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

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MINUTES OF THE MEETING OF THE COMMITTEE MEMBERS
OF THE UFCW & FELRA SEVERANCE FUND
JULY 18, 2019
LANDOVER, MARYLAND

The following Committee Members were present:

Union Committee Members	**Employer Committee Members**
T. Hipkins - Chairman	J. Paradis
N. Hill	D. Dosenbach
C. Hoffmann	M. Goble
M. Wilson	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
W. Jensen - Associated Administrators, LLC
N. Jacobs - UFCW Local 400
G. Kalwarski - Cheiron
R. McKnight – Associated Administrators, LLC
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.

A. Proxy

Mr. Jensen reported that that he had received correspondence from Committee Member Hack giving her proxy to Committee Member Hipkins 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 December 12, 2018, the Appeals Committee meeting held on September 10, 2018, the Appeals Committee meeting held on November 16, 2018, the Appeals Committee meeting held on January 7, 2019 and the Appeals Committee meeting held on May 2, 2019, 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 December 12, 2018, and the Appeals Committee meetings held on November 16, 2018, January 7, 2019 and May 2, 2019 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 May 31, 2019. Such report indicated a beginning market value of $2,941,579, earnings of $40,744, receipts of $904,298 and disbursements of $1,567,232, producing an ending market value of $2,319,389 as of May 31, 2019.

Mr. Jensen said that the next severance contribution request would be sent to the MOB employers in the near future, as the assets approach the $2 million floor outlined in the applicable CBAs.

B. Investment Performance Services ("IPS")

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

1. Master Consulting Report – 4Q18

Mr. Sichel presented the Master Consulting Report for the quarter ended December 31, 2018. Such report indicated a beginning market value for the fourth quarter 2018 of $1,784,278, net cash flow of $1,162,523, and a net investment change of negative $9,185, resulting in an ending market value of $2,937,615 for the quarter. The performance was negative 0.1% for the quarter.

2. Master Consulting Report – 1Q19

Mr. Sichel presented the Master Consulting Report for the quarter ended March 31, 2019. Such report indicated a beginning market value for the first quarter 2019 of $2,937,615, net cash flow of negative $128,157, and a net investment change of $26,556, resulting in an ending market value of $2,836,015 for the quarter. The performance was 0.8% for the quarter.

3. Preliminary Performance Report – May 31, 2019

Mr. Sichel next presented a Preliminary Performance report as of May 31, 2019. Such report indicated a beginning market value of $2,666,201, net cash flow of negative $358,759, and a net investment change of $8,034, resulting in an ending market value of $2,315,477 for the period ending May 31, 2019. The performance was 0.3% through May 31, 2019.

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

IV. 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.

V. ADMINISTRATIVE MANAGER'S REPORT

A. Fourth Quarter 2018 Report

Mr. Jensen presented the Administrative Manager's Fourth Quarter 2018 Report. Such report indicated contribution income of $2,325,012, interest income of $8,761, and miscellaneous income of $400, producing a total income of $2,334,173. Total expenses were $1,131,504, producing a surplus of $1,202,669 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 Fourth 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 Fourth Quarter 2018 Report are recommended for payment.**

B. First Quarter 2019 Report

Mr. Jensen presented the Administrative Manager's First Quarter 2019 Report. Such report indicated contribution income of $903,094, and interest income of $18,317, producing a total income of $921,411. Total expenses were

$1,030,481, producing a deficit of $109,070 for the quarter. He noted that hours were recorded on behalf of 26 active Plan participants.

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

VI. INVOICES

Mr. Jensen presented a list of invoices dated July 18, 2019. 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 July 18, 2019 are recommended for approval as presented.**

VII. OTHER FUND BUSINESS

A. DC Tax Law

Mr. Jensen reported on a new tax notice received from the D.C. Government asserting that the Severance Plan owes tax for 0.62% of wages paid under the Family Leave Act. Mr. Slevin said that his firm is reviewing the issue and will advise the Committee Members once review is complete.

VIII. NEXT MEETING DATE AND LOCATION

The Committee Members noted that their next regular meeting was scheduled for September 25, 2019 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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