United Food and Commercial Workers Unions
And Contributing Employers
Legal Benefits Fund

911 Ridgebrook Road
Sparks, MD 21152-9451
Telephone: (410) 683-6500
Toll Free: (866) 662-2537
www.associated-admin.com

8400 Corporate Drive, Suite 430
Landover, MD 20785-2361
Telephone: (301) 459-3020
Toll Free: (866) 662-2537
www.associated-admin.com

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE UFCW UNIONS AND CONTRIBUTING EMPLOYERS LEGAL BENEFITS FUND APRIL 25, 2019 IN LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
A. Hanson	D. Gwin - Chairperson
T. Hipkins	

Also present were:

J. Chorpenning - UFCW Local 27
D. Clutts - Associated Administrators, LLC
M. Federici - UFCW Local 400
N. Jacobs - UFCW Local 400
W. Jensen - Associated Administrators, LLC
J. Ianniello – Associated Administrators, LLC
S. Sanchez - Slevin & Hart, P.C.
B. Slevin - Slevin & Hart, P.C.
L. Walsh - Associated Administrators, LLC
R. Wildt – UFCW Local 27
M. Wilson - UFCW Local 400

I. CALL TO ORDER

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

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on April 11, 2018, which were previously circulated and,

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

> **RESOLVED that the minutes of the last regular meeting held on April 11, 2018 are approved as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Ms. Clutts reviewed the PNC Summary of Activity report for the period January 1, 2019 through March 31, 2019, which had been previously circulated. Such report indicated a beginning market value of $72,797, earnings of $449, receipts of $89,799, and disbursements of $66,182, producing an ending market balance of $96,863 as of March 31, 2019.

IV. ATTORNEY'S REPORT

Fund Counsel had no legal matters to report.

V. ADMINISTRATIVE MANAGER'S REPORT

A. First Quarter 2018

Ms. Clutts reviewed the Administrative Manager's report for the First Quarter 2018, which was previously circulated. Such report indicated employer contributions of $113,833 and interest and dividend income of $294, producing a total income of $114,127 for the period. Expenses included $99,206 of benefit related expenses and $13,144 in operating expenses, producing a total expense of $112,350. This resulted in a net surplus of $1,777 for the quarter. Ms. Clutts noted that contributions were made on behalf of 1,809 participants for the quarter. Fund reserves as of March 31, 2018 were $113,941.

Ms. Clutts reported that there were no delinquencies for the first quarter.

B. Second Quarter 2018

Ms. Clutts reviewed the Administrative Manager's report for the Second Quarter 2018, which was previously circulated. Such report indicated employer contributions of $110,576 and interest and dividend income of $406, producing a total income of $110,982 for the period. Expenses included $96,290 of benefit related expenses and $11,363 in operating expenses, producing a total expense of $107,653. This resulted in a net surplus of $3,329 for the quarter. Ms. Clutts noted that contributions were made on behalf of 1,768 participants for the quarter. Fund reserves as of June 30, 2018 were $117,126.

Ms. Clutts reported that there were no delinquencies for the second quarter.

C. Third Quarter 2018

Ms. Clutts reviewed the Administrative Manager's report for the Third Quarter 2018, which was previously circulated. Such report indicated employer contributions of $91,942 and interest and dividend income of $476, producing a total income of $92,418 for the period. Expenses included $82,218 of benefit related expenses and $19,291 in operating expenses, producing a total expense of $101,509. This resulted in a net deficit of $9,091 for the quarter. Ms. Clutts noted that contributions were made on behalf of 1,487 participants for the quarter. Fund reserves as of September 30, 2018 were $104,420.

Ms. Clutts reported that there were no delinquencies for the third quarter.

D. Fourth Quarter 2018

Ms. Clutts reviewed the Administrative Manager's report for the Fourth Quarter 2018, which was previously circulated. Such report indicated employer contributions of $91,146 and interest and dividend income of $362, producing a total income of $91,508 for the period. Expenses included $82,734 of benefit related expenses and $15,114 in operating expenses, producing a total expense of $97,848. This resulted in a net deficit of $6,340 for the quarter. Ms. Clutts noted that contributions were made on behalf of 1,487 participants for the quarter. Fund reserves as of December 31, 2018 were $97,667.

Ms. Clutts reported that there were no delinquencies for the fourth quarter.

E. Administrative Manager's Contract Renewal

Mr. Jensen reported that Associated Administrators' contract had expired December 31, 2018. He noted that the Trustees had tabled a decision on the renewal at the last meeting pending further review. He requested that the Trustees consider Associated's request for a three-year extension of the contract and reviewed justification for a 3% fee increase per year. He cited new legislation that has significantly affected benefits administration and ongoing information technology reinvestment for mandated security and compliance.

The representatives from Associated Administrators were excused from the meeting.

The Trustees discussed the contract renewal and,

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

> **RESOLVED to approve renewal of Associated Administrators' contract for a three-year period at a rate of $1.53 per participant per month retroactive to January 1, 2019, $1.58 per participant per month effective January 1, 2020, and $1.63 per participant per month effective January 1, 2021, in addition to the proposed hourly rates for implementing new regulatory changes and new vendors.**

The Trustees invited the representatives of Associated to rejoin the meeting and they were advised of the Trustees' decision.

Mr. Jensen thanked the Trustees on behalf of Associated Administrators.

VI. INVOICES

Ms. Clutts presented a list of invoices dated April 25, 2019. She said there were no additions, deletions, or changes to the list, and all invoices represented proper Fund expenses.

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

RESOLVED that the invoices on the list dated April 25, 2019 are approved for payment.

VII. AKMAN & ASSOCIATES, P.C.

The Trustees welcomed Mr. Matt Akman from Akman & Associates, P.C. ("Akman & Associates") to the meeting.

A. Annual Review

Mr. Akman reviewed the UFCW Unions and Contributing Employers Legal Benefits Fund Annual Report for the period January 1, 2018 through December 31, 2018. Mr. Akman noted that 517 cases were opened during the period, generating 2,858.95 attorney hours and 2,011.15 paralegal hours. Consumer law represented the highest number of cases opened, followed by family law. He reviewed the survey results from participants utilizing his firm.

The Trustees thanked Mr. Akman for his report and he was excused from the meeting.

VIII. OTHER FUND BUSINESS

A. Fiduciary Insurance

Ms. Clutts reported that the Fund's fiduciary insurance policy was renewed for the period April 30, 2019 through April 29, 2020 and that the Individual Waiver of Recourse invoices had been forwarded to the Trustees on April 17, 2019.

B. Payroll Audit - Shoppers

Ms. Clutts reported that the Fund's Auditor, Withum, had conducted a payroll audit of Shoppers Food and Pharmacy for the period January 2015 through December 2017 and such review had found no irreconcilable discrepancies.

IX. NEXT MEETING DATE AND LOCATION

The Trustees will meet again in April 2020, with the date and location to be established prior to year-end 2019.

X. ADJOURNMENT

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

Respectfully submitted,

Donna Gwin - Chairperson