



MINUTES

ATU Pension Committee Meeting Monday, May 17, 2021 – 3:18 p.m.

The pension committee meeting of the Amalgamated Pension/Disability Plan was held on Monday, May 17, 2021 via virtual conference.

COMMITTEE MEMBERS PRESENT

Bonnie Todd, JTA
Chantel Daniels, JTA
Kelli O’Leary, JTA
Gregory Hayes, JTA
Melvin Hicks, JTA
Darrell Jenkins, JTA

JTA STAFF / ALEX BROWN/CBC

Jelani Hooks, CBC
Jack Sheffield, Alex Brown
Phil Thomas, Alex Brown
Noor Rajah, CBC

COMMITTEE MEMBERS ABSENT

CALL TO ORDER - The meeting was called to order by Gregory Hayes at 3:18 p.m.

Old Business: Minutes were presented at 3:19 p.m. for approval from the December 14, 26, 2020. Minutes were approved with a motion from Gregory Hayes; Chantel Daniels seconded the motion, all in favor.

New Business:

Jelani Hooks began the meeting with presenting the calculation audit options in which the analysis was conducted and reviewed. The audit was initially conducted in 2020. The analysis has been concluded with the discovery of 39% of the population not matching in calculation results. 9% were within 1% of variance from PWC calculations compared to CBC, 7% did not match with more than 1% with three major calculations being affected by the miscalculation. Gray Robinson provided a legal review. Jelani Hooks provided the Pension Committee with a detailed report of the calculation audit that included the non-matching participants.

Jelani Hooks then introduced Noor Rajah to proceed with providing a summary of the legal analysis. Noor Rajah proceeded to summarize the analysis along with providing options of corrective action. These options included: Calculate the overpayment and request the difference from the retiree or the sponsor (PWC), make an adjustment on future payments of the effected retiree, or make a correction to the plan to honor the retiree to maintain the higher benefit. Jelani Hooks explained that after a discussion with Rick Burke his recommendation was to elect option 3 with this being the best viable option with less impact to the pension plan due to potentially halting backlash from the participants and pursuing legal action due to the detriment to their lifestyle as retiree on a fixed income. Jelani Hooks further explained the correction program with the IRS that allows the Pension Committee to correct the benefit to meet the participants current retirement benefit. Jelani Hooks also advised that the Pension Committee should take legal action against PWC to recover the damages that were caused by the miscalculation results. This action would initially be taken administratively and not legally due to PWC recognizing and admitting to the error that they have caused both electronically and verbally. From an administrative standpoint, a letter can be drafted confirming the results of the analysis along with PWC’s calculation from the Gray Robinson firm to resolve the overpayments prior to taking additional legal pursuit. Noor Rajah confirmed that he would like to have further discussion with Rick Burke to ensure that the third option is the best course of action from a legal standpoint.

Gregory Hayes had several questions after the calculation audit results were presented. His question included: “Which audit option should the Pension Committee choose?” Also, if the Pension Committee chose option 3 would the Committee elect Rick Burke to contact PWC and seek reimbursement?” “Under

option 3 the payment amounts would have to be established and the process to establish these payments?" Noor Rajah answered Gregory Hayes' question with confirming that an amendment may be necessary once the corrective payment amounts are established. Gregory Hayes asked Jelani Hooks, "What would the next steps for the Pension Committee be?" Jelani Hooks answered the question with the first course of action the Pension Committee would execute would be to decide on the best of the three provided options. Noor Rajah interjected to advise that it may be best for the attorney Rick Burke to be in attendance of the meeting to answer any potential questions before an informed decision is made. Kelli O'Leary agreed. Jelani Hooks confirmed that he would schedule a separate Pension Committee meeting to include Rick Burke before a viable decision is made. Melvin Hicks continued with explaining his understanding of the audit calculation results and the background of the analysis. Jelani Hooks further assisted Melvin Hicks with providing additional background on the error and the calculation results including additional knowledge to the corrective action options. Noor Rajah further explained how the participants and the Pension Committee would be affected by any potential decisions. After further discussion, a decision was made to attend a future meeting including Rick Burke to adhere to any questions from the Pension Committee before a final decision is reached.

