 76	\$ 309
POSTAGE	\$ 851	\$ 1,895	\$ 204	\$ -	\$ 2,950
OFFICE EXPENSES	\$ (14)	\$ 14	\$ -	\$ -	\$ -
BANK CHARGES	\$ 652	\$ 607	\$ 804	\$ 617	\$ 2,680
TRAVEL EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
MEETING EXPENSES	\$ -	\$ 1,626	\$ 724	\$ -	\$ 2,350
DUES & MEMBERSHIP	\$ -	\$ 546	\$ -	\$ -	\$ 546
IFEBP REGISTRATION FEES	\$ 1,865	\$ -	\$ -	\$ -	\$ 1,865
ACTUARIAL FEES	\$ 19,931	\$ 24,566	\$ 26,013	\$ 28,812	\$ 99,322
CYBER LIABILITY	\$ -	\$ 1,608	\$ -	\$ -	\$ 1,608
TOTAL EXPENSE	\$ 2,295,876	\$ 2,231,727	\$ 2,290,457	\$ 2,233,897	\$ 9,051,957
SURPLUS (DEFICIT)	\$ (1,095,057)	\$ (307,234)	\$ (1,140,836)	\$ (889,714)	\$ (3,432,841)

	FIRST 2018	SECOND 2018	THIRD 2019	FOURTH 2019	AVG. TOTAL
TOTAL ACTIVE PARTICIPANTS	726	746	736	702	728

FUND RESERVE AS OF 6/30/19: \$90,299,606.55

* Cash to Accrual

** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for April are 34,770.27 & 1,878,635.70

** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for May are 22,032.38 & (2,865,101.18)

** Total income does not include realized & unrealized gains/losses on investments. The realized & unrealized gains/losses on investments for June are 38,640.38 & 3,360,835.32

**Industry and Local 338 Pension Fund and
Industry & Local 338 Welfare Fund**

CYBER LIABILITY INSURANCE

Policy No. FF106818583CY

October 10, 2019

MEMORANDUM

To: Alicia Cochran
Account Executive

From: Candice Germain
Senior Broker

Date: October 10, 2019

Re: Cyber Liability Insurance
Industry and Local 338 Pension Fund and Industry & Local 338 Welfare Fund
Policy No. FF106818583CY

Thank you for the opportunity to provide a Cyber Liability quotation for the Trustees' consideration. We recommend renewing coverage with the incumbent carrier, Travelers, based on the broadened scope of coverage, competitive premium and continuity of coverage. Our recommendation is based on our review of responses from the two carriers that provided quotes, as summarized below.¹

Carrier	Premium	Notifications	Limit of Liability	Response
Travelers	\$1,973	100,000	\$1-million Response Coverage \$1-million First & Third Coverages	RECOMMENDED — Key decision variables: expanded scope of coverage, competitive premium and retentions, continuity, admitted status.
	\$2,537	100,000	\$1-million Response Coverage \$2-million First & Third Coverages	
Beazley	\$3,680	100,0000	\$1-million Response Coverage \$1-million First & Third Coverages	ALTERNATIVE OPTIONS
	\$4,370	100,0000	\$1-million Response Coverage \$2-million First & Third Coverages	

¹ We received communications from various carriers advising us that they would not be providing quotes because they could not offer better premiums and/or coverages than the current carrier.

Additional information is available in the attached sections. If you would like samples of any quoted policy forms or endorsements, please let us know and we will provide them to you.

We successfully negotiated a two-week soft extension to allow additional time to review the proposal. Please provide binding instructions at your earliest convenience, but no later than October 17, 2019. Binding instructions received after this date may result in changes to the quoted terms including withdrawal by the quoting carriers. If you have any questions, please contact our client team:

- Broker: Candice Germain
Senior Broker
212-251-5052
cgermain@segalsi.com
- Lead Regional Consultant: Matthew Jackson, RPLU
Senior Vice President
212-251-5387
mjackson@segalsi.com

cc: Russell Bley/NY
John Urbank/NY

Table of Contents

Industry and Local 338 Pension Fund and Industry & Local 338 Welfare Fund

Cyber Liability Insurance

Policy No. FF106818583CY

October 10, 2019

Recommendation	1
Limit of Liability	1
Premium	1
Scope of Coverage	1
Scope of Services.....	2
Comparison of Policy Terms and Conditions.....	3
Travelers Premium and Scope of Coverage Summary	3
Beazley Premium and Scope of Coverage Summary	5
Carrier Subjectivities	7
Supplemental Information for Insureds	8
Claims Made Extension Clause (Notice of a “Circumstance”)	8
Extended Reporting Period	8
Notice of Claim	8
Insured’s Obligation to Notice the Insurer	9
Compensation.....	9
Learn More	9
Proposal Advisory.....	9
Claim Handling Methodology.....	9
Glossary of Terms.....	10

Recommendation

Limit of Liability

Both carriers provided quotes with a \$1-million and \$2-million Third Party limit of liability. Higher limits may be available in the current market upon request.

