United Food and Commercial Workers Unions
and Participating Employers
Health and Welfare Fund

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MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
APRIL 25, 2019
LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
M. Federici – Chairman
Y. Anwar
T. Hipkins

EMPLOYER TRUSTEES
D. Gwin – Secretary
J. Born

Also present were:

H. Burton – Morgan, Lewis, & Bockius, LLC
D. Clutts – Associated Administrators, LLC
J. Chorpenning – Local 27
A. Hanson – Local 400
C. Heppner – The Segal Company
C. Hoffmann – Local 400
J. Ianniello – Associated Administrators, LLC
N. Jacobs – Local 400
W. Jensen – Associated Administrators, LLC.
S. Sanchez – Slevin & Hart, P.C.
B. Slevin – Slevin & Hart, P.C.
J. Timm – The Segal Company
L. Walsh – Associated Administrators, LLC
R. Wildt – Local 27
M. Wilson – Local 400

I. CALL TO ORDER

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

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on December 4, 2018, and the Appeals Committee meetings held on December 17, 2018, and March 28, 2019, which were previously 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 December 4, 2018, and the Appeals Committee minutes of December 17, 2018, and March 28, 2019, are approved as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for the period January 1, 2019 to March 31, 2019. Such report indicated a beginning market value of $10,615,304, receipts of $4,981,592, disbursements of $4,999,848, and earnings of $92,135, producing an ending market value of $10,689,173 as of March 31, 2019.

IV. CONSULTANT'S REPORT

A. The Segal Company

The Trustees welcomed Mr. Josh Timm and Mr. Christopher Heppner of The Segal Company ("Segal") to the meeting.

Reserves

Mr. Heppner distributed and reviewed the Reserve Determination Report through March 31, 2019. He said that the reserves were above the four-month ceiling as outlined in the Shoppers Collective Bargaining Agreement. Mr. Heppner noted that credits of $599,590 to the contribution payments to be made by UNFI/SuperValu in May and June 2019, and credits of $280,278 per month for contribution payments to be made by UNFI/SuperValu in July through October 2019, would return the Fund to a fouth-month reserve level. Ms. Gwin requested that these adjustments be applied to UNFI/SuperValu's future contributions.

The Trustees discussed the Fund's reserve and the proposed credits in the context of UNFI/SuperValu's uncertain future participating in the Fund and requested additional information from Segal regarding the impact of a termination of participation by UNFI/SuperValu on the Fund's assets. After discussion, the issue regarding a contribution credit to UNFI/SuperValu was tabled.

The Trustees thanked the representatives of Segal for their report, and they were excused from the meeting.

B. Confidio

Pharmacy Benefits Manager Claims and Rebate Audit

Mr. Ianniello reported that Confidio's claims and rebate audit of the Fund's prescription benefit manager was proceeding as scheduled and was expected to be completed by the middle of July 2019.

V. ATTORNEY'S REPORT

A. Interpleader Subrogation Case

Mr. Slevin reported on an interpleader action relating to a subrogation matter.

B. Confidio and Cheiron Contract Amendments

Mr. Slevin presented amendments to the Fund's contracts with Confidio and Cheiron. The Trustees executed the amendments.

C. Subrogation Report

Mr. Ianniello presented Slevin & Hart's subrogation report for the fourth quarter 2018. He noted that $33,936.44 was collected, with $6,787.29 payable to Slevin and Hart.

VI. ADMINISTRATIVE MANAGER'S REPORT

Fourth Quarter 2018 Report

Mr. Ianniello presented the Administrative Manager's report for the fourth quarter 2018, which had been pre-circulated. Such report indicated total income of $5,216,703, and total expenses of $5,720,950, producing a deficit of $504,247. Mr. Ianniello noted that contributions were made on behalf of 2,378 Plan participants.

VII. INVOICES

The Trustees reviewed the list of invoices for the Active Plan and Retiree Plan dated April 25, 2019. It was noted that there were no additions, deletions or changes to the lists.

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

> **RESOLVED that the invoices shown on the lists of the Active Plan and Retiree Plan dated April 25, 2019 are approved for payment.**

VIII. OTHER FUND BUSINESS

A. 2019 COBRA Rates

Mr. Ianniello presented the 2019 COBRA rates effective June 1, 2019 for the benefit programs under the Active Plan which had been reviewed and approved by the Chairman and Secretary between Board Meetings.

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

> **RESOLVED to ratify the COBRA rates effective June 1, 2019 as approved by Chairman and Secretary.**

B. Kroger Financial Reconciliation

Mr. Ianniello reported that a Retiree Drug Subsidy payment was recently received by the Fund for $840.36 and noted that this amount should be added to the previously audited calculation of the overpayment due to Kroger, now totaling $133,141.55. After discussion, the subject was tabled.

C. CareFirst Contract Renewal

Mr. Ianniello reported that CareFirst's contract renewal was still pending.

D. Fiduciary Liability Policy

The fiduciary liability insurance for the policy period March 30, 2019 to March 29, 2020 was renewed through Chubb. The individual Waiver of Recourse premium invoices were sent to the Trustees on March 14, 2019.

IX. NEXT MEETING DATES AND LOCATIONS

After discussion, the Trustees selected the following meeting dates and meeting locations for 2019:

August 29, 2019 – 9:00 a.m. – Landover, Maryland
December 3, 2019 – 9:00 a.m. – Sparks, Maryland

X. <u>ADJOURNMENT</u>

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

Respectfully submitted,

Donna Gwin – Secretary