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

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A Program of the FELRA and UFCW VEBA Fund

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MINUTES OF THE MEETING OF THE COMMITTEE MEMBERS OF THE UFCW & FELRA SEVERANCE FUND HELD VIA VIDEO CONFERENCE MARCH 11, 2022

The following Committee Members were present:

Union Committee Members	Employer Committee Members
T. Hipkins – Chairman	J. Paradis
J. Hack	D. Dosenbach
M. Wilson	M. Goble

Also present were:

Y. Anwar − UFCW Local 400
J. Chorpenning − UFCW Local 27
M. Federici − UFCW Local 400
J. Harrison − UFCW Local 27
D. Jensen − Associated Administrators, LLC
G. Kalwarski − Cheiron
M. Kreps − Groom Law Group
C. McDonough − Investment Performance Services
R. McKnight − Associated Administrators, LLC
C. Murphy − Associated Administrators, LLC
S. Sanchez − Slevin & Hart, P.C.
A. Sims − Associated Administrators, LLC
B. Slevin − Slevin & Hart, P.C.
L. Walsh − Associated Administrators, LLC
K. Woodrich − Cheiron
A. Yu − Investment Performance Services

I. CALL TO ORDER

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

II. MINUTES

The Committee Members reviewed the minutes of the last regular meeting held on December 15, 2021 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 15, 2021 are approved as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Ms. Sims reviewed the PNC Summary of Activity Report for the period January 1, 2022 through February 28, 2022. Such report indicated a beginning market value of $4,807,290, negative earnings of $16,860, receipts of $678 and disbursements of $468,423, producing an ending market value of $4,322,685 as of February 28, 2022.

A. Investment Performance Services (“IPS”)

The Committee Members welcomed Mr. Chris McDonough and Ms. Angela Yu of IPS to the meeting.

1. Master Consulting Report – December 31, 2021

Mr. McDonough presented the Master Consulting Report for the quarter ending December 31, 2021. Such report indicated a beginning market value of $2,966,684, net cash flow of $1,844,901, and a net investment loss of $4,342, resulting in an ending market value of $4,807,243 for the fourth quarter ending December 31, 2021. The year-to-date performance was negative 0.4% through December 31, 2021, gross of fees.

2. Preliminary Performance Update – January 31, 2022

Mr. McDonough reviewed the Preliminary Performance Report for the period ending January 31, 2022. Such report indicated a beginning market value of $4,807,243, net cash flow of negative $122,279, and a net investment change of negative $11,904, resulting in an ending market value of $4,673,060 for the month ending January 31, 2022. The year-to-date performance through January 31, 2022 was negative 0.2%, gross of fees.

3. Asset Allocation

Mr. McDonough reviewed an Asset Allocation report reflecting various possible asset allocation strategies and stated IPS's recommendation that the Trustees update the Fund's asset allocation to increase by 5% the target allocation to Short Duration High Yield and exclude the Fund's cash position from the asset allocation determination.

After discussion, and on Motion made and seconded, the Committee Members voted unanimous approval of the following resolution:

> **RESOLVED, to recommend adoption of asset allocation Portfolio D, as described above and recommended by IPS.**

The Committee Members thanked the representatives of IPS for their report and they were excused from the meeting.

IV. ATTORNEY'S REPORT

A. IRS Intent to Levy Notice

Ms. Sanchez reported on the IRS Intent to Levy notice received by the Fund.

V. ADMINISTRATIVE MANAGER'S REPORT

A. Fourth Quarter 2021 Report

Ms. Sims presented the Administrative Manager's Fourth Quarter 2021 Report. Such report indicated contribution income of $1,005, allocated contributions of $3,213,973, and interest income of $6,534, producing a total income of $3,221,512. Total expenses were $1,372,469, producing a surplus of $1,849,043 for the quarter. She noted that hours were recorded on behalf of 15 active Plan participants.

Ms. Sims reviewed the severance applications contained in the Administrative Manager's Fourth Quarter 2021 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 2021 Report are recommended for payment.**

VI. INVOICES

Ms. Sims presented a list of invoices dated March 11, 2022. 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 11, 2022 are recommended for approval as presented.

VII. OTHER FUND BUSINESS

A. Cheiron 2022 Engagement Letter

Ms. Sims presented Cheiron's retainer fee request for 2022. She stated that Cheiron proposed a retainer fee of $44,900 ($11,225 per quarter), which represented an increase of approximately 5.39%, with the non-retainer fees ranging from $107 to $515 per hour.

After discussion, and on Motion made and seconded, the Committee Members voted unanimous approval of the following resolution:

RESOLVED, to recommend approval of Cheiron's 2022 engagement proposal, as presented.

VIII. NEXT MEETING DATE AND LOCATION

After discussion, the Committee Members noted that the next meetings are scheduled on the following dates:

Friday, June 10, 2022

Thursday, September 15, 2022

Monday, December 12, 2022

The meetings will be held via video conference.

IX. ADJOURNMENT

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

Respectfully Submitted,

Anne-Marie Sims

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