

**ATU LOCAL 1596 PENSION FUND
MINUTES OF WORKSHOP HELD
October 12, 2004
MORNING SESSION**

Board Members Present:

Thomas Lapins - Chairman
Brian Anderson - LYNX Appointee
Blanche Sherman - LYNX Appointee (10:30 AM)
Edward Johnson - LYNX Appointee
Frank Lacock - Union Appointee
Tom Fagan - Union Appointee

Others Present

Scott Baur and Nick Schiess - Fund Administrator
Jill Hanson - Fund Attorney
Joyce Baldi – LYNX
Desna Hunte – LYNX (10:30 AM)
Tammy Farrell – Salem Trust Company
Paul Wilson, Union President
Maryann Taylor, Member

Agenda Item	Discussion	Decision	Follow-up
1.	Meeting called to order at 10:10 AM.		
2.	The Trustees reviewed the minutes of the meeting held August 10, 2004.	Approval of the minutes of the meeting held August 10, 2004 was deferred until the next quarterly meeting scheduled for November 9, 2004.	None
3.	Tammy Farrell of the Salem Trust Company appeared before the Board. As a follow up to the merger of Salem Trust's parent company, National Commerce Financial Corporation, and SunTrust Bank, Ms. Farrell reported that it had been decided that the Salem Trust Company would remain a separate entity and therefore service to the Plan should remain unchanged. Ms. Farrell provided the Board with a Custody Services and Relation Review Report and discussed the Plan's custodial account activity. She noted that the Plan's cash is deposited into a money market account. Tom Fagan requested to receive copies of the custodial statements to his home address. Jill Hanson questioned whether the Plan's contract with Salem Trust remained valid after the merger and Ms. Farrell responded that the contract was still valid and no action was required of the Board. Tom Lapins noted that the Plan's prior experience with SunTrust was poor and questioned Ms. Farrell whether she had any concerns over the merger. Ms. Farrell explained that the Salem Trust Company would remain a separate entity with current personnel, resources, and processes and then reassured the Board that the service level will be maintained. Ms.		

	<p>Farrell provided the Board with a Signature Card and thanked the Board for their business. Blanche Sherman and Desna Hunte entered the meeting. Tom Fagan introduced himself as the Union appointee designated to replace Mike Snyder as Trustee effective immediately. Maryann Taylor introduced herself as a new Union appointee as Trustee effective November 1, 2004. The remaining Trustees and service providers introduced themselves to Mr. Fagan and Ms. Taylor and discussed their relationship with the Board. Scott Baur provided the Board with a Signature Card for the Plan's checking account with Bank Of America. Blanche Sherman questioned the reason all the Trustees would become signors on the account and Mr. Baur advised that it was customary to attain the Trustees' signatures on the Signature Card, which was necessitated by the change in the composition of the Board.</p> <p>Jill Hanson reported that she had drafted a letter in the past regarding the staggering of the appointment of Trustees to the Board to maintain continuity and advised that she would forward the letter to the Trustees.</p>	<p>The completion of the Salem Trust Company and Bank of America Signature Cards was tabled until the next meeting.</p> <p>Jill Hanson to provide Trustees with letter regarding the staggering of Trustee appointments.</p>	<p>PRC</p> <p>Jill Hanson</p>
4.	<p>Jill Hanson discussed the fiduciary duty of the Trustees. She explained that the Trustees have an obligation to act solely in the best interests of the Participants and their Beneficiaries. She noted that it was sometimes difficult for the LYNX appointees to balance their roles as Trustee with their position within the agency. She advised that if a conflict arose that it would be advantageous to report the conflict at the Board meetings because this would protect the Trustee by documenting the conflict. Edward Johnson denied any allegations that any of the LYNX appointed Trustees had been pressured or coerced by LYNX management to act other than in accordance with their fiduciary duty. Blanche Sherman agreed with Mr. Johnson noting that they both understand their responsibilities to the Plan. Mr. Johnson advised that the fiduciary duty of Trustee should be explained and discussed in detail with LYNX management and suggested a venue of a workshop wherein LYNX management could attend.</p>	<p>Explain and discuss the fiduciary duty of the Trustees with LYNX management at a future workshop.</p>	
5.	<p>Jill Hanson provided the Board with a memo previously submitted to the Board on February 9, 2004 regarding proposed revisions to the disability provisions of the Plan. She noted that disability is a legal definition rather than a medical definition. Ms. Hanson then</p>		None

