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

911 RIDGEBROOK ROAD
SPARKS, MARYLAND 21152-9451
TELEPHONE: (410) 683-6500
(800) 638-2972

A PROGRAM OF THE
FELRA & UFCW
HEALTH AND WELFARE FUND

4301 GARDEN CITY DRIVE
SUITE 201
LANDOVER, MARYLAND 20785-2210
TELEPHONE: (301) 459-3020

MINUTES OF THE MEETING OF THE COMMITTEE MEMBERS OF THE UFCW & FELRA SEVERANCE FUND HELD ON JUNE 20, 2014 IN LANDOVER, MARYLAND

The following Committee Members were present:

Union Committee Members	Employer Committee Members
J. Freeman	J. Champion - Secretary
G. Gatewood	L. Madert
L. Harris	J. Paradis
C. Wiszynski	F. Stegman
	D. White

Also present were:

M. Boyle – UFCW Local 400
H. Burton - Fund Co-Counsel
M. Herwig – PNC Bank
W. Jensen - Associated Administrators, LLC
C. Murphy – Associated Administrators, LLC
G. Murphy – UFCW Local 27
J. Paradis – Ahold, USA
R. Sichel – Investment Performance Services
B. Slevin - Fund Co-Counsel

I. CALL TO ORDER

Due to the absence of the Chairman, Mr. Champion was asked to Chair the meeting.

A quorum being present, the meeting was called to order.

A. Proxy

Mr. Jensen reported that Trustee Hipkins was unable to attend the meeting and had given his proxy to Trustee Freeman to act in all matters coming before the Board.

B. Appointment of Trustee

Mr. Jensen reported that Mr. Steve Stoner was no longer employed at Giant Food, LLC. After discussion, Mr. David White was appointed as a Committee Member to replace Mr. Stoner effective with the date of the meeting. The Trustees welcomed Mr. White to the Committee.

II. MINUTES

The Committee Members reviewed the minutes of the regular meeting held on April 3, 2014 and the appeals committee minutes of March 18, 2014.

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

> **RESOLVED to approve the minutes of the regular meetings held on April 3, 2014 and March 18, 2014 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, 2014 through May 31, 2014. Such report indicated a beginning market value of $12,650,715, earnings of $423,234, receipts of $12,118, and disbursements of $3,199,927, producing an ending market value of $9,886,140 as of May 31, 2014.

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

C. Investment Performance Services

The Committee Members welcomed Mr. Rich Sichel of Investment Performance Services to the meeting. Mr. Sichel presented the preliminary investment performance report for the period ending March 31, 2014. Such report indicated the return for March 31, 2014 was 2.2%. The market value of assets as of March 31, 2014 was $10,367,204.

Mr. Sichel next reviewed the Master Consulting Report for the period ending March 31, 2014. He noted that the total market value of assets for the Severance Fund was $10,367,204 as of March 31, 2014, with a three-month return of 2.3% and a year-to-date return of 2.3%.

Mr. Sichel then reviewed the performance by individual manager. He recommended that NWQ, Westwood, Windhaven, and Mellon CF Global Expanded Alpha I be terminated. He further recommended that Segall, Bryant and Hamill's benchmark be changed to the Barclays Intermediate Government/Credit Index to shorten the duration of the fixed income portfolio and reduce interest rate risk. He said detailed recommendations would be reviewed with the Trustees in the future.

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

IV. ATTORNEY'S REPORT

A. Superfresh Litigation

Mr. Slevin discussed the Superfresh contribution litigation.

B. Acme Litigation

Mr. Slevin discussed the Acme contribution litigation.

V. ADMINISTRATIVE MANAGER'S REPORT

A. First Quarter 2014 Report

Mr. Jensen presented the Administrative Manager's Report for the first quarter 2014. Such report indicated contribution income of $10,094, and interest income of $96,051, producing a total income of $106,145. Total expenses were $2,549,880, producing a deficit of $2,443,735. He noted that hours were recorded on behalf of 313 active plan participants.

Mr. Jensen presented the Severance applications for approval.

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

RESOLVED that the Severance applications contained in the first quarter 2014 Administrative Manager's Report are recommended for payment.

VI. INVOICES

Mr. Jensen presented a list of invoices dated June 20, 2014. 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 June 20, 2014 is re-commended for approval.

VII. OTHER FUND BUSINESS

A. Severance Contributions

Mr. Jensen reported that a contribution demand of $6,000,000 allocated among the participating employers was sent on June 17, 2014.

VIII. NEXT MEETING DATE AND LOCATION

After discussion, the Committee members noted that September 18, 2014 had been previously selected as the date of the next meeting in Landover, Maryland.

IX. ADJOURNMENT

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

Respectfully Submitted,

Jeffrey Champion, Secretary

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