Jelani Hooks continued then continued the Pension Committee meeting with application of Kelvin Hunt for disability pension approval. Kelvin Hunt was previously presented for approval in the prior Pension Committee Meeting. Kelvin Hunt has now been granted the appeal and provided a summary of the favorable approval from the Social Security Administration. Jelani Hooks has confirmed that CBC has attempted to contact Kelvin Hunt to receive the additional documents attached to the approval of disability from the Social Security Administration. Jelani Hooks would like to proceed with the approval of the disability pension for Mr. Kelvin Hunt once the additional documents are received. Chantel Daniels confirmed that she has been provided the correct documents from Mr. Kelvin Hunt and will ensure the documents becomes available to CBC and the Pension Committee. Chantel Daniels confirmed that Social Security approved Kelvin Hunt's disability. Jelani Hooks proceeded to continue with the approval of disability pension for Mr. Kelvin Hunt contingent upon the receipt of the Social Security approval letter from Ms. Chantel Daniels. Chantel Daniels made a motion to approve the request for disability pension of Kelvin Hunt. Darrell Jenkins seconded the motion. The motion was moved by Gregory Hayes. All in favor, motion carries.

Jelani Hooks continued with next item on the agenda, the contribution policy review. Jelani Hooks confirmed that further discussion is necessary to create a formal contribution policy that The Pension Committee agrees upon while meeting the minimum funding requirements. Noor Rajah provided additional background and knowledge of the benefit multiplier and how this effects contributions both in the past, present, and potential future. Jelani Hooks confirmed that the contribution was increased from \$48 to \$60, then \$60 to \$62 in past adjustments with the current benefit multiplier being at \$62. Noor Rajah suggested the idea of CBC drafting a suggested contribution policy based upon CBC's experience with the plan to provide a contribution policy that includes the boundaries of the maximum rate and minimum required contribution. Noor Rajah further explained that the minimum required contribution would always have to prevail. After further discussion between CBC and the Pension Committee, Gregory Hayes confirmed that it is his understanding that CBC will draft a formal contribution policy for the committee to review, edit, and approve into a final version. Jelani Hooks confirmed Gregory Hayes' statement, stating that a motion would need to be made to create the contribution policy. Kelli O'Leary made a motion to approve the request to create the contribution policy to include the current rate for the CBA but adding in the language pertaining to the IRS's minimum requirements. Bonnie Todd seconded the motion. The motion was moved by Gregory Hayes. All in favor. Motion carries.

Jelani Hooks concluded with his report of the pension activity for the year 2020. This report included the participant flow and the anticipation for future activity. Overall, there has been a decrease in the active participants total population. Moving from approximately 400 to 319 active participants. Jelani Hooks discussed the employee turnover and the request from contribution files from payroll to conduct calculation and provide non-vested participants a refund of their contributions. Overall payroll has increased by 8% from the current year due to the benefit multiplier increase. Lastly, Jelani Hooks overviewed the payroll expense and its decrease by 25% while pension administration decreasing by 4%. The call volume has increased by 5%.

With no questions from the Pension Committee Jelani Hooks handed the meeting over to Alex Brown in which Jack Sheffield began with overviewing the economy with more pleasant news following the pandemic and the Federal reserve lowering interest rates. Jack Sheffield stated, that after the current quarter that ends in June 2021 earnings will continue to grow but will slow down at a steady rate. There has been a 4% pullback in the past several days. Interest rates will continue to grow and put pressure on

the bond market. Phil Thomas presented the Pension Committee with a document titled; overall fund balance dated May 13. This document presented to the Pension Committee overviewed the values against the different markets. All asset classes are pretty close to the intended target and are not outside any acceptable ranges. Next, Phil Thomas posted the plan performance report to provide a detailed summary of the plan and its performance at its quarter ending. Jelani Hooks asked Phil Thomas a question. Jelani stated, "that there been recent discussion about inflation regarding the stimulus, and would like to know how this impacts the fixed income and current returns?" Phil Thomas answered, "That the stimulus payments have definitely impacted the inflation as the economy starts to recover from full access to the economy." Phil Thomas believes that in the latter part of the third quarter the increase in pricing and inflation would begin to decrease. After further review of performance, the economic outlook, and the direction of equities and fixed income, Phil Thomas asked the Pension Committee if there were any additional questions. No questions were raised from the Pension Committee and concluded the Alex Brown presentation.

Because there was no further business, the Board adjourned the meeting.

Meeting adjourned at 4:34 p.m.