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

911 Ridgebrook Road Sparks, Maryland 21152-9451 Telephone: (410) 683-6500 (800) 638-2972 www.associated-admin.com	*A Program of the FELRA and UFCW VEBA Fund*	8400 Corporate Drive, Suite 430 Landover, Maryland 20785-2361 Telephone: (301) 459-3020 (800) 638-2972 www.associated-admin.com

MINUTES OF THE MEETING OF THE COMMITTEE MEMBERS OF THE UFCW & FELRA SEVERANCE FUND VIA TELECONFERENCE APRIL 16, 2020

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
J. Chorpenning - UFCW Local 27
L. DuVall - Associated Administrators, LLC
M. Federici - UFCW Local 400
A. Hanson - UFCW Local 400
J. Harrison - UFCW Local 27
N. Jacobs - UFCW Local 400
D. Jensen - Associated Administrators, LLC
W. Jensen - Associated Administrators, LLC
G. Kalwarski - Cheiron
M. Kreps - Groom Law Group
E. Masten - UFCW Local 27
C. McDonough - Investment Performance Services
R. McKnight - Associated Administrators, LLC
C. Murphy -Associated Administrators, LLC
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, 2019, the Appeals Committee meeting held on October 25, 2019, the Appeals Committee meeting held on November 19, 2019, and the Appeals Committee meeting held on February 6, 2020, 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, 2019, and the Appeals Committee meetings held on October 25, 2019, November 19, 2019, and February 6, 2020 are approved as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Mr. Jensen reviewed the PNC Summary of Activity Report for the period January 1, 2019 through December 31, 2019. Such report indicated a beginning market value of $2,941,579, earnings of $97,649, receipts of $3,873,782 and disbursements of $3,839,133, producing an ending market value of $3,073,877 as of December 31, 2019.

B. Investment Performance Services ("IPS")

The Committee Members welcomed Mr. Rich Sichel and Mr. Chris McDonough of IPS to the meeting.

1. Preliminary Performance – February 29, 2020

Mr. Sichel presented the Preliminary Performance as of February 29, 2020. Such report indicated a beginning market value of $2,363,100, net cash flow of negative $163,430, and a net investment change of $18,545, resulting in an ending market value of $2,218,215 for the period ending February 29, 2020. The performance was 1.4% through February 29, 2020. Mr. Sichel said that he will present information regarding the Fund's long-term expected risk/return at the next regular Board meeting.

The Committee Members thanked the representatives of IPS for their report and they were excused from the meeting.

IV. ACTUARY'S REPORT

A. Cheiron –Retainer Request

Mr. Kalwarski presented Cheiron's retainer fee request for 2020. He noted that Cheiron proposed a retainer fee of $42,016 ($10,504.00 per quarter), which represented an increase of approximately 1.6%, with the non-retainer fees ranging from $106 to $510 per hour for 2020.

The Committee Members reviewed the engagement request by Cheiron. After discussion and,

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

> **RESOLVED, to recommend approval of Cheiron's 2020 engagement proposal as presented.**

The Committee Members thanked the representatives of Cheiron and they were excused from the meeting.

V. ATTORNEY'S REPORT

A. Department of Labor ("DOL")

Ms. Sanchez reported on the status of the DOL investigation of the Fund.

After discussion, on Motion made and seconded, the Committee Members voted unanimous approval of the following resolution:

> **RESOLVED, to recommend delegating to Chairman and Secretary of the FELRA and UFCW VEBA Fund the authority to finalize a settlement with the DOL related to the pending investigation.**

B. DC Tax Law

Ms. Sanchez reported on the DC paid leave tax law and the DC government's demand that the Fund pay taxes under this law.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Third Quarter 2019 Report

Mr. Jensen presented the Administrative Manager's Third Quarter 2019 Report. Such report indicated contribution income of $2,966,827, and interest income of $18,529, producing a total income of $2,985,356. Total expenses were $458,209, producing a surplus of $2,527,147 for the quarter. He noted that hours were recorded on behalf of 24 active Plan participants.

Mr. Jensen reviewed the severance applications contained in the Administrative Manager's Third Quarter 2019 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 2019 Report are recommended for payment.

B. Fourth Quarter 2019 Report

Mr. Jensen presented the Administrative Manager's Fourth Quarter 2019 Report. Such report indicated contribution income of $1,715, and interest income of $28,757, producing a total income of $30,472. Total expenses were $1,522,338, producing a deficit of $1,491,866 for the quarter. He noted that hours were recorded on behalf of 25 active Plan participants.

Mr. Jensen reviewed the severance applications contained in the Administrative Manager's Fourth Quarter 2019 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 Fourth Quarter 2019 Report are recommended for payment.

VII. INVOICES

Mr. Jensen presented a list of invoices dated April 16, 2020. 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 April 16, 2020 are recommended for approval as presented.

VIII. NEXT MEETING DATE AND LOCATION

The Committee Members selected July 23, 2020 in Landover, Maryland, as the next regular meeting date immediately following the meetings of the FELRA and UFCW Pension Fund and the Mid-Atlantic UFCW and Participating Employers Pension Fund.

IX. ADJOURNMENT

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

Respectfully Submitted,

Linda DuVall

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