Travelers and Beazley offer three separate limits within their policies, which do not affect or dilute one another during a breach event. Travelers aggregates their First Party Coverages and Third Party Coverages together, but separates Breach Notification Services onto a second limit and Forensics/Legal Expenses onto a third. Similarly, Beazley provides three separate limits based on First Party Coverages, Third Party Coverages, and Breach Notification Services.

Lastly, with the inclusion of their Additional Response Costs/Boost enhancements, both carriers allow for unused Third Party limits to apply as excess over the Breach Response and Notification limits.

Premium

Travelers quoted a premium increase of \$186 (10%) from expiring, due in part to the expanded coverages, but remains competitive in the current market.

Scope of Coverage

Cyber Liability offers many insuring agreements, each of which should be reviewed as they provide specific types of coverage. The basic “package” of coverage includes breach response services and expenses (first party expenses) and liability claims that may subsequently arise (third party exposure), but significant differences exist between insuring agreements.

Travelers has expanded on the scope of coverage from expiring by offering:

- Accounting Costs coverage provides a \$25,000 sublimit. Provides coverage for reasonable fees or costs of a forensic accounting firm, incurred by the Insured Entity, to calculate Income Loss, even if such calculation shows there has been no Income Loss;
- Betterment Costs coverage, provides a \$100,000 sublimit subject to a 50% co-participation clause. Provides coverage for reasonable costs incurred and paid by the Insured, with the Insurer's written consent, for hardware or software to improve a Computer System after a Security Breach;
- Computer Theft coverage, offered at a \$100,000 sublimit;
- Criminal Reward coverage, offered at a \$25,000 sublimit;
- Additional Response Costs coverage, which allows the third party limit of liability to apply excess over the breach response and/or notification limits should those be exhausted by a covered incident;
- Increased the Telecommunications Fraud sublimit from \$100,000 to \$250,000;
- Retention for Social Engineering Fraud Coverage, Telecommunication Fraud Coverage and Consequential Reputational Harm is reduced to \$2,500.

Scope of Services

Cyber Liability Insurance carriers also provide various pre- and post-breach services to their policyholders. While these services vary between carriers and may be subject to separate, discounted rates, they can include:

- Online Cyber Security Education including Security Awareness Basics and Security Awareness for Information Technology;
- Network Vulnerability Scans;
- Password Defense services;
- Phishing simulations to test your workforce with a simulated email attack;
- Online portal for policyholders with additional services and information;
- 24-hour hotline and email to report potential breach events.

Comparison of Policy Terms and Conditions

Travelers Premium and Scope of Coverage Summary ¹

Description	Travelers		
Policy Terms & Conditions²			
• Rating by A.M. Best ³	A++	A++	
• Policy Period	10/4/2018 – 10/4/2019	10/4/2019 – 10/4/2020	
• Admitted Status	Admitted	Admitted	
• Pending & Prior Litigation Date	10/4/2017	10/4/2017	
• Retroactive Date	Full Prior Acts Coverage	Full Prior Acts Coverage	
• Limit of Liability	\$1-million	\$1-million	\$2-million
• Basic Premium	\$1,787	\$1,973	\$2,537
First Party Expense Coverages & Third Party Liability Coverages			
Aggregate Limit of Liability ⁴	\$1-million	\$1-million	\$2-million
Retention	\$2,500	\$2,500	
• Accounting Costs Coverage	x	✓ \$25,000 Sublimit	
• Additional Response Costs	✓	✓	
• Betterment Coverage	x	✓ \$100,000 sublimit 50% Coinsurance	
• Business Interruption	✓ 8 hour waiting period	✓ 8 hour waiting period	
• Computer Fraud Coverage	✓ \$100,000 Sublimit	✓ \$100,000 Sublimit	
• Consequential Reputational Loss	✓ \$100,000 Sublimit \$5,000 retention	✓ \$250,000 Sublimit \$2,500 retention	
• Criminal Reward Coverage	x	✓ \$25,000 sublimit, \$0 retention	
• Data Protection	✓	✓	

¹ These policy summaries are not an exhaustive list and are not legal interpretations of coverage. Cyber Liability is a legal contract that Fund Counsel should review.

² See attached glossary for definitions of selected coverage terminology appearing in this table.

