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
JUNE 4, 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
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
M. Federici – UFCW Local 400
W. Jensen – Associated Administrators, LLC
G. Kalwarski – Cheiron
C. Mietlicki – Cheiron
D. Russell – Investment Performance Services
S. Sanchez – 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.

A. Proxy

Mr. Jensen noted that Committee Member Goble was unable to attend the meeting and had provided his proxy to Committee Member Paradis to act in all matters coming before the Severance Committee.

II. MINUTES

The Committee Members reviewed the minutes of the last regular meeting held on March 2, 2018 and the appeals committee meeting held on May 2, 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 March 2, 2018 and the appeals committee meeting held on May 2, 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 April 30, 2018. Such report indicated a beginning market value of $991,925, earnings of $1,692, receipts of $3,735,511, and disbursements of $1,607,364, producing an ending market value of $3,121,764 as of April 30, 2018.

B. Investment Performance Services (“IPS”)

The Committee Members welcomed Mr. David Russell of IPS to the meeting. Mr. Russell presented the Master Consulting Report for the quarter ended March 31, 2018. Such report indicated a beginning market value for the first quarter 2018 of $991,478, net cash flow of negative $2,748,310, and a net investment change of $2,334, resulting in an ending market value of $3,742,122 for the quarter. The performance was 0.1% for the quarter.

Mr. Jensen said that the next contribution request would be sent to the participating employers once the Fund’s assets drop to $2 million.

IV. ACTUARY'S REPORT

A. 2018 Retainer Fee

Mr. Mietlicki presented Cheiron's retainer fee request for 2018. He noted that Cheiron proposed a retainer fee of $40,420 ($10,105 per quarter), an increase of 2.2%, based on the increase in the CPI-U for September 2016 to September 2017. Non-retainer fees for 2018 would range between $102 and $496 per hour.

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

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

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

RESOLVED to recommend for approval Cheiron's 2018 engagement proposal, as presented.

V. ATTORNEY'S REPORT

A. Department of Labor ("DOL") Inquiry

Ms. Sanchez reported on the DOL's request for information.

B. Fiduciary Insurance - Potential Claim

Ms. Sanchez reported on a notice to the Fund's fiduciary insurance carrier, Chubb, outlining circumstances that could give rise to a claim.

C. Associated Administrators' Contract Amendment

Ms. Sanchez reported on an amendment to the Fund's agreement with Associated Administrators. The document was executed by Chairman and Secretary.

D. Safeway Delinquency

Ms. Sanchez reported that Safeway has not yet remitted the interest owed on its late paid contributions to the Fund. Mr. Dosenbach stated that payment of the interest owed on Safeway's late contribution payment would be remitted by the end of the week.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. First Quarter 2018 Report

Mr. Jensen presented the Administrative Manager's First Quarter 2018 Report. Such report indicated contribution income of $3,720,925, interest income of $20,711, and miscellaneous income of $16, producing a total income of $3,741,652. Total expenses were $982,626, producing a surplus of $2,759,026 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 First 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 First Quarter 2018 Report are recommended for payment.**

VII. INVOICES

Mr. Jensen presented a list of invoices dated June 4, 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 June 4, 2018 are recommended for approval as presented.**

VIII. OTHER FUND BUSINESS

Review of Severance Application Process

Mr. Jensen reviewed the Fund's Severance application process and distributed the updated severance benefit application and informational letters and postcards that the Fund office will send to notify plan participants of a potential severance benefit and provide them with contact information to inquire about the benefit. He also reported that the lead article in the most recent "For Your Benefit" newsletter highlighted the severance benefit application deadlines.

IX. NEXT MEETING DATE AND LOCATION

It was noted that the next meeting of the Board of Trustees is scheduled for September 25, 2018 in the offices of UFCW Local 400 located in 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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