

**ATU LOCAL 1596 PENSION FUND
MINUTES OF WORKSHOP
Tuesday, October 15, 2002**

Board Members Present:

Thomas Lapins- Chairman
 Brian Anderson- Secretary
 Blanche Sherman- LYNX Appointee (1:25 PM)
 Mike Donnelly- Union Appointee
 Robert Doane- Union Appointee

Others Present

Scott Baur and Margie Adcock- Fund Administrator
 Joyce Baldi- LYNX Representative
 Jill Hanson- Fund Attorney
 Theora Braccialarghe, Actuary
 Lee Ricci and Desna
 Frank Lacock

Agenda Item #	Discussion	Decision	Follow-up
1.	Meeting called to order.	1:10 PM	
2.	Minutes from meeting of September 10, 2002.	The Trustees noted some corrections to their names. Mike Donnelly made a motion to approve the minutes as amended, seconded by Robert Doane, and approved by the Trustees 5-0.	
*	Lee Ricci and other staff from LYNX were introduced to the Board. The Trustees discussed the approval of the disability pension benefit for Julian Galindo, subject to confirmation that LYNX did not have an alternative position available. Lee Ricci confirmed that LYNX had no other position available at this time, so Mr. Galindo will receive a pension. Lee then informed that Trustees that a letter had already been mailed reappointing		None Required.

	Brian Anderson to the Board.		
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*	<p>The Board discussed the Participation Agreement. While LYNX informally agreed at one time to honor the Participation Agreement, LYNX must also approve each individual Participation Agreement. The Trustees reviewed some of the specific circumstances where participants may want to remain in the ATU Local 1596 Pension Plan upon receiving a promotion. Although the LYNX representatives present at the meeting did not seem inclined to alter their position, they agreed to further discuss the issue at a separate meeting.</p>		None Required.
*	<p>The Trustees then discussed the procedures to change benefits offered under the Plan. Jill Hanson noted that most public pension plans require the municipality to approve changes to benefits, although this plan has always been different. The recent performance of the market, however, creates new concerns about potential future costs. Theora Braccialarghe said that the actuary would typically provide impact statements for changes. The LYNX representatives also agreed to further discuss this issue in a separate meeting.</p>		None Required.
3.	<p>Scott Baur reviewed the Financial Statements for the Board. The Trustees requested that the administrator clarify the negative balance for the checking account appearing on the balance sheet, which appeared to result from the trial balances at the beginning of the fiscal year.</p>		PRC
4a.	<p>Theora Braccialarghe reported on behalf of Gabriel Roeder Smith. First, the Trustees reviewed the buyback methodology for participants reentering the Plan. In response to a question as to why a person could not repay contributions withdrawn from the Plan</p>	<p>Mike Donnelly expressed concerns that the Board devoted too much time to an issue that affected few participants. The Board took no action on the</p>	None Required.

	over a longer period of time, Theora explained that too much of each payment would go to interest if the payments were extended over a longer time period. The Trustees also discussed a possible partial buyback.	buyback process.	
4b.	The Board discussed the disability benefits offered under the Plan. The Trustees reviewed the definition of disability used by the Plan, as well as questions about procedures for verification of change in medical or employment status. The Trustees also discussed partial disability benefits, in the event that a participant is able to earn part of the pre-disability income.	Theora needs specific objectives to evaluate the potential impact of various benefit provisions to the Plan. Jill Hanson will obtain information regarding disability benefit provisions from other transportation union plans. Frank Lacock will also look into the matter when he attends a conference of the ATU International.	Jill Hanson, Frank Lacock.
6.	Jeff Swanson joined the meeting by telephone and noted that the value of the Plan assets had not changed significantly from the end of August from the beginning of the fiscal year, which provided for some discussion about the required funding levels for the Plan. The Trustees noted a potential problem with the Baron Fund selected for investment of plan assets at the September meeting; Merrill Lynch cannot custody the Baron Fund, and Baron may not be a qualified public depository in Florida.	Mike Donnelly made a motion to invest \$2 Million of plan assets in the Westfield Fund, in the event that Baron is not a qualified public depository. Bob Doane seconded the motion, approved by the Trustees 5-0. This motion may supercede a motion made at the September 10, 2002 meeting to invest \$1 Million of plan assets each to the Westfield Fund and the Baron Fund.	Jeff Swanson.