³ Segal Select Insurance can recommend insurance carriers with an A.M. Best rating of “A” or better.

⁴ This limit can also apply as excess over the response expense and/or breach notification limits.

Description	Travelers	
• First Party Contingent Business Interruption Loss	✓ \$100,000 sublimit 8-hour waiting period	✓ \$100,000 sublimit 8-hour waiting period
• Funds Transfer Fraud	✓ \$100,000	✓ \$100,000
• GDPR Coverage	✗	✓
• Media Liability	✓	✓
• Personal Device Coverage	✓	✓
• PCI Fines & Penalties	✓	✓
• Ransomware/Extortion	✓	✓
• Regulatory Defense/Penalties	✓	✓
• Security & Privacy Liability	✓	✓
• Social Engineering Fraud Loss	✓ \$100,000 Sublimit \$5,000 retention	✓ \$100,000 Sublimit \$2,500 retention
• State Amendatory Endorsement(s)	✓	✓
• System Failure	✓	✓
• Telecommunication Fraud	✓ \$100,000 Sublimit \$5,000 retention	✓ \$250,000 Sublimit \$5,000 retention
• Public Relations and Crisis Management	✓	✓
Breach Notification Services Coverages		
Aggregate Limit of Liability	100,000 Notifications	100,000 Notifications
Retention	Required notification of 100 individuals retention	Required notification of 100 individuals retention
• Call Center Services	✓	✓
• Required Notifications	✓	✓
• Credit/Identity Monitoring	✓	✓
• Voluntary Notifications	✓	✓
Response Coverage - Computer And Legal Expert Expenses		
Aggregate Limit of Liability	\$1-million	\$1-million
Retention	\$0	\$0
• Forensics	✓	✓
• Legal Expenses	✓	✓

✓ Included in the policy ✗ Not included

Beazley Premium and Scope of Coverage Summary ¹

Description	Beazley	
Policy Terms & Conditions²		
• Rating by A.M. Best ³	A	
• Policy Period	10/4/2019 – 20/4/2020	
• Admitted Status	Non-Admitted	
• Pending & Prior Litigation Date	10/4/2017	
• Retroactive Date	Full Prior Acts Coverage	
• Basic Premium	\$3,680	\$4,370
First Party Expense Coverages		
Aggregate Limit of Liability	\$1-million	
Retention	\$2,500 (\$1,250 for Legal Expenses only)	
• Forensics	✓	
• Legal Expense	✓	
• Public Relations and Crisis Management	✓	
• Voluntary Notifications	✓	
Breach Notification Services Coverages		
Aggregate Limit of Liability	100,000 Notifications	
Retention/Threshold	No retention/threshold for covered notifications	
• Call Center Services	✓ 90 days, 10,000 calls/day sublimit	
• Credit/Identity Monitoring	✓	
• Retention	Required notification of 100 individuals threshold	
Third Party Liability Coverages		
Aggregate Limit of Liability ⁴	\$1-million	\$2-million
Retention	\$2,500	
• Boost Enhancement	✓	
• Business Interruption – Security Breach	✓ 8-hour waiting period	
• Business Interruption – System Failure	✓ 8-hour waiting period	
• Consequential Reputational Loss	✓ \$1-million sublimit	
• Criminal Reward Coverage	✓ \$50,000 sublimit	
• Crypto-Jacking Endorsement	✓	

¹ These policy summaries are not an exhaustive list and are not legal interpretations of coverage. Cyber Liability is a legal contract that Fund Counsel should review.

² See attached glossary for definitions of selected coverage terminology appearing in this table.

³ Segal Select Insurance can recommend insurance carriers with an A.M. Best rating of “A” or better.

⁴ This limit can also apply as excess over the first party expense and/or breach notification limits.

Description	Beazley
	\$100,000 sublimit
• Data Protection	✓
• First Party Contingent Business Interruption Loss	✓ \$250,000 sublimit
• Funds Transfer Fraud	✓ \$100,000 sublimit - if purchased
• GDPR Cyber Endorsement	✓
• Invoice Manipulation Coverage	✓ \$100,000 sublimit
• Media Liability	✓
• Non-Panel Service Provider	✗
• Other Insurance Clause – Primary with respect to Breach Response Services)	✓
• PCI Fines & Penalties (only if affirmatively PCI complaint)	✓
• Personal Devices	✓
• Post Breach Remedial Service Endorsement	✓
• Ransomware/Extortion	✓ \$1,000 retention
• Regulatory Defense/Penalties	✓
• Security & Privacy Liability	✓
• Settlement Clause	✓ 60/40
• Social Engineering Fraud Loss	✓ \$100,000 sublimit – if purchased
• Sponsored Benefits E&O Exclusion with Breach Response carveback	✓
• State Amendatory Endorsement(s)	✓
• System Failure Coverage	✓
• Telecommunication Fraud	✓ \$250,000 sublimit
• Voluntary Shutdown Coverage	✓

Carrier Subjectivities

This section summarizes the additional information the carrier will require in order to bind coverage. Please note, only the subjectivities of the carriers with whom coverage is bound need to be addressed. All subjectivities must be reviewed by the carrier before coverage can be bound.

