Warehouse Employees Union Local No. 730 and Contributing Companies' Prepaid Legal Services Fund

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 & CONTRIBUTING COMPANIES' PREPAID LEGAL SERVICES FUND
JANUARY 25, 2013
LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
M. McConville - Chairman
R. Brooks
R. Jackson
T. Richardson - Alternate

EMPLOYER TRUSTEES
L. Johnson
J. Paradis

Also present were:

A. Cochran – Associated Administrators, LLC
M. DeLancey – Dickstein Shapiro, LLP
M. Herwig – PNC Bank, NA
R. Sichel – Investment Performance Services, LLC
R. Tierney – Associated Administrators, LLC

I. CALL TO ORDER

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

Trustee Paradis reported that Trustee Bull had given him his proxy for matters before the Board at today's meeting.

II. TRUSTEE RESIGNATION AND APPOINTMENT

Ms. Cochran reported receipt of an undated letter on November 20, 2012 from Trustee Joseph Navin announcing his resignation effective immediately. Trustee Paradis said that under the provisions of the Trust Agreement, the remaining Employer Trustees were responsible for appointing a Trustee to replace Mr. Navin. As a result, Trustees Paradis and Bull have appointed Ms. Lynell Johnson from Eight O'clock Coffee to replace Mr. Navin as an Employer Trustee effective immediately.

The Trustees welcomed Ms. Johnson and directed the Administrative Manager to have her added to the Fiduciary Liability Insurance policy, replacing Mr. Navin, and to provide the standard new trustee materials such as, but not limited to, the Trust Agreement, Plan Document, Summary Plan Description and Trustee Expense Policy.

III. MINUTES

The Trustees read the minutes of the last regular meeting held on September 6, 2012. Ms. Cochran noted that there was not a quorum present at the September 6, 2012 meeting and the minutes contained motions recommended for approval by the Trustees present, which would require approval by the Board.

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

> **RESOLVED that the minutes of the last regular meeting held on September 6, 2012 be approved as presented and that the MOTIONS recommended in those minutes for minutes and invoices are approved as written.**

IV. FINANCIAL REPORT

The Trustees welcomed Mr. Michael Herwig of PNC Bank, NA, and Mr. Rich Sichel of Investment Performance Services (IPS) to the meeting.

A. PNC Bank, NA

Mr. Herwig distributed the Summary of Activity report from PNC Bank for the period January 1, 2012 through December 31, 2012. Such report indicated a beginning market value of $806,296, receipts of $152,327, disbursements of $158,643, and an investment return of $14,981, producing an ending market value of $814,961.

B. Investment Performance Services

1. Investment Performance Analysis

Mr. Sichel reviewed his report entitled, "Investment Performance Analysis – September 30, 2012," beginning with IPS' market commentary. Mr. Sichel noted the asset allocation as follows: 89.3% in domestic fixed income and 10.7% in cash and equivalents. The Atlanta Capital Bond Fund held $752,551 in investments. The PNC Prime Money Market held $90,086. Mr. Sichel provided a preliminary December 31, 2012 report which showed the Atlanta Capital Bond Fund held $753,324 in investments. The PNC Prime Money Market held $61,637.

2. Investment Consulting Contract Renewal

The Trustees tabled the investment consultant contract for the period October 1, 2012 through September 30, 2015 at the September 6, 2012 meeting. Mr. Sichel reiterated IPS' previously stated proposal of no increase in the annual fee of $2,500, with the same level of services provided, for a two-year period.

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

RESOLVED to accept the proposal of IPS to provide Master Consulting services. Annual fees, beginning on October 1, 2012, will be $2,500 under a three-year agreement ending on September 30, 2015.

The Trustees thanked Mr. Herwig and Mr. Sichel for their reports and they were excused from the meeting.

V. COUNSEL REPORT

Fund Counsel reviewed the Memorandum of Agreement reached by Washington Food and Supply and the Union and found it to be acceptable. It was noted no changes applied to the Fund.

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

> **RESOLVED to approve the MOA between Washington Food and Supply, Inc and the Union for the period November 1, 2012 through October 31, 2015.**

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the third quarter 2012. Such report showed employer contributions of $31,458, miscellaneous income of $0 and interest and dividend income of $4,507, producing a total income of $35,965 for the quarter. Benefit expenses were $12,086 and operating expenses were $12,635, producing a total expense of $24,721, resulting in a net surplus of $11,244 for the quarter. Ms. Cochran noted that contributions were made on behalf of 922 participants.

VII. INVOICES

Ms. Cochran presented a list of invoices dated January 25, 2013 for Trustee review. It was noted that there were no deletions or changes to the list.

On MOTION made and seconded, the Trustees present voted unanimous approval of the following recommendation, subject to final approval by the Board when a quorum is present:

RESOLVED that the list of invoices dated January 25, 2013 be approved for payment as presented.

VIII. OTHER FUND BUSINESS

A. Payroll Audit Status Update

Ms. Cochran reviewed the Payroll Audit Status Report as supplied by Calibre.

1. Jessup Logistics – Credit Request

Ms. Cochran reported that the payroll exit audit of Jessup Logistics resulting in underpayments and overpayments to the Fund. The employer was notified and paid the total amount of underpayments, less the amount of the overpayments. Mr. Tierney notified the employer that proper procedure required payment of the underpayments in full and a request for credit for the amount of overpayments.

Ms. Cochran then reviewed the credit request submitted by Jessup Logistics for the amount of overpayments discovered in the payroll audit, $651.19.

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

> **RESOLVED to approve the credit request in the amount of $651.19 from Jessup Logistics for overpayments discovered by Calibre in the payroll audit.**

2. Giant Vacation Relief Review

Ms. Cochran reported that Calibre had completed its review of the Giant Vacation Relief payroll records for the period 2001 to 2004, and found no reportable issues. However, Giant had failed to provide the payroll auditor with the payroll records for 2005, despite numerous requests. Trustee Paradis said he would attempt to discover why the 2005 payroll records were not provided to Calibre.

The Trustees tabled further action on this matter pending Trustees Paradis' inquiry.

3. Giant Warehouse and Recycling Random Audit

The Trustees advised the Administrative Manager that discussions regarding this payroll audit remain on-going with the bargaining parties, due to the question of truncating hours, and as such is tabled at this time. They said the demand for payment should not be sent to the employer at this time.

B. Form 990, Form 5500, and Summary Annual Report (SAR) – 2011 Plan Year

Ms. Cochran reported that Calibre had filed the Forms 990 and 5500, for the 2011 plan year, prior to the extended deadline. The SAR was mailed to the plan participants.

C. *For Your Benefit* Newsletter

Ms. Cochran noted the October 2012 *For Your Benefit* newsletter was mailed to participants.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected May 2, 2013 as their next regular meeting at a location to be determined.

X. ADJOURNMENT

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

Respectfully submitted,

Martin McConville
Chairman