# United Food & Commercial Workers
# and Food Employers Labor Relations Association
# Severance Fund

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A PROGRAM OF THE
FELRA & UFCW
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## MINUTES OF THE MEETING OF THE COMMITTEE MEMBERS OF THE UFCW & FELRA SEVERANCE FUND HELD ON DECEMBER 18, 2013 IN LANDOVER, MARYLAND

**The following Committee Members were present:**

| Union Committee Members | Employer Committee Members |
| --- | --- |
| T. Hipkins – Chairman | J. Champion |
| J. Freeman | L. Madert |
| L.Harris | F. Stegman |
| C. Wiszynski | S. Stoner |

**Also present were:**

M. Boyle – UFCW Local 400
H. Burton - Fund Co-Counsel
J. Chorpenning – UFCW Local 27
S. Goodman – Slevin & Hart, P.C.
M. Herwig – PNC Bank
W. Jensen - Associated Administrators, LLC
C. Mietlicki - Cheirion
C. Murphy – Associated Administrators, LLC
G. Murphy – UFCW Local 27
J. Paradis – Ahold, USA
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 appeals committee held on September 17, 2013, 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 appeals committee held on September 17, 2013 are recommended for approval as presented.**

## III. FINANCIAL REPORT

### A. PNC Bank

The Committee Members welcomed Mr. Michael Herwig of PNC Bank to the meeting. He presented the Summary of Activity Report for the period January 1, 2013 through October 31, 2013. Such report indicated a beginning market value of $16,878,534, earnings of $1,112,579, receipts of $1,771,605, and disbursements of $6,476,050, producing an ending market value of $13,286,668 as of October 31, 2013.

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

## IV. ACTUARY'S REPORT

The Committee Members welcomed Mr. Chris Mietlicki of Cheiron to the meeting. They reviewed the January 2013 valuation results. Mr. Mietlicki said that there were 7,853 active participants. The market value of assets as of January 1, 2013 was $16,935,503. The total value of future benefits was $74,155,176. The present value of future employer contributions was $2,232,656, which resulted in a deficit of $54,987,017. He noted that the overall return for 2012 exceeded the 7% assumption, which produced a $0.6 million investment gain. He estimated that the Fund would become insolvent in 2016.

The Trustees thanked Mr. Mietlicki for his report and he were excused from the meeting.

## V. ATTORNEY'S REPORT

### A. Superfresh Litigation

Ms. Goodman discussed the Superfresh litigation.

### B. Acme Litigation

Ms. Goodman discussed the Acme litigation and arbitration.

### C. Plan Amendments

Ms. Goodman reviewed Plan Amendments No. 8 and 9. Such amendments were executed by the Trustees. Ms. Goodman and Mr. Burton discussed the Plan amendment on venue and forum.

## V. ADMINISTRATIVE MANAGER'S REPORT

### A. Second Quarter 2013 Report

Mr. Jensen presented the Administrative Manager's Report for the second quarter 2013. Such report indicated contribution income of $1,738,483, and interest income of $134,007, producing a total income of $1,872,490. Total expenses were $1,766,388, producing a surplus of $106,101. He noted that hours were recorded on behalf of 7,699 active plan participants.

### A. Third Quarter 2013 Report

Mr. Jensen presented the Administrative Manager's Report for the third quarter 2013. Such report indicated contribution income of $13,183, and interest income of $81,739, producing a total income of $94,922. Total expenses were $1,635,253, producing a deficit of $1,540,331. He noted that hours were recorded on behalf of 7,559 active plan participants.

### A. Pending Applications for Approval

The Trustees discussed approval of the applications contained on the list of applications, excluding the A&P/Superfresh and Acme applications, which were pending for resolution of a deadlock.

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

> **RESOLVED that the Severance applications contained in the second and third quarter 2013 Administrative Manager's Report, excluding the Superfresh and Acme applications, are recommended for payment.**

## VI. INVOICES

Mr. Jensen presented a list of invoices dated December 18, 2013. 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 list of invoices dated December 18, 2013 is recommended for approval.**

## VII. OTHER FUND BUSINESS

### A. ING

Mr. Jensen reported that he had been notified by the Fund's life insurance carrier, ING, that the premium for 2014 would remain the same as the prior year at $0.19 per $1,000.

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

> **RESOLVED to recommend approval of the ING premium rates for 2014.**

### B. Participant Appeal

The Trustees reviewed an appeal forwarded by the appeals committee for resolution. The participant was appealing the denial of his severance benefit due to a late application. The Trustees reviewed the appeal, but tabled same pending further investigation.

### C. Memorandum of Agreement ("MOA")

Mr. Jensen noted that a Memorandum of Agreement had been reached between Locals 400 and 27 and Giant and Safeway. He reviewed Attachment B of the Memorandum of Agreement with the Severance Committee Members

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

**RESOLVED to recommend that Attachment B of the Memorandum of Agreement be adopted as presented.**

## VIII. NEXT MEETING DATE AND LOCATION

Mr. Jensen noted that the next regular Committee meeting would be left to the call of the Chairman.

## IX. ADJOURNMENT

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

Respectfully submitted,

William R. Jensen

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