Travelers

- Nothing further is required at this time.

Beazley

- Signed and dated application.

Important Note

You, the proposed Insured, represent and warrant that the information provided by you in connection with the application for insurance is complete and accurate through the later of the date that (i) coverage is bound or (ii) coverage becomes effective. You agree to immediately notify Segal Select Insurance Services, Inc., in writing, if any of the information included in the application changes between date the application for quotation/insurance coverage is submitted and the later of (i) the date of the quotation or the date coverage is bound or (ii) the effective date of coverage. You understand and acknowledge that the quoting insurance carriers may reserve the right to withdraw or amend any outstanding quotations based upon such changes and that Segal Select Insurance Services, Inc. will not have any liability whatsoever for the decisions of any quoting insurance carriers based on any such changes.

Supplemental Information for Insureds

The following material is presented in an effort to provide a better understanding of the offered coverage. While Cyber Liability insurance policies may follow a similar format, substantial differences exist between carriers. Cyber Liability insurance is a contract between the Insureds and the Insurer. Segal Select Insurance recommends Trustees familiarize themselves with the policy's coverage features, especially those that require action on your part, and that plan counsel review all policies. Of course, as your broker, we are always available for your questions.

Claims Made Extension Clause (Notice of a "Circumstance")

Should consideration be made to move coverage from one carrier to another, the Insured should consider utilizing the Claims Made Extension Clause. To do so, one should inform the existing carrier, in writing, of any wrongful act (as defined in the current policy) which may subsequently give rise to a claim against the insured. This notice should be given before the expiration of the current policy. Thus, if anyone is aware of circumstances, event, situation or transaction that could result in a claim, the prior carrier would retain an ongoing responsibility if a resultant claim were actually made in the future. This is important because the new carrier, whether it requires notification of known potential claim circumstances or not, could exclude coverage if such claim were to actually materialize.

Extended Reporting Period

The Insured may also consider purchasing an Extended Reporting Period or commonly known as "Tail Coverage" should there be a change in exposure during the policy period. The Extended Reporting Period provides the Insured an additional period to report claims or circumstances that occurred up to the date of the policy's expiration. This coverage is available for an additional premium and time period to be determined by the carrier. Some policies may also offer an automatic Extended Reporting Period for no additional premium. Please review your policy for specific terms and conditions.

Notice of Claim

Please carefully review any incident reporting instructions. Failure to timely and properly report an incident may jeopardize coverage for expenses or claims. In addition, you should retain copies of all insurance policies and coverage documents as well as incident reporting instructions after termination of the policies because in some cases you may need to report incident after termination of a policy.

Disclosure in an application does not meet these terms and conditions. All regulatory audits or investigations should be treated as claims and should be noticed to the insurance carrier as soon as the first written communication from the regulatory agency is received.

All electronic claim notifications to be processed by Segal Select Insurance Services, Inc. **must** be sent to claims@segalsi.com. Please copy me on any notification, but Segal Select Insurance Services, Inc. is not responsible for the processing of any electronic claim notification if it is not addressed to claims@segalsi.com.

Insured's Obligation to Notice the Insurer

In addition to an obligation to notice the insurer of any claim or circumstance as soon as practicable, the policy will, or may, obligate the Insured to provide notice to the insurer in other instances.

Compensation

Information about our how we are compensated is available on our website at [here](#).

Learn More

For more information about Segal Select Insurance and our services, visit us online at www.segalselect.com.

Proposal Advisory

This proposal is a convenient outline of coverage forms, limits of insurance, policy endorsements and other terms and conditions provided to you in this quote memo.

Please review with legal counsel quotes/policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

In evaluating your exposures for loss, we have depended upon the information provided by you. If there are other areas that you think need to be evaluated prior to binding coverage, please immediately bring these items to our attention.

This quote memo does not amend, or otherwise affect, the provisions of coverage of any resulting insurance policy issued by any insurance company to you. It is your responsibility to check the policy or policies being purchased for accuracy.

