United Food and Commercial Workers and Food Employers Labor Relations Association Legal Benefits Fund

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MINUTES OF THE MEETING OF THE COMMITTEE MEMBERS OF THE UFCW & FELRA LEGAL BENEFITS FUND HELD ON DECEMBER 20, 2012 IN LANDOVER, MARYLAND

The following Committee Members were present:

Union Committee Members	Employer Committee Members
C.Wiszynski - Secretary	F. Stegman
J. Harrison	D. White
J. Lewis	

Also present were:

M. Boyle – UFCW Local 400
H. Burton - Fund Co-Counsel
M. Federici – UFCW 400
J. Freeman – UFCW Local 27
G. Gatewood – UFCW Local 27
T. Goins – UFCW Local 27
M. Herwig – PNC Bank
T. Hipkins – UFCW Local 27
W. Jensen - Associated Administrators, LLC
I. Kress – Ahold, USA
L. Madert – Safeway, Inc.
G. Murphy – UFCW Local 27
J. Paradis – Ahold, USA
B. Slevin - Fund Co-Counsel
R. Tierney - Associated Administrators, LLC
L. Walsh – Associated Administrators, LLC

I. CALL TO ORDER

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

Mr. Tierney reported receipt of written notification from Thomas McNutt removing W. Christian Sauter as a Committee Member effective August 7, 2012.

Mr. Tierney then reported on written notification from Mark Federici, Acting President, UFCW Local 400, announcing the removal of Thomas McNutt as a Committee Member effective December 7, 2012. Additionally, Carol Wiszynski and Jeffrey D. Lewis were appointed as Committee Members by UFCW Local 400.

Mr. Tierney noted that there remains an open Committee Member position for the Employers, to replace Mr. Travers.

Mr. Tierney noted that with the removal of Mr. McNutt, there was an opening for the position of Secretary to the Committee. The Committee approved the nomination of Ms. Wiszynski to serve as the Secretary and she accepted.

II. MINUTES

The Committee Members reviewed the minutes of the meeting held on July 18, 2012, which had been pre-circulated.

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

> **RESOLVED that the minutes of the meeting held on July 18, 2012 are approved as presented.**

III. FINANCIAL REPORT

The Committee Members welcomed Mr. Michael Herwig of PNC Bank to the meeting. He presented a Summary of Activity report for the period January 1, 2012 through October 30, 2012. Such report indicated a beginning market balance of $566,176, earnings of $2,729, receipts of $3,720,523, and disbursements of $3,843,580, producing an ending balance of $445,848 at October 30, 2012.

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

IV. ATTORNEY REPORT

Mr. Burton and Mr. Slevin reported that there were no legal matters to report at this time.

V. ADMINISTRATIVE MANAGER'S REPORT

Mr. Tierney presented the Administrative Manager's Report for the second quarter of 2012. Such report indicated employer contribution income of $1,205,452, employee contributions of $0, and interest and dividend income of $37, producing a total income of $1,205,489. Expenses totaled $1,164,490, producing a net surplus of $40,999 for the quarter. Mr. Tierney noted contributions were made on behalf of 19,089 plan participants.

Mr. Tierney presented the Administrative Manager's Report for the third quarter of 2012. Such report indicated employer contribution income of $1,176,908, employee contributions of $0, and interest and dividend income of $38, producing a total income of $1,176,946. Expenses totaled $1,147,401, producing a net surplus of $29,545 for the quarter. Mr. Tierney noted contributions were made on behalf of 18,637 plan participants.

VI. INVOICES

Mr. Tierney presented a list of invoices dated December 20, 2012. He noted there were no additions, deletions or changes to the list.

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

> **RESOLVED that the invoices on the list dated December 20, 2012 are recommended for approval as presented.**

VII. OTHER BUSINESS

A. 2013 Legal Contribution Rates

Mr. Tierney reviewed his memorandum to the Committee Members dated November 30, 2012. He noted that using the contractual rates paid to the legal providers for 2013 and a 5% trend on operating expenses, the projected monthly contribution rate for 2013 was $21.62, which represented a 2.7% increase over the 2012 rate. Additionally, the projected contribution rate for the small unit would be $12.37. Upon questioning, Mr. Tierney indicated that assets held after all bills were paid were approximately $190,000.

Mr. Burton discussed the operating expense and the contribution obligation. Upon questioning, Mr. Tierney indicated that monthly operating bills average approximately

$25,000. He noted the same method of calculating the new annual contribution rate had been in effect for at least the last three years, however, if the Committee Members desired to make any adjustments he would be happy to do so, provided with the applicable guidance. Discussion ensued regarding the level at which the assets after all invoice payments should be maintained and the Administrative Manager was directed to perform additional research to assist the Committee Members in making that determination prior to the time at which the first contribution at the 2013 rate is required.

B. Miscellaneous Correspondence

Mr. Tierney reported that there were no other matters to be presented to the Committee Members at this time.

VIII. NEXT MEETING DATE AND LOCATION

The next meeting of the Committee is scheduled for April 5, 2013, immediately following the meeting of the Health and Welfare Fund in Landover, Maryland.

IX. ADJOURNMENT

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

Respectfully Submitted,

Carol Wiszynski, Secretary

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