4c.	Theora Braccialarghe explained that the actuarial report measures the liability of the plan in order to determine the required funding. The income to the plan consists of contributions and investment income, which must pay the benefits and expenses of the plan. She still considers the 8% assumed rate of return on investments reasonable over longer periods of time. Due to the recent downturn in the market, the funding requirement will likely exceed the amount stipulated under the current bargaining agreement by a small amount.	Blanche Sherman made a motion to accept the actuarial report and forward a copy to the state. Mike Donnelly seconded the motion, approved by the Trustees 5-0.	PRC
7.	Jill Hanson reported that she received an appeal by Hector Matos, which the Board must resolve within 90 days. She noted that the Board should set aside one hour for discussion and a decision, and Mr. Matos should be invited.	The Trustees will review the matter on November 12.	Jill Hanson PRC
*	The Trustees received copies of guidelines for the Sunshine laws, which Jill will review at a later date. The Trustees also discussed the final revisions and schedule for printing the Reference Guide.		None Required.
8.	Scott Baur, administrator for the plan, responded to additional questions about the financial statements. He informed the Board that Margie Adcock would not come to the meeting scheduled for November 12 due to a conflict. He also notified the Board that some changes will need to be made to benefits calculated for retirees by Pension Management Services, although the changes should all represent increases in the monthly benefits paid to those retirees. He will forward new benefit calculations to GRS for review.		PRC GRS

9a.	The Reference Guide is being finalized, and will go to the printer before the end of the week.		
9b.	Both management and the union had signed the Restated Plan Document.		
9c.	Tom Lapins never heard back from LYNX regarding comp time for his duties as chairman for the Board, although he stated that he no longer intended to pursue the issue now that the Reference Guide had been completed and the union supplied him with a cell phone. He also does not intend to resign from the Board.	Bob Doane still wants resolution to the comp time issue.	
9d.	The Trustees reviewed the draft copies of the annual Benefit Statements prepared by the Pension Resource Center.	The Board granted PRC permission to review the calculations on the statements with GRS as necessary. Bob Doane made a motion to have the statements reflect both annual and monthly benefit amounts. Mike Donnelly seconded the motion, approved by the Trustees 5-0.	PRC
9e. & 10a.	The Trustees also discussed possible educational workshops for plan participants. The Board then discussed scheduling an additional workshop in January for the Trustees to cover the disability provisions of the plan and Sunshine Laws. The Trustees also asked Theora if she could take additional time at a specially scheduled workshop to explain in detail the function of the actuary.		None Required.

10c.	Tom Lapins briefly reviewed possible bi-annual mailings and other pension updates for participants of the plan.		Tom Lapins
10d.	The Pension Resource Center received the rest of the enrollment forms for the Share Accounts and Enhanced Benefit Election at the meeting. Approximately 10% of the participants appeared to have enrolled in one or both optional benefits. Scott Baur will report in detail at the next meeting.		PRC
10e.	The Trustees agreed to meet at Charlie's Steakhouse for the holiday lunch at 11:30 AM on November 12. The Board will invite additional representatives from LYNX to the lunch.		
11.	Blanche Sherman will arrange food for the January meeting. The administrator will also bring available information regarding the January FPPTA conference to the November meeting. Tom and Joyce noted that the binders for the Reference Guide had been prepaid.		Blanche Sherman PRC
12.	The Trustees reviewed both current and past disbursements.	Blanche Sherman made a motion to approve a disbursement list from spring of 2002. Mike Donnelly seconded the motion, approved by the Board 5-0. Brian Anderson made a motion to approve payment of an invoice to GRS. Blanche Sherman seconded the motion, approved by the Trustees 5-0.	
14.	There being no other business, and the next meeting having been previously scheduled during the meeting		

	the Trustees adjourned at 5:20 PM.		
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Sincerely,

Brian Anderson
Secretary