Mid-Atlantic UFCW and Participating Employers Pension Fund

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**MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES OF THE
MID-ATLANTIC UFCW AND PARTICIPATING EMPLOYERS
PENSION FUND
DECEMBER 18, 2013 IN
LANDOVER, MARYLAND**

The following Trustees were present:

UNION TRUSTEES
M. Federici – Chairman
T. Hipkins
G. Murphy, Jr.
J. Slivosky

EMPLOYER TRUSTEES
W. Kraemer – Secretary
J. Champion
F. Stegman

Also present were:

M. Boyle – UFCW Local 400
H. Burton – Morgan, Lewis & Bockius, LLP
S. Goodman – Slevin & Hart, P.C.
M. Herwig – PNC Bank
G. Kalwarski - Cheiron
W. Jensen – Associated Administrators, LLC
C. Murphy – Associated Administrators, LLC
J. Paradis – Ahold USA
K. Woodrich – Cheiron

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

I. CALL TO ORDER

A. Resignation/Appointment of Trustee

Mr. Jensen reported that he had received correspondence from Trustee Blitzstein resigning as a Trustee effective December 31, 2013. Mr. Murphy requested that Trustee Blitzstein's resignation be effective as of the date of the meeting and that Thomas Hipkins be appointed as his replacement effective the same date. The Trustees accepted Trustee Murphy's request and Mr. Hipkins was welcomed to the Board of Trustees.

II. FINANCIAL REPORT

A. PNC Report

The Trustees welcomed Mr. Michael Herwig of PNC Bank to the meeting. He presented a summary of activity report for the period January 1, 2013 to November 30, 2013. Such report indicated a beginning balance of $0, earnings of $47,650, receipts of $12,211,039, and disbursements of $494,055, resulting in an ending balance of $11,669,334 as of November 30, 2013.

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

III. ACTUARY'S REPORT

The Trustees welcomed Mr. Chris Mietlicki and Mr. Kevin Woodrich of Cheiron to the meeting. They reviewed the January 2013 valuation results. Mr. Woodrich reported that the present Value of Future Benefits was $84,351,689 effective January 1, 2013. Cheiron will review the contributions under the updated administrative report and report to the Board on the expected funding status at the next meeting.

The Trustees thanked the representatives from Cheiron for their report and they were excused from the meeting.

IV. ATTORNEY'S REPORT

A. Investment Consultant Contract

Ms. Goodman reported that the proposed Investment Consultant agreement between Investment Performance Services and the Fund was prepared for execution. The Trustees discussed the reporting format for the MAP Fund. The Trustees requested a separate investment report from IPS for the MAP Fund on a quarterly basis.

B. MAP Investment Policy

Mr. Burton noted the need for a separate investment policy for MAP.

C. Defense of Marriage Act ("DOMA")

Ms. Goodman reviewed the DOMA regulations with the Trustees in light of the decision in the Windsor case decided by the Supreme Court.

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

RESOLVED to amend the Plan to the extent required by law to recognize same sex spouses.

The Fund Office will review and revise the benefit forms as necessary. Cheiron will review the cost of extending this change to the 66% and 100% joint and survivor benefits.

D. **Plan Amendment**

Ms. Goodman and Mr. Burton discussed the Plan amendment on venue and forum.

E. Policies

Ms. Goodman discussed the status of the draft suspension of benefits policy, cost-sharing agreement and withdrawal liability policy.

F. Cheiron Agreement

Ms. Goodman advised that the Cheiron retainer agreement for 2013 was ready for signature. The Trustees signed the agreement.

G. Tax Filing

Ms. Goodman discussed the status of the tax filing application.

H, Investment Agreements

Ms. Goodman reviewed the status of the Segal Bryant and Windhaven investment agreements.

V. ADMINISTRATIVE MANAGER'S REPORT

A. First Quarter 2013

Mr. Jensen presented the administrative manager's report for the first quarter 2013, which had been pre-circulated. Such report indicated contribution income of $3,972,121 and miscellaneous income of $11,608, resulting in a total income of $3,983,729. Total expenses were $70,576, producing a net operating surplus of $3,913,153 for the first quarter 2013. Contributions were remitted on behalf of 18,680 plan participants.

B. Second Quarter 2013

Mr. Jensen presented the administrative manager's report for the second quarter 2013, which had been pre-circulated. Such report indicated contribution income of $4,470,370 and miscellaneous income of $38,357, resulting in a total income of $4,508,727. Total expenses were $70,082, producing a net operating surplus of $4,438,645 for the second quarter 2013. Contributions were remitted on behalf of 18,475 plan participants.

C. <u>Third Quarter 2013</u>

Mr. Jensen presented the administrative manager's report for the second quarter 2013, which had been pre-circulated. Such report indicated contribution income of $3,324,292 and miscellaneous income of $68,649, resulting in a total income of $3,392,941. Total expenses were $227,878, producing a net operating surplus of $3,165,063 for the third quarter 2013. Contributions were remitted on behalf of 18,334 plan participants.

VI. <u>INVOICES</u>

The Trustees reviewed the list of invoices dated December 18, 2013. It was noted there were no additions, deletions or changes to the list. Associated will request Cheiron include detail on the retainer versus non-retainer services.

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

> **RESOLVED that the invoices on the list dated December 18, 2013 were approved for payment.**

VII. <u>OTHER FUND BUSINESS</u>

A. <u>Memorandum of Agreement</u>

Mr. Jensen reported that a Memorandum of Agreement ("MOA") was reached between Safeway, Giant and UFCW Local's 400 and 27.

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

> **RESOLVED to approve the Memorandum of Agreement as presented.**

B. <u>Miscellaneous Correspondence</u>

1. Waiver of Recourse

Mr. Jensen reported that the Waiver of Recourse invoices for the fiduciary insurance were sent to the Trustees on November 7, 2013.

2. Information Request

Mr. Jensen reported that he had received an information request from Ahold and that the request had been forwarded to the Fund's Actuary for response.

VIII. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees decided to leave the date and location of the next meeting to the call of the Chairman.

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

Respectfully submitted,
Ward Kraemer, Secretary