Warehouse Employees Union Local No. 730
Pension Trust Fund

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST FUND MAY 2, 2013 LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
R. Brooks – Chairman	M. Bull - Secretary
A. Smith	L. Johnson
T. Richardson – Alternate	J. Paradis

Also present were:

H. Burton – Morgan, Lewis & Bockius, LLP
A. Cochran – Associated Administrators, LLC
M. DeLancey – Dickstein Shapiro, LLP
L. DuVall – Associated Administrators, LLC
R. Sichel – Investment Performance Services, LLC

I. CALL TO ORDER

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

II. MINUTES

The Trustees read the minutes of the last regular meeting held on January 25, 2013.

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

RESOLVED that the minutes of the last regular meeting held on January 25, 2013 were approved as presented.

III. FINANCIAL REPORT

The Trustees welcomed Mr. Rich Sichel of Investment Performance Services (IPS) to the meeting.

A. Custodian Bank – PNC Bank, NA

Ms. Cochran distributed copies of the Summary of Activity report for the period January 1, 2013 through March 31, 2013. Such report indicated a beginning market value of $150,068,326, receipts of $1,396,395, gains of $9,709,646, and disbursements of $4,648,057, producing an ending market value of $156,526,310.

B. Investment Consultant – Investment Performance Services, LLC

1. Master Consulting Report

a. Investment Performance

Mr. Sichel reviewed the overall performance of the Fund's investment managers noting that the investment performance of the total portfolio for the period January 1, 2013 to March 31, 2013 was 6.6%, gross of fees.

b. Asset Allocation

Mr. Sichel reviewed the Fund's asset allocation as of March 31, 2013: U.S. Equities 39.3%, International Equities 9.3%, Fixed Income Core 7.9%, Fixed Income High Yield 9.3%, Real Estate 15.9%, Hedge Fund of Funds (HFOF) 8.0%, Global Tactical Asset Allocation (GTAA) 10.1%, and cash 0.2%. He noted that all allocations were within the targeted range.

Mr. Sichel recommended using the cash proceeds from terminated manager Multi-Employer Property Trust for future cash needs rather than pulling from the domestic managers.

c. Investment Manager – Performance Review

Mr. Sichel presented the individual investment manager performance reviews. He stated that this section of the report also identifies investments and situations that do not comply with the specific parameters of the Fund's Investment Policy Statement.

i. Westfield Capital Management

Mr. Sichel presented a new issue and IPO allocation rule certification form for Trustee signature. The document was approved by Co-Counsel and executed by Chairman and Secretary.

ii. C.S. McKee

Mr. Sichel recommended changing the manager's current benchmark from Barclays Aggregate to Barclays Intermediate Government/Credit Index to shorten the duration of the fixed income portfolio and potentially reduce the interest rate risk. He stated that with a shorter duration, there is less risk in a market with rising interest rates.

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

RESOLVED to accept IPS' recommendation and change C.S. McKee's benchmark from Barclays Aggregate to Barclays Intermediate Government/Credit Index to shorten the duration of the fixed income portfolio and potentially reduce interest rate risk.

Mr. Sichel stated that he will update the Investment Policy Addendum to reflect the above resolution and present for Trustee signature at the next meeting.

2. Quarterly Performance Report

Mr. Sichel presented the preliminary quarterly performance report for the period ended March 31, 2013. He noted the assets held by the investment managers on March 31, 2013 were as follows: Rothschild – LCV held $13,213,230, Westfield Capital Management held $12,951,661, Johnston Asset Management held $15,038,353, Atlanta Capital held $20,278,814, Johnston International Equity held $6,425,827, Acadian held $8,142,244, C.S. McKee held $10,791,938, Penn Core held $14,492,479, PRISA III held $15,448,952, Multi-Employer Property Trust held $9,507,799, Mesirow Advanced Strategies held $11,734,309, Meridian Special Investments held $741,585, BlackRock Financial Management held $15,764,153, the cash account held $343,205, and the Meridian Segregated - portfolio held $37,640. Mr. Sichel reviewed the summary of investment results for the period ended March 31, 2013, including trailing quarter, trailing year-to-date, and trailing one, three and five year periods.

The Trustees thanked Mr. Sichel for his report and he was excused from the meeting.

IV. <u>ACTUARY REPORT</u>

Ms. Cochran reported that copies of the Notice of Critical Status for the Plan Year beginning January 1, 2013 and Annual Funding Notice for the Plan Year ending 2012 were mailed to participants and employers on April 29, 2013.

V. <u>COUNSEL REPORT</u>

A. <u>Co – Counsel Rates</u>

1. <u>Dickstein Shapiro LLP</u>

Ms. Cochran reported that Dickstein Shaprio's rate increase effective January 1, 2013 was approved by the Trustees as interim action.

2. <u>Morgan Lewis Bockius LLP</u>

Ms. Cochran reported that Morgan Lewis Bockius's rate increase effective January 1, 2013 was pending Trustee approval.

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

RESOLVED to approve the Morgan Lewis Bockius rate increase as presented effective January 1, 2013.