This proposal is not a representation that coverage does or does not exist for any particular claim or loss under any policy. Coverage depends on the applicable provisions of the actual policy issued the facts and circumstances involved in each claims or loss and any applicable law.

Please advise if you have any questions for us.

Claim Handling Methodology

The carriers offer claim handling services that involve either a carrier directed and assisted process or a selection of vendors the insured can interview and select, ideally in advance. For more detailed information on their approaches, please see their insurance company websites.

Glossary of Terms

The statements below are not legal definitions. In all instances, the definitions contained within the policy will control coverage.

Business Interruption	Provides coverage for the actual Income lost during the time an Insured is not able to operate their own computer systems following a cyber breach.
Call Center Services	Provides coverage for the provision of a call center to answer calls during standard business hours after a required notification is received by an affected individual.
Credit/Identity Monitoring	Provides coverage for the costs associated with retaining a company to monitor the credit scores and identities of breached individuals.
Data Protection	Provides coverage for the costs associated with restoring a computer system's data to state before the cyber breach occurred.
First Party Contingent Business Interruption Loss	Provides coverage for a loss caused by a disruption in an Insured's service providers' systems.
Forensics	Provides coverage for reasonable and necessary expenses incurred by the Insured Organization to investigate the source or cause of the failure of Computer Security to prevent a Security Breach.
Legal Expense	Provides coverage for fees for services charged by an attorney to determine the applicability of and actions necessary for the Insured Organization or to provide necessary legal advice to the Insured Organization.
Ransomware	Provides coverage for a type of malicious software designed to block access to a computer system until a sum of money is paid.
Personal Device (BYOD)	Provides coverage for breaches incurred via an insured person's personal device, rather than a fund-owned device, in the course of transacting business on behalf of the Insured Organization;
PCI Fines & Penalties	Provides coverage for the direct monetary fines, penalties, reimbursements, fraud recoveries, or assessments owed by the Insured Organization under the terms of a Merchant Services Agreement.
Required Notifications	Provides coverage for notifications required by law after a cyber breach or disclosure of information.
Public Relations and Crisis Management	Provides coverage for costs incurred by a public relations or crisis management consultant.
Regulatory Defense/Penalties	Provides coverage for a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of a governmental entity.
Security & Privacy Liability	Provides coverage for the defense and indemnity of a Claim arising from a breach of Privacy Law.
Social Engineering Fraud Loss	For losses resulting from a fraudulent instruction by someone impersonating a fellow employee or vendor to part with money or securities from your account.
Voluntary Notifications	Provides coverage for notifications not required by law.

PROTECTING YOUR FUNDS FROM VARIOUS RISKS



Benefit funds have various risk exposures because of the many functions they perform. One of the mechanisms to help manage risk is the purchase of insurance protection that permits the transfer of fund and trustee risk to an insurance carrier.

CORE PRODUCTS FOR FUNDS OF ALL TYPES



Fiduciary Liability Insurance

Protects trustees from allegations of breach of fiduciary duty



Fidelity Bond

Protection from costs associated with employee dishonesty, theft and third party crime losses



Cyber Liability Insurance

Protects funds from costs associated with cyber risks



Employment Practices Liability Insurance (EPLI)

Protection for allegations of employment wrongdoing

DOES THE FUND OWN PROPERTY, HOST EVENTS, AND CONDUCT TRAVEL?

Property & Casualty

Protects and provides liability in case the fund is found legally responsible causing injuries or damages to others

Event Cancellation Insurance

Protects from unforeseen losses related to hosting events

Travel Accident Insurance

Protects for losses due to accidental death and dismemberment during business travel

DOES THE FUND PROVIDE SERVICE TO OTHERS?

Miscellaneous Errors

Protects against allegations of errors and omissions



Employed Lawyers

Protects a funds' in-house attorneys from legal advice allegations

Medical Professional Insurance

Protects for allegations of wrongful practices and services



Retiree Representatives

Protection designed for MPRA representatives for errors and omissions

DOES THE FUND MANAGE TRAINING FACILITIES?



Educators Liability

Protects against claims alleging improper or insufficient training



Directors and Officers

Protects for various operational exposures related to managing a training facility



Media

Protects against various personal injury allegations



Student Accident

Responds to injury of students, volunteers or participants

To learn more about Segal Select Insurance Services, visit our website at www.segalsi.com or contact Diane McNally, Senior Vice President, Senior Consultant and Principal at 212.251.5146, dmcnally@segalsi.com or Matthew Jackson, RPLU, Senior Vice President, Consultant at 212.251.5387, mjackson@segalsi.com.

Copyright ©2017 by The Segal Group, Inc. All rights reserved.