

**ATU LOCAL 1596 PENSION FUND
MINUTES OF WORKSHOP
Tuesday, April 15, 2003**

Board Members Present:

Thomas Lapins- Chairman
Edward Johnson- LYNX Appointee
Blanche Sherman- LYNX Appointee
Mike Donnelly- Union Appointee
Frank Lacock- Union Appointee
Brian Anderson- Secretary

Others Present

Scott Baur & Nick Schiess- Fund Administrator
Jill Hanson- Fund Attorney
Theora Braccialarghe - Actuary

Agenda Item	Discussion	Decision	Follow-up
1.	Meeting called to order.	11:15 AM	
2.	<p>Theora Braccialarghe explained the role of the actuary to the Board. For a defined benefit plan, the actuary determines the funding required to pay the benefits due under the plan. She also reviewed the actuarial assumptions that determine the liabilities of the plan, including mortality. She then discussed several different methods for determining the funding of a plan, asset smoothing techniques, and the resulting amortization of plan liabilities.</p> <p>While the actual dollar amount to fund the benefits will likely increase for the year beginning October 1, 2003, Ms. Braccialarghe indicated that growth in the payroll might provide enough funds to cover the increase. Since Lynx funds the pension plan as a percentage of payroll, increases in the total payroll will also increase the contribution amounts. Theora then noted that, in many past years, the 9.75% of payroll contributed by Lynx to the Plan based on the contract with the union exceeded the required employer contribution. She suggested that the additional amounts could be accumulated as a reserve within the Plan against future employer contributions, should the required contributions exceed 9.75% of payroll at any time in the future.</p>	The Trustees directed Theora to report back to the Board on her recommendation to create a reserve for employer funding, when she returns to present the actuarial valuation for October 1, 2002.	GRS

*	(The meeting adjourned for lunch and reconvened at 1:40 PM)		
3.	Chairman Tom Lapins emphasized the need to address the business before the Board in an orderly manner, so as to properly address all items on the Agenda. The Trustees reviewed the Minutes for the meeting of February 18, 2003. The Board noted two corrections, a punctuation error on Item 8 (b) and a correction to the employer contribution amount from 9.85% to 9.75% under Item 7 (a).	Edward Johnson made a motion to approve the Minutes for February 18, 2003, as amended, seconded by Blanche Sherman, and approved by the Trustees 6-0.	
4.	The Board reviewed a new format for the financial statement presented by the Administrator. Following some discussion, the Trustees noted that the statement did not include the funds invested with small cap managers in custody at Merrill Lynch.	The Trustees received and filed the financial statement. Blanche Sherman requested to receive copies of the custodial statements. The administrator will provide an updated statement at the meeting scheduled for May 12, 2003.	PRC
5.	Glen Malroy was not available to address the Board. The Trustees deferred his questions regarding the DROP until later in the meeting.		
6 a)	The Trustees discussed the pension benefit calculations with Theora Braccialarghe, actuary for the Plan. Theora confirmed that the final average salary calculation used the five highest non-consecutive years of earnings. The calculation does not use plan years, and the sick and vacation time payouts at retirement extend the service time and add to the income of the retiring participant. The administrator provides benefit estimates to the participants based on the same methodology.	The Trustees directed the administrator to write a procedure for calculation of the final average salary, which the actuary will review. Mike Donnelly made a motion to clarify the language contained in Section 1.04 of the Plan Document with the written policy, which defines the final average compensation. Frank Lacock seconded the motion, approved by the Trustees 6-0.	PRC GRS
6 b)	The Board then discussed the treatment of sick and vacation time when a person enters the DROP plan, since the participant does not receive the payout until separation from service.	The Board directed the administrator not to include amounts for sick and vacation time when a participant enters the DROP, since the participant does not receive the payout at that time.	