	<p>provided the Board with a comparison of the Plan's disability provisions with the disability provisions of other Transit Unions' pension plans. She reviewed the previous discussions of the Board</p> <p>regarding the amendment of the disability provisions and noted that the primary concern with the Plan's current provisions is that a Participant might be forced to accept a lower paid position within LYNX if deemed unable to perform the duties of driver or mechanic. She further noted that the assignment of the position might also be arbitrary depending on whether another position is available at the date of disability. Desna Hunte advised that LYNX does not require a Participant deemed disabled to accept a different position within the LYNX and would only provide a different position upon the request of the Participant. Ms. Hanson explained that the language within the Plan could be interpreted that if another position is available and the Participant does not accept the position, that the Participant would not meet the qualifications for a disability pension. Ms. Hanson noted that a previous suggestion was to integrate LYNX's long-term disability policy with the Plan, provide an own occupation provision, and extend the waiting period before benefits would commence. A discussion ensued regarding the provisions of LYNX's long-term disability policy and it was noted that the policy contained an own occupation definition for the first thirty-six months of disability. Scott Baur noted that extending the elimination period from ninety days to thirty-six months to coincide with the long-term disability policy would shift the responsibility and costs from the Plan to the long-term disability insurer. It was noted that the long-term disability policy and provisions therein might change if LYNX contracts with a different insurer. A lengthy discussion ensued regarding the integration of the Plan's provisions with the long-term disability policy. It was suggested that the integration might provide a disincentive for Participants to elect additional optional coverage offered by the insurer resulting in a cost shift to the Plan. Ms. Hanson reported that Palm Tran's Plan distinguished differences between the qualifications and benefits for duty and non-duty related disabilities. A lengthy discussion arose regarding the provisions of LYNX's long-term disability policy.</p>		
	The morning session adjourned at 11:55 AM.		

**ATU LOCAL 1596 PENSION FUND
MINUTES OF WORKSHOP HELD
October 12, 2004
AFTERNOON SESSION**

Board Members Present:

Thomas Lapins - Chairman
Brian Anderson - LYNX Appointee
Blanche Sherman - LYNX Appointee (10:30 AM)
Edward Johnson - LYNX Appointee
Frank Lacock - Union Appointee
Tom Fagen – Union Appointee

Others Present

Scott Baur and Nick Schiess - Fund Administrator
Jill Hanson - Fund Attorney
Desna Hunte – LYNX
Maryann Taylor, Member

Agenda Item	Discussion	Decision	Follow-up
1.	The afternoon session was called to order at 1:12 PM.		
10.a.	The Trustees discussed scheduling a special meeting with LYNX management in an effort to improve employer relations. Mr. Lapins requested that the Trustees provide input for the topics of discussion at the November meeting and suggested that the special meeting be scheduled in January 2005. A discussion ensued as to the persons within LYNX to invite and it was agreed that the Board should invite Lee Ricci, Linda Watson, Bill Shuman, Lisa Darnell, and Desna Hunte.	Trustee to provide input for topics of discussion at the special meeting.	Trustees
10.b.	The Trustees discussed the scheduling of the annual holiday Board function.	The Board decided that the function would be scheduled at 4:00 PM directly after the November 9, 2004 quarterly meeting to be held at Charlie's Steakhouse located on Orange Blossom Trail in Orlando.	
10.c. 11.b	The Board discussed the distribution of the Annual Benefit Statements to the Participants. Scott Baur advised that the determination of the proper service credit of the Participants individuals hired prior to the inception of the Plan should be resolved	Administrator to schedule meetings in December for the distribution of Annual Benefit Statements to the Participants.	PRC

