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 JUNE 4, 2018 LANDOVER, MARYLAND

The following Trustees were present

UNION TRUSTEES
M. Federici - Chairman
T. Hipkins
C. Hoffmann
G. Murphy, Jr.

EMPLOYER TRUSTEES
J. Paradis - Secretary
D. Dosenbach

Also present were:

Y. Anwar - UFCW Local 400
H. Burton - Morgan, Lewis & Bockius, LLP
J. Chorpenning - UFCW Local 27
L. DuVall - Associated Administrators, LLC
J. Hack - UFCW Local 27
A. Hanson - UFCW Local 400
J. Harrison - UFCW Local 27
N. Hill - UFCW Local 27
W. Jensen - Associated Administrators, LLC
G. Kalwarski – Cheiron
S. Ridore – Safeway
D. Russell - Investment Performance Services
S. Sanchez - Slevin & Hart, P.C.
L. Walsh - Associated Administrators, LLC
R. Wildt - UFCW Local 27
M. Wilson - UFCW Local 400
K. Woodrich – Cheiron

I. CALL TO ORDER

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

A. Proxy

Mr. Jensen reported that Trustee Goble was unable to attend the meeting and had provided his proxy to Trustee Paradis to act in all matters coming before the Board.

II. MINUTES

The Trustees reviewed the minutes of the regular meeting held on March 2, 2018, which were pre-circulated.

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

> **RESOLVED that the minutes of the regular meeting held on March 2, 2018, are approved as presented.**

III. FINANCIAL REPORT

A. PNC Bank

1. Summary of Activity – March 31, 2018

Mr. Jensen presented the PNC Summary of Activity Report for the period January 1, 2018 through March 31, 2018. Such report indicated a beginning balance of $82,110,513, receipts of $4,121,985, disbursements of $571,341, and earnings of ($479,180), producing an ending balance of $85,181,977 as of March 31, 2018.

2. 2018 Management Fee Request

Mr. Jensen reviewed correspondence from PNC regarding their Treasury Management Fee Schedule for 2018. PNC previously waived fees for the checking account services. Effective July 1, 2018, PNC will implement a credit to offset transaction fees based on balances maintained in the Fund's commercial checking accounts. He noted that there would be no fee increases for PNC Institutional Investment Services (Trust Department) for 2018.

B. Investment Performance Services

The Trustees welcomed Mr. David Russell of Investment Performance Services to the meeting.

1. Master Consulting Report – March 31, 2017

Mr. Russell reviewed the Master Consulting Report for the period ended March 31, 2018. Such report indicated a beginning market value of $82,110,513, net withdrawals of $3,565,673, net Investment return of ($499,417) producing an ending market value of $85,176,769. The performance for the first quarter 2018 was a negative 0.5% gross of fees. Mr. Russell then reviewed the individual manager summaries. Mr. Russell also reviewed the current asset allocations.

2. Preliminary Update – April 30, 2018

Mr. Russell reviewed the Preliminary Performance Report for the period ending April 30, 2018. Such report indicated a beginning market value of $85,176,769, net withdrawals of $375,142, net investment return of $325,958, producing an ending market value of $85,877,869. The performance through April 30, 2018 was 0.4% gross of fees.

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

IV. ACTUARY'S REPORT

The Trustees welcomed Mr. Gene Kalwarski and Mr. Kevin Woodrich of Cheiron to the meeting.

Mr. Kalwarski said the Fund office forwarded the annual actuarial data to Cheiron and reported that Cheirion expects to present the annual valuation at the next Board meeting.

The Trustees thanked the representatives from Cheiron for their report.

V. ATTORNEY'S REPORT

A. Required Beginning Date

Ms. Sanchez reported on the administration of the Plan's required minimum distribution rules, and the benefit calculation rules under the Plan relating to participants continuing in covered employment past age 70.5.

B. Associated Administrators Fee Amendment

Ms. Sanchez presented an amendment to the Fund's agreement with Associated Administrators. The amendment was executed by Chairman and Secretary.

C. Corbin

Ms. Sanchez reported that the agreement between Corbin and the Fund was executed between meetings.

D. American Realty

Ms. Sanchez reported that the agreement between American Realty and the Fund was executed between meetings.

E. Disability Regulations – Summary of Material Modification ("SMM")

Ms. Sanchez reported on a Summary of Material Modification regarding the Disability Claims Procedures Regulations effective April 2018.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. First Quarter 2017 Report

Mr. Jensen presented the Administrative Manager's Report for the First Quarter 2018, which was pre-circulated. Such report indicated contribution income of $4,048,633 and interest and dividend income of $255,575, resulting in a total income of $4,304,208. Total expenses were $550,715, producing a surplus of $3,753,493 for the first quarter 2018. Contributions were remitted on behalf of 16,408 Plan participants.

Mr. Jensen reviewed the pension applications contained in the administrative manager's First Quarter 2018 report.

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

> **RESOLVED that the pension applications contained in the Administrative Manager's First Quarter 2018 report are approved for payment.**

VII. INVOICES

The Trustees reviewed the list of invoices dated June 4, 2018. It was noted 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 invoices on the list dated June 4, 2018 are approved for payment.**

VIII. OTHER FUND BUSINESS

A. Contribution Increase Allocation Directed By Bargaining Parties

Mr. Jensen said the correspondence from the bargaining parties regarding the contribution increase allocation was in the process of being implemented.

B. Reciprocity Agreement – Consolidated Pension Fund

Mr. Jensen noted that he had sent a second request for a proposed reciprocity agreement to the Consolidated Pension Fund for reciprocity with this Fund. To date, no response has been received.

C. Annual Funding Notice

Mr. Jensen reported that the annual funding notice was sent to 21,315 plan participants, the participating employers, and the PBGC on April 16, 2018.

IX. MEETING DATE AND LOCATION

It was noted that the next regular meeting was scheduled for September 25, 2018 in the offices of UFCW Local 400 in Landover, Maryland.

X. ADJOURNMENT

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

Respectfully Submitted,

Jason Paradis, Secretary