United Food and Commercial Workers
and Food Employers Labor Relations Association
Severance Plan

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A Program of the
FELRA and UFCW
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MINUTES OF THE MEETING OF THE COMMITTEE MEMBERS
OF THE UFCW & FELRA SEVERANCE FUND
DECEMBER 12, 2018
LANDOVER, MARYLAND

The following Committee Members were present:

Union Committee Members
T. Hipkins - Chairman
J. Hack
N. Hill
C. Hoffmann
M. Wilson

Employer Committee Members
J. Paradis
D. Dosenbach
M. Goble
S. Ridore

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. Harrison - UFCW Local 27
J. Herishen - Calibre
W. Jensen - Associated Administrators, LLC
N. Jacobs - UFCW Local 400
G. Kalwarski - Cheiron
S. Sanchez - Slevin & Hart, P.C.
R. Sichel - Investment Performance Services
B. Slevin - Slevin & Hart, P.C.
L. Walsh - Associated Administrators, LLC
K. Woodrich - Cheiron

I. CALL TO ORDER

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

II. MINUTES

The Committee Members reviewed the minutes of the last regular meeting held on September 25, 2018, the Appeals Committee meeting held on September 10, 2018, and the Appeals Committee meeting held on November 27, 2018, which were pre-circulated.

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

> **RESOLVED that the minutes of the regular meeting held on September 25, 2018, and the Appeals Committee meetings held on September 10, 2018 and November 27, 2018 are approved as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Mr. Jensen reviewed the PNC Summary of Activity Report for the period January 1 through October 31, 2018. Such report indicated a beginning market value of $991,925, earnings of $26,647, receipts of $5,630,021 and disbursements of $5,602,407, producing an ending market value of $1,046,186 as of October 31, 2018.

B. Investment Performance Services ("IPS")

The Committee Members welcomed Mr. Rich Sichel of IPS to the meeting. Mr. Sichel presented the Master Consulting Report for the quarter ended September 30, 2018. Such report indicated a beginning market value for the third quarter 2018 of $2,648,076, net cash flow of negative $877,556, and a net investment change of $13,759, resulting in an ending market value of $1,784,278 for the quarter. The performance was 0.5% for the quarter.

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

IV. ACTUARY'S REPORT

A. 2018 Actuarial Valuation

The Committee Members welcomed Mr. Gene Kalwarski and Mr. Kevin Woodrich of Cheiron to the meeting. They reviewed the January 2018 valuation results. Mr. Woodrich said that there were 4,819 active participants. The market value of assets as of January 1, 2018 was $4,706,853. The present total value of future benefits was $43,634,030. The present value of future employer contributions was $83,587, which resulted in a deficit of $38,843,590. The Severance Plan experienced an actuarial loss of $1,219,757. Mr.

Paradis asked about the reason for the change in the value of future benefits in the audit report. Mr. Kalwarski said he would review with the Fund Auditor and advise.

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

V. ATTORNEY'S REPORT

A. Safeway Delinquency

Mr. Slevin reported on the interest owed by Safeway resulting from late contributions to the Fund.

B. Department of Labor ("DOL")

Mr. Slevin reported on the status of the DOL investigation of the Fund.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Third Quarter 2018 Report

Mr. Jensen presented the Administrative Manager's Third Quarter 2018 Report. Such report indicated contribution income of $2,028, interest income of $14,943, and miscellaneous income of $1,890,240, producing a total income of $1,907,211. Total expenses were $2,780,216, producing a deficit of $873,005 for the quarter. He noted that hours were recorded on behalf of 29 active Plan participants.

Mr. Jensen reviewed the severance applications contained in the Administrative Manager's Third Quarter 2018 Report.

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

RESOLVED that the Severance applications contained in the Administrative Manager's Third Quarter 2018 Report are recommended for payment.

VII. INVOICES

Mr. Jensen presented a list of invoices dated December 12, 2018. It was 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 12, 2018 are recommended for approval as presented.**

VIII. OTHER FUND BUSINESS

A. Severance Funding

Mr. Jensen reported that contribution invoices were sent in November 2018 to the participating employers to replenish Plan assets to $5,000,000, in accordance with the applicable collective bargaining agreements. He noted that all employers had remitted payment, with the exception of Safeway. Mr. Dosenbach said that payment would be remitted by Safeway within two weeks.

B. Participant Appeals

Mr. Jensen reported that the Severance Committee met on November 27, 2018 and that some appeals had been resolved and others had been tabled. Committee Member Goble said that the Committee was in the process of discussing the tabled appeals.

IX. NEXT MEETING DATE AND LOCATION

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

April 16, 2019 - UFCW Local 400, Landover, Maryland

July 18, 2019 – UFCW Local 400, Landover, Maryland

September 25, 2019 – UFCW Local 400, Landover, Maryland

December 12, 2019 – UFCW Local 400, Landover, Maryland.

X. ADJOURNMENT

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

Respectfully Submitted,

William R. Jensen

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