	<p>prior to the distribution of the benefit statements to ensure accurate benefit information. Blanche Sherman advised that the service history for those Participants hired prior to the inception of the Plan might be difficult to obtain. Jill Hanson recommended that notification be sent to the affected Participants in an effort to obtain service history information. Nick Schiess provided the Board a list</p> <p>of Participants hired prior to the inception of the Plan, which was reviewed by Brian Anderson and Desna Hunte. Ms. Hunte requested that the Administrator provide her a copy of the list via e-mail for further review.</p>	<p>Administrator to provide Desna Hunte with a list of Participants hired prior to the inception of the Plan for verification of service to ensure proper service credit for the period before the inception of the Plan.</p>	PRC
6.	<p>The Board continued the discussion of the proposed revisions to the disability provisions of the Plan. A lengthy discussion arose regarding the provisions for the elimination period, definition of disability, integration with LYNX's long-term disability policy, and earnings offsets for other income earned while disabled. Brian Anderson objected to the own occupation definition of disability versus the current definition of gainful substantial employment and a lengthy discussion arose to the different definitions of disability. Several Trustees expressed concerns over the liberalization of the provisions that might result in an increase in cost to the Plan. A careful discussion ensued regarding restructuring the disability provisions in order to remove the language of the Plan that is considered arbitrary while at the same time offsetting potential increases to the cost of the Plan. Although a consensus was not attained, most of the Trustees agreed upon an own occupation definition of disability while at the same time increasing the restrictions on other provisions and providing earnings offsets and increasing elimination periods thereby shifting costs to the long-term disability insurer.</p>	<p>The Administrator was directed to discuss methods of earnings offsets at the next meeting.</p> <p>Jill Hanson to revise the proposed Amendment based upon the discussions and recommendations of the Board.</p>	
7. a. & b.	<p>The Trustees discussed the circumstances behind the Board's decision to adopt the Plan Amendment providing a .1 benefit credit increase for service of 2500 hours or more. Blanche Sherman discussed the costing of the benefit noting that it was her understanding that there was confusion regarding the cost of providing the benefit and whether it was a one-time cost and there would also be a change in an actuarial assumption that would help offset the cost of the benefit. The Board reviewed the meeting tapes for the meeting held September 23, 2003 wherein the Amendment was adopted by the Board. It was noted that the cost of the benefit submitted by the Actuary at the meeting was in fact an annual cost. It was also noted that the motion to adopt the benefit was combined</p>		

	<p>with the adoption of the Funding Standard Account. Ms. Sherman then discussed the change in the actuarial assumption that would help offset the cost of the benefit. It was noted that the Actuary was currently preparing an experience study, which would result in the Actuary's recommendations on future assumptions to cost the Plan. Ms. Sherman noted that in the consideration of the benefit, she had expected the change in the assumption to offset the cost to become effective soon after the adoption of the benefit and the experience study has taken longer to complete that originally anticipated. Because the repeal of the benefit had been previously suggested, Mr. Lapins questioned the Board's position on the matter in the event that, as a result of the experience study, the Actuary does not recommend the change in the assumption that was originally thought to offset the cost of the benefit. Mr. Lapins recommended the matter be tabled until the next meeting wherein the Actuary would present the experience study and corresponding recommendations in Plan assumptions. Ms. Hanson advised that the repeal of the benefit might cause legal ramifications.</p>	<p>The consideration of the repeal of the Plan Amendment adopting the .1 benefit credit increase for service of 2500 hours or more was tabled until the Actuary presented the experience study.</p>	
8.	<p>Tom Lapins discussed the original intent of the Funding Standard Account, which was to provide a reserve of funds to offset future employer contributions. He noted that at the time the Funding Standard Account was adopted, the employee contributions were fixed at 5.25%. Scott Baur explained that under the new contract, required funding in excess of 9.75% was to be split 65% employer and 35% employee. Mr. Lapins announced that a discussion had taken place with management to utilize the Funding Standard Account to offset both employer and employee contributions at the 65%/35% ratio.</p>	<p>Discussion of the Funding Standard Account to offset both employee and employer contributions was tabled until the next meeting when the Actuary and LYNX management is present.</p>	
9. a.	<p>The Board discussed the verification of the data used to calculate refunds of pension contributions. Mr. Schiess reminded the Board that at a prior meeting, Theora Braccialarghe advised that the Actuary could not independently verify the data used for these calculations. Scott Baur discussed the data collection process and the methodology used to calculate refunds of pension contributions. He noted that only LYNX could independently verify the data maintained by the Administrator, which would entail significant research by LYNX to verify payroll for the numerous applications received by the Administrator and ultimately delay the issuance of the refunds to the terminated Participants. Ms. Sherman recommended that the Administrator evaluate the refunds for reasonableness and in the event a refund appears unreasonable the</p>	<p>The Administrator was directed to evaluate refunds of pension contributions for</p>	<p>PRC</p>

