

**ATU LOCAL 1596 PENSION FUND  
MINUTES OF WORKSHOP  
October 21, 2003**

**Board Members Present:**

Thomas Lapins- Chairman  
Edward Johnson- LYNX Appointee  
Blanche Sherman- LYNX Appointee (1:40 PM)  
Mike Donnelly- Union Appointee  
Frank Lacock- Union Appointee  
Brian Anderson- Secretary

**Others Present**

Scott Baur & Nick Scheiss— Fund Administrator  
Jill Hanson— Fund Attorney  
Lee Ricci— Lynx Representatives (2 PM)  
Joyce Baldi— Lynx Human Resources  
Theora Braccialarghe— Actuary (By Phone, 1:45 PM)  
Phil Ingram—Plan Participant (1:50 PM)

<b>Agenda Item</b>	<b>Discussion</b>	<b>Decision</b>	<b>Follow-up</b>
*	Meeting called to order.	1:40 PM	
1.	The Trustees reviewed the minutes for the meeting of September 23, 2003.	A motion was made, seconded, and approved 6-0, subject to a wording correction on the third page.	
2.	Phil Ingram had not yet arrived at the meeting. Jill Hanson noted that the Board could make an initial decision regarding Phil Ingram, which he can then appeal to a formal hearing.	The Trustees decided to wait until Mr. Ingram arrived before they discussed his situation.	
3.	Theora Braccialarghe joined the meeting by phone at 1:45 PM. She reviewed the funding projections assuming that all of the actuarial assumptions were met during the preceding year. The projected employer contributions increased to 11-12% of payroll for the next two years based on various combinations of liability and payroll growth. Funding increased by 0.27% for the next year using the current assumptions along with the pay progression plan contained in the current contract. Funding dropped by 0.16% for the next year assuming a 1-year wage freeze. Funding dropped by 0.65% of payroll assuming future payroll growth of 6% instead of 6.5% per year. Funding dropped by 1.89% assuming future payroll growth of 5% instead of 6.5% annually. Updating the mortality table from the 1983 Commissioners Standard Mortality Table to the 1994 Table increased funding by 0.67% per year.	The Trustees discussed the likelihood that different combinations of assumptions might be met. Theora noted that the Board previously directed GRS to complete an experience study, which GRS has not completed pending resolution of some of the data issues. The Trustees noted that the funding increase due to the pay progression plan, the increase due to the Benefit Credits, and the decrease by assuming future salary increases of 6% from 6.5% combined to reduce employer contributions for the next fiscal year from 10.89% of payroll to 10.51% of payroll. The Trustees deferred action on changes to assumptions until the next meeting.	None.

2.	Jill Hinson prepared a memo for the Board regarding Phil Ingram. Mr. Ingram claims that the administrator told him that he could receive a refund of contributions from the Plan if he terminated with less than 10 years of service, but he was not eligible to receive a refund because he accumulated more than 10 benefit credits. Mr. Ingram resigned from his employment at LYNX anyway. LYNX rehired him 3-4 weeks later. He requested that the Board allow him to take a refund or reimburse him for his time out of work.	Jill Hanson advised the Trustees that they should not violate the plan document by granting a refund of contributions. She also did not feel that Mr. Ingram met the burden of proof based on the information available as of the meeting date. In any case, the Trustees could deny his request, refund the contributions, or reimburse Mr. Ingram for the time out of work. Ms. Hanson advised the Board that a participant has the right to a full hearing that includes testimony from witnesses, in the event that the Trustees deny a benefit under the Plan. Edward Johnson made a motion to table the request by Mr. Ingram to allow additional time to gather information, seconded by Brian Anderson. The motions passed by a vote of 4-2, with Frank Lacock and Blanche Sherman dissenting. The Board directed the administrator to put Mr. Ingram first on the agenda for the meeting scheduled on November 18.	Jill Hanson PRC
4.	Tom Lapins executed the impact statement provided by Theora Braccialarghe.		None.
5.	The Board reviewed the schedule for the distribution of annual benefit statements to the participants of the plan.	The Board decided that only the administrator should participate in the distribution of the statements, due to the cost to have the attorney present. Tom Lapins will write down and submit to Jill Hanson any participant questions that require her attention.	PRC
6.	The administrator provided a preliminary report that recently approved benefits issued to participants might contain errors due to inaccurate data on benefit credits based on hours reported by LYNX. The Trustees briefly discussed an incorrect benefit issued to Raymond Jenkins, which LYNX and GRS recently resolved after some time had passed. Peter Alfele, auditor for the Plan, joined the meeting by phone. He noted that past payroll files provided by LYNX also did not reconcile accurately to deposits to the Plan.	Peter Alfele suggested some regular and periodic review by LYNX of data supplied to the administrator. Blanche Sherman reported that LYNX had already implemented some new procedures to correct problems encountered in the past. The Board also briefly discussed additional review of controls or sampling by the auditor.	LYNX PRC
7.	Jill Hanson provided Amendment 3 approved at the last meeting,	Edward Johnson made a motion to rescind the	None.

	increasing benefit credits by 0.1 for more than 2500 hours of service in a fiscal year.	motion from the meeting of September 23, 2003, approving the increase in benefit credits and implementation of the Funding Standard Account. The motion to rescind died for lack of a second. Brian Anderson stated, for the record, that he does not believe the Funding Standard Account should be linked to the increase in benefit credits, since both items passed as part of the same motion during the prior meeting. The Board executed Amendment 3 to the Plan.	
7.	<p>Jill Hanson provided the Board with a new Trustee List and a list of service providers for their reference guides. She also reported that the Union reappointed Mike Donnelly to the Board. She then reported that she would forward to the Trustees a tax determination request that she was preparing for submission to the IRS. The IRS requires a submission fee with the request.</p> <p>The Trustees made various suggestions and comments to update the Summary Plan Description. Jill will forward the SPD to the Trustees for review prior to the next meeting.</p> <p>Jill then reviewed the disability requirements in the Plan. A person automatically receives a disability pension upon qualification for social security disability. If the person does not qualify for social security disability, then the Board makes a separate determination regarding disability that includes the possibility that the participant could work at any other available position at LYNX. Jill noted that any definition of disability that encourages more participants to apply can become very costly to the Plan.</p>	The Board discussed the requirements for "substantial and gainful" employment, if any, available to a participant making an application for a disability pension. The Trustees directed Jill to provide information on the disability provisions for the pension plans of similar agencies.	Jill Hanson
8.	The administrator provided the Board with an update on the status of pending benefit applications for Dennis Thomas and Charlestine Kieley.		PRC
9.	The Trustees reviewed a report provided by the administrator showing benefit credits for participants hired by LYNX prior to the inception of the Plan.	The Trustees noted the benefit credits for a few of the participants listed should be further reviewed.	PRC
10.	Edward Johnson and Brian Anderson departed the meeting at 5:05		PRC

	<p>PM due to prior scheduling commitments.</p> <p>Blanche Sherman was not clear that the increase to benefit credits represented an annual cost to the plan, as opposed to a one-time cost. She requested another copy of the study completed by the actuary for the benefit change.</p>		
11. & 12.	There being no other business, and the next meeting having been previously scheduled for Tuesday November 11 at 11 AM (lunch) and 1 PM (meeting) the Trustees adjourned at 4:55 PM.		None.

Sincerely,

Brian Anderson  
Secretary