B. <u>Adams Burch, Inc. Collective Bargaining Agreement (CBA)</u>

Fund Co-Counsel reviewed the CBA reached by the Employer and Union and found it to be acceptable. On MOTION made and seconded, the Trustees voted unanimous approval of the following:

RESOLVED to adopt the CBA between Adams Burch, Inc. and the Union for the period June 30, 2013 through June 30, 2018, in which the Employer adopted the contribution rates stated in the Preferred Schedule under the Rehabilitation Plan.

The Trustees directed the Administrative Manager to notify the Employer that the CBA was accepted, noting the implied adoption of the Preferred Schedule under the Rehabilitation Plan.

C. <u>Favorable IRS Determination Letter</u>

Mr. Burton provided an update concerning the Plan Determination Letter submitted to the Internal Revenue Service (IRS) on January 29, 2010. A favorable determination of the Plan was made by the IRS on February 7, 2013. Mr. Burton reviewed the included Amendments to the Plan and verified they were accurate. He stated the proposed Amendment 2013-1 dated January 18, 2013 needed to be adopted by the Trustees within 91 days from the date of the Plan determination letter.

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

RESOLVED to adopt the Plan Amendment 2013-1 dated January 18, 2013 as presented.

The Amendment was executed by Chairman and Secretary.

Mr. DeLancey and Mr. Burton said there were no other legal matters pending before the Board of Trustees at this time.

VI. ADMINISTRATIVE MANAGER REPORT

Ms. Cochran presented the Administrative Manager Report for the fourth quarter 2012. Such report indicated contribution income of $833,993, miscellaneous income of $24,884, and interest and dividend income of $603,560, producing a total income of $1,462,437. Expenses included $4,299,318 of pension benefit expense and $294,735 of operating expense, producing a total expense of $4,594,053 for the quarter. This resulted in a net deficit of $3,131,616 for the quarter. Ms. Cochran noted that contributions were made on behalf of 457 active Plan participants.

She stated that there were no contribution delinquencies to report. She reviewed the pension applications requiring Trustee approval.

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

RESOLVED that the pension applications as contained in the Administrative Manager's fourth quarter 2012 report were approved for payment as presented.

VII. INVOICES

Ms. Cochran presented a list of invoices dated May 2, 2013. She noted that 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 list of invoices dated May 2, 2013 was 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 CPA Group, PLLC.

1. Giant Warehouse and Recycling Random Audit

The Bargaining Parties advised the Trustees that a Memorandum of Agreement (MOA) had been made regarding the findings of the random audit cycle related to the issue of truncating hours for the period January 2009 – December 2011. The bargaining parties distributed the MOA between Giant Food LLC Recycling Warehouse and Giant Food LLC, ("Company") and the Warehouse Employees Union, Teamsters Local No. 730, ("Union") effective January 1, 2013. The Bargaining Parties agreed to base contribution payments effective January 1, 2013 to the Fund upon the full and actual hours worked by an employee without truncating or rounding down hours actually worked.

After discussion, the Trustees voted by majority with Trustee Paradis abstaining approval of the following resolution:

RESOLVED that the MOA presented by the Bargaining Parties, effective January 1, 2013 between Giant Food LLC Recycling Warehouse and Giant Food LLC and the Warehouse Employees Union, Teamsters Local No. 730 is accepted as presented.

2. Giant Vacation Relief Review

Ms. Cochran reported that after Calibre reviewed the payroll records provided by Giant, Calibre had in fact received the 2005 records. The records were mislabeled. Calibre reviewed the 2005 data provided in a timely fashion by Giant and found no reportable issues.

Ms. Cochran reported that Giant had agreed to pay the findings of the self audit totaling $109,333.22 to the Pension Fund. Ms. Cochran received confirmation from Giant that a check was in transit to the Fund Office.

B. Form 5500 and 2012 Annual Audit

Ms. Cochran reported that Calibre had requested an extension to file the Form 5500 for the 2012 Plan year. Ms. Cochran stated Calibre sent an electronic mail requesting the extension due to the late scheduling of the 2012 annual audit and in order to have the Form properly reviewed by the different levels of management.

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

RESOLVED to approve Calibre's request to file an extension for the Form 5500 on behalf of the Fund for the 2012 Plan Year.

C. Withdrawal Liability Payments

Ms. Cochran reported receipt of the withdrawal liability payments for Jessup Logistics in the amount of $385,873.75 and for McKesson in the amount of $165,918.50.

D. PBGC Filing – 2013 Plan Year

Ms. Cochran said the PBGC Form 1-ES, the estimated flat rate premium payment, in the amount of $27,468.00 for the 2013 Plan year was submitted in a timely fashion.

E. Securian Annuity Report

Ms. Cochran noted the receipt of the annual annuity report from Securian. She stated the last retiree receiving annuity payments is deceased. The contract terminated as of December 31, 2012.

F. "*For Your Benefit*" Newsletter

Ms. Cochran noted the January 2013 *For Your Benefit* newsletter was mailed to participants.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected August 29, 2013 as their next regular meeting date immediately following the companion Legal Fund meeting in Landover, Maryland.

X. ADJOURNMENT

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

Respectfully submitted,

Michael Bull
Secretary