6 c)	The Trustees reviewed the requirements for Vesting. The Plan grants a year of vesting credit if a participant has 1000 hours of service within a plan year. As a result, a participant could be partially vested with less than five years of service or fully vested with less than ten years of service. The Trustees acknowledged that some participants in the past may have received refunds of contributions when either partially vested or fully vested, without complete information regarding their status under the Plan.	The Board directed the administrator to assist with the preparation of an example of vesting to update the Summary Plan Description. Blanche Sherman made a motion to contact partially vested participants receiving contributions with 1000 hours in each of 5 plan years, and fully vested participants with 1000 hours in each of 10 plan years. Theora Braccialarghe indicated that the review of contribution refunds paid to terminated participants would not create an actuarial impact.	PRC GRS
6 c) & 6 f)	The Trustees discussed allowing participants that previously took refunds with 1000 hours in each of 5 plan years of 10 plan years the opportunity to return the contributions to continue participation in the Plan. Given that the partial vesting was in place now 5 years, the Trustees decided to review all refunds to participants for the past 7 years. Theora recommended giving the participants 30 days to respond, with an additional 90 days to return the refunded contributions to the Plan.	Blanche Sherman made a motion to give participants with refunds of contributions in the past 7 years 30 days to respond following an offer to return the contributions without interest, and an additional 90 days to complete payment. Mike Donnelly seconded the motion, approved by the Trustees 6-0. The Trustees requested that the administrator create an additional two examples for the reference guide demonstrating vesting for participants with 1000 hours in each of 5 and 10 plan years.	PRC
*	Glenn Malroy addressed the Board. He is a participant with questions about the DROP plan. The Board discussed for his benefit the manner in which earnings are credited to the DROP accounts. The Board also reviewed an example provided by the administrator demonstrating the potential advantages and disadvantages for a person entering the DROP.		None Required
6 d)	The Board reviewed the cost estimate provided by the actuary to offer an additional 0.1 benefit credits to participants with more than 2500 hours in a plan year. Theora indicated that the benefit change would cost .28% of payroll going forward, and .49% of payroll if applied to participants retroactively.	The Board decided to defer any action on changes to benefits until after the actuary delivered the next valuation. Blanche Sherman requested that the actuary calculate the reserve for excess employer contributions as part of the next actuarial	GRS

		valuation. Ms. Sherman then made a motion to establish the required employer funding as a dollar amount as opposed to a percentage of payroll, going back to the inception of the Plan. Mike Donnelly seconded the motion, approved by the Trustees 6-0.	
6 e)	Theora Braccialarghe offered some opinions regarding the inclusion of certain disability benefits in pension plans. She does not believe that a pension fund should offer partial disability benefits, since a Pension generally addresses situations when a person would never be expected to return to work. Furthermore, the definition of disability contained in a plan should not give participants the option to decide if they want to be considered disabled. The Board discussed removing language from the plan document that requires a disabled person to take another job at Lynx if available.	The Trustees considered numerous examples based on the definition of disability contained in the Plan where a person might or might not be able to continue in substantial and gainful employment with Lynx. Frank Lacock made a motion to table further discussion on the definition of disability contained in the Plan until the next meeting, seconded by Mike Donnelly, and approved by the Trustees 6-0.	None Required
6 h)	The administrator provide the Trustees with an update regarding the request by Hector Matos and Vincent Santa to buyback prior service with Lynx by returning contributions with interest previously refunded from the Plan. Neither Mr. Matos nor Mr. Santa have taken advantage of the offer by the Board.	Mike Donnelly made a motion to table executing an amendment to the buyback provisions of the Plan until the next meeting. Frank Lacock seconded the motion, approved by the Trustees 6-0.	None Required
6 g)	The administrator discussed the method to credit both earnings and expenses to the Share and DROP accounts. Scott Baur recommended that earnings and expenses be credited quarterly based on the minimum non-zero account balance during the quarter. He also provided the Trustees with quarterly account statements for participants through September 30, 2002.	Frank Lacock made a motion to apply a 25 bp administrative charge to the share and DROP accounts per quarter, subject to an annual review of the Plan expenses. Mike Donnelly seconded the motion, approved by the Trustees 6-0. The Trustees endorsed the quarterly statements, but requested that the administrator include the Share and DROP account balances on the annual benefit statements as well.	PRC
7.	Jill Hanson reported that a refund of contributions to a participant promoted to management could be considered an in-service distribution under ERISA. Such distributions, however, are permissible for Florida municipal plans. She noted that the Plan	The Board concluded that no action was necessary.	None Required

	already allows employees to take either a refund or to rollover contributions upon termination prior to the person becoming fully vested. The additional items under the attorney report were addressed previously in the meeting.		
9.	Jill Hanson reported on the meeting regarding continued participation in the ATU Local 1596 Pension Plan for employees following promotion to management. Nadine Schaat, attorney for Lynx, reported on potential discrimination problems and additional testing that might be required if employees promoted to management are allowed to choose between the union and management pension plans. The management personnel representing Lynx, however, indicated that they would oppose allowing participants promoted to management to choose between the two plans, even if all legal questions could be satisfactorily resolved. Howard Tipton, Desne Hunte, Lee Ricci, Nadine Schaat, and Bill Schneeman represented Lynx at the meetings. Tom Lapins (Chairman and Trustee), Jill Hanson (Attorney), Theora Braccialarghe (Actuary), Scott Baur and Nick Schiess (Administrator) represented the ATU Local 1596 Plan.		None Required
10 a)	The administrator reviewed the renewal for the fiduciary liability insurance. The proposed policy has a \$25,000 deductible with a \$1,000,000 annual limit on coverage.	Mike Donnelly made a motion to extend the policy, but obtain additional quotes to increase the coverage to a limit of up to \$5,000,000 with a premium not to exceed \$15,000 annually. Brian Anderson seconded the motion, approved by the Trustees 5-0. Trustee Edward Johnson departed from the meeting prior to the motion.	PRC
10 b)	The administrator reported delays in receiving final sick and vacation time payouts for retiring participants. These delays prevented some retiring participants from receiving benefits in a timely manner.	The administrator worked out a new procedure to receive timely reporting of information and avoid future delays.	None Required
10 c)	The administrator reported significant enhancements to the portion of the web site www.resourcecenters.com , serving the ATU Local 1596 Pension Plan.		None Required
10 f)	The Trustees discussed the need for a procedure to notify	Joyce Baldi participates in orientations for	None Required

	returning employees of the opportunity to buyback prior service by returning any refunded contributions back to the Plan.	new employees. The administrator will also prepare a list of refunds and benefit approvals to attach to the minutes.	
11.	In response to a question asked by Tom Lapins, a spouse would of a deceased participant would be entitled to benefits regardless of the beneficiary designation on file, if that spouse never signed a waiver of benefits. A retiring participant choosing a life annuity is entitled to the balance of contributions to the plan, if that participant does not survive long enough in retirement to receive the total of contributions as benefit payments.		None Required
12.	The Trustees requested disbursements and benefit approvals be moved to the beginning of the Agenda.	Brian Anderson made a motion to approve the disbursements presented by the administrator. Blanche Sherman seconded the motion, approved by the Trustees 6-0. Edward Johnson rejoined the meeting.	None Required
13.	The administrator presented an appeal from Mr. Morton, a vested deferred participant that did not file an application for benefits when eligible due to possible medical circumstances.	The Board determined that an application must be received in order to commence benefits under the plan. Jill Hanson indicated that the current plan document only addresses situations where participants become incapacitated following retirement and commencement of benefits. The Trustees deferred any further decision regarding the request by Mr. Morton until the administrator can present a valid application.	PRC
14 & 15.	There being no other business, and the next meeting having been previously scheduled for Tuesday May 13 at 11 AM, the Trustees adjourned at 5:15 PM.	Brian Anderson made a motion to adjourn, seconded by Frank Lacock, and approved by the Trustees 5-0.	

Sincerely,

Brian Anderson

Secretary