	data be verified with Ms. Sherman. Mr. Baur recommended that a measurement standard be developed rather than relying on the Administrator's interpretation of reasonableness.	reasonableness and in the event a refund appears unreasonable, data used to calculate the refund would be verified with Ms. Sherman.	
9. b.	Nick Schiess provided the Board with a list of the procedures used to process benefit applications including refunds of pension contributions, retirement benefits, and disability benefits. The Board reviewed and accepted the procedures however noting that the procedure for the refund of pension contributions omitted obtaining a waiver of benefits for partially vested Participants. Mr. Schiess noted that obtaining the waiver was the practice and was simply omitted from the list.	The Administrator will correct the list of procedures for the processing of benefits.	PRC
11.b.	Nick Schiess reported that notification had been mailed to the Participants receiving overpayments of pension benefits advising that their benefits would be adjusted to the correct amounts effective November 1, 2004. Scott Baur reminded the Board of the circumstances behind the overpayments. Mr. Schiess provided the Board with a letter received by Participant Hildrey Shiver contending the correction of his benefits. Jill Hanson recommend that the Administrator notify Mr. Shiver of his right to formally appeal the decision and agreed to provide the Administrator with the notification.	<p>The Administrator was to notify Mr. Shiver of his right to formally appeal the correction of benefits.</p> <p>Ms. Hanson was to provide the Administrator with the notification to Mr. Shiver of his rights to appeal the decision to correct his benefits.</p>	<p>PRC</p> <p>Jill Hanson</p>
11.c.	The Board discussed the recovery of pension contributions for two time periods in which contributions were inadvertently not deducted on behalf of the Participants. Blanche Sherman reminded the Board that LYNX had remitted their respective employer contributions. Nick Schiess provided the Board with a schedule of the affected Participants and their respective missing contributions. Jill Hanson was questioned whether the Board has the authority to recover the missing contributions and she advised that because the issue was due to a mistake in fact that the Board was permitted to seek recovery of the employee contributions. It was noted the amount of some Participants' outstanding contributions was significant and for which the requirement of a lump sum repayment might cause financial hardship. A discussion arose regarding the notification and terms of repayment. Scott Baur suggested that the notification provide options for the repayment. Mr. Baur requested Ms. Sherman to provide a schedule of affected Participants along with the outstanding contributions in an electronic file.	The Board directed the Administrator to draft a notification to Participants with outstanding contributions along with options for repayment.	PRC

11.d.	Jill Hanson advised that the Plan only requires the completion of a Spousal Waiver Form in the event a married Participant elects a beneficiary other than a spouse when electing an optional form of benefit payment that provides a survivorship benefit.	The matter of Spousal Waiver Forms was tabled until the next meeting.	
*	The meeting adjourned at 4:48 P.M.		

Sincerely,

Edward Johnson, Secretary