

**ATU LOCAL 1696 PENSION FUND  
MINUTES OF MEETING HELD  
MAY 14, 2008**

**Board Members Present:**

Robert Doane – Chairman, Union Appointee  
Frank Luna – Union Appointee  
Blanche Sherman – Secretary, LYNX Appointee  
Bert Francis - LYNX Appointee  
Frank Lacock - Union Appointee  
Lisa Darnall - LYNX Appointee

**Others Present**

Nick Schiess - Plan Administrator  
Jill Hanson - Plan Attorney  
Paul Wilson & MaryAnn Taylor – Union Representatives

<b>Agenda Item</b>	<b>Discussion</b>	<b>Decision</b>	<b>Status</b>	<b>Follow-up</b>
1.	Meeting called to order at 1:11 P.M.		Closed	None
4.	Nick Schiess reported that active participant Jason Kasalap had submitted an application to enter the DROP and it had been later determined that he did not meet the eligibility requirements for participation. Jason Kasalap appeared before the Board and requested that either he be permitted to participate in the DROP or be granted the service credit but be forgiven for the obligation for any pension contributions that are owed on his earnings during the approximate three-month affected period. He expressed discontent with the Plan Administrator and requested that the Administrator be responsible for any contributions potentially owed by him to the Plan. Mr. Schiess explained that while Mr. Kasalap did meet the eligibility to enter the DROP, other provisions governing the maximum participation and age had been overlooked and he apologized to the Board and Mr. Kasalap for any inconvenience.	Blanche Sherman made a motion to bring Mr. Kasalap whole with regards to his contributions. The motion was not seconded.	Open	Board

	<p>A lengthy discussion arose and it was noted that pursuant to the provisions of the Plan that Mr. Kasalap clearly was ineligible to participate in the DROP and also that the Plan could not deposit employee contributions on behalf of Mr. Kasalap or relieve him of the obligation if service is credited for the period in question. A lengthy discussion ensued.</p>	<p>Blanche Sherman made a motion to defer the matter until the Board meeting tomorrow. Lisa Darnall seconded the motion, approved by the Trustees 6-0.</p>		
2.	<p>Jill Hanson discussed the status of proposed Amendments Six, Seven, and Eight all of which were adopted by the Board but were awaiting final execution by LYNX.</p> <p>MaryAnn Taylor requested on behalf of the Union a comparison of the original disability provisions and the provisions within the proposed Amendment Six. Ms. Hanson provided a document with the comparison and reviewed in detail all the revised provisions. Ms. Hanson reviewed correspondence issued by the Union expressing concerns that the revised provisions were not in the best interests of the membership because the original provisions allowed the qualification for benefits to be determined by receipt of social security benefits or determination by the Board while the revised provisions provided that the qualification was solely the receipt of social security benefits. Ms. Hanson advised that during the conception of the revised provisions the Trustees gave extensive consideration to the original provisions to overcome a deficiency within the Plan that could potentially allow a disabled member to be employed in a different position within LYNX at a substantial loss in rank and compensation. In addition, an elimination period was added to shift the initial costs of the benefits to the insurance carrier providing disability benefits with the expectation of a cost savings to the Plan. Ms. Hanson explained that the new Collective Bargaining Agreement specified that all benefit improvements were subject to bargaining and neither the Union or LYNX had requested or waived bargaining on the matter or would initiate</p>			

	<p>bargaining at the present. She further explained that LYNX had refused to execute Amendment Six. Lisa Darnall explained that while the Actuary had stated that there were no foreseen costs of the revised provisions, the LYNX Board expressed concern over any unforeseen costs. Several of the Trustees noted that Amendment Six had been adopted by the Board years ago and expressed discontent that the matter had not been resolved. A lengthy discussion ensued regarding the options of withdrawing Amendment Six, request an opinion from the Attorney General, or submit the matter before a court requesting a declaratory judgment. A subsequent discussion ensued regarding whether LYNX must execute any proposed amendments or instead it was only the Board's obligation to inform LYNX of the amendments before submitting them to the State. Lisa Darnall advised that the LYNX Board was concerned that the Trustees could implement benefit improvements that could affect the long-term cost of the Plan without any approval by the Plan sponsor. A question also arose whether an opinion issued by the Attorney General was in fact binding.</p> <p>Ms. Hanson reported that LYNX had agreed to execute proposed Amendment Seven but the impact letter issued by the Actuary had addressed both Amendment Seven and Amendment Eight together and LYNX had requested two revised impact statements addressing each Amendment individually.</p> <p>Ms. Hanson reported that LYNX had generally accepted proposed Amendment Eight, however