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

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A Program of the
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MINUTES OF THE MEETING OF THE COMMITTEE MEMBERS
OF THE UFCW & FELRA SEVERANCE FUND
MARCH 2, 2018
HANOVER, MARYLAND

The following Committee Members were present:

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

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

Also present were:

Y. Anwar – UFCW Local 400
H. Burton – Morgan, Lewis & Bockius, LLP
J. Chorpenning – UFCW Local 27
L. DuVall – Associated Administrators, LLC
M. Federici – UFCW Local 400
W. Jensen – Associated Administrators, LLC
G. Kalwarski – Cheiron
C. Mietlicki – Cheiron
S. Sanchez – Slevin & Hart, P.C.
B. Slevin – Slevin & Hart, P.C.
K. Woodrich – Cheiron

I. CALL TO ORDER

A quorum being present, the meeting was called to order. Mr. Jensen noted that he had received correspondence from the Food Employers Labor Relations Association appointing Mr. Michael Goble to the Committee, replacing Mr. Meisen, who retired.

II. MINUTES

The Committee Members reviewed the minutes of the last regular meeting held on January 10, 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 January 10, 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 November 30, 2017. Such report indicated a beginning market value of $2,458,843, earnings of $70,054, receipts of $3,357,121, and disbursements of $4,618,047, producing an ending market value of $1,267,971 as of November 30, 2017.

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 December 31, 2017. Such report indicated a beginning market value for the fourth quarter 2017 of $2,187,818, net cash flow of negative $1,198,097, and a net investment change of $1,756, resulting in an ending market value of $991,478 for the quarter. The performance was 0.1% for the quarter.

Mr. Sichel presented the Preliminary Performance update as of January 31, 2018. The beginning market value was $991,478, net cash flow was $2,439,326, and net investment change was $203, resulting in an ending market value of $3,431,007 as of January 31, 2018. The year-to-date performance 0.0%.

IV. ATTORNEY'S REPORT

A. Department of Labor ("DOL") Inquiry

Mr. Slevin reported on the DOL's requests for information regarding former SuperFresh participants. After discussion, the Board directed Fund counsel to notify the Fund's fiduciary liability insurance carrier of a potential claim relating to the investigation. The Board elected not to submit a claim for investigation-related expenses at this time.

V. ADMINISTRATIVE MANAGER'S REPORT

A. Fourth Quarter 2017 Report

Mr. Jensen presented the Administrative Manager's Fourth Quarter 2017 Report. Such report indicated contribution income of $2,354, interest income of $46,698, and miscellaneous income of $397, producing a total income of $49,449. Total expenses were $1,050,641, producing a deficit of $1,001,192 for the quarter. He noted that hours were recorded on behalf of 31 active Plan participants.

Mr. Jensen reviewed the severance applications contained in the Administrative Manager's Fourth Quarter 2017 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 2017 Report are recommended for payment.**

B. Administrative Services Contract Renewal

Mr. Jensen stated that Associated Administrators' contract will expire March 31, 2018. He presented a request for a three-year extension of the contract and reviewed justification for a fee increase. After discussion and on Motion made and seconded, the Committee members voted unanimous approval of the following resolution:

> **RESOLVED to recommend approval of the three-year extension of the administrative services contract at a fee increase of 3% per year effective April 1, 2018 in addition to the proposed hourly rates for implementing new regulatory changes and new vendor implementations.**

VI. INVOICES

Mr. Jensen presented a list of invoices dated March 2, 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 March 2, 2018 are recommended for approval as presented.

VII. OTHER FUND BUSINESS

A. Severance Sub-Committee

Mr. Jensen reported that the Severance sub-committee members and co-counsel met at Associated's Sparks, Maryland, office on February 13, 2018 to review existing Severance procedures and to discuss severance appeals. In follow up to that meeting, the Fund office drafted an updated proposed Severance application and cover letter and a reminder postcard, copies of which were distributed to the Committee members to review. After discussion,

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

RESOLVED to delegate to Committee Members Goble and Hipkins the authority to finalize the updated severance application and communication materials.

Mr. Jensen noted that there are fifteen pending appeals and asked the sub-committee to provide him with available dates and times so he could coordinate a mutually acceptable meeting.

B. Safeway Delinquency

Given that the following discussion involved Safeway, Mr. Dosenbach was excused from the meeting.

The Committee members discussed Safeway's late contribution payment to the Severance Fund and the application of the Fund's delinquency and collection policy. After discussion,

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

RESOLVED to recommend that the Fund demand and collect payment from Safeway of the interest owed on Safeway's late contribution payment, in accordance with the Fund's delinquency and collection policy; and

FURTHER RESOLVED to recommend that the Fund suspend the collection of liquidated damages related to Safeway's late contribution payment unless Safeway again becomes delinquent at which time the liquidated damages would be pursued.

Mr. Dosenbach was invited to return to the meeting and was informed of the foregoing.

VIII. NEXT MEETING DATE AND LOCATION

It was noted that the next meeting of the Board of Trustees is scheduled for June 28, 2018 in the offices of UFCW Local 400 located in Landover, Maryland.

IX. ADJOURNMENT

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

Respectfully Submitted,

William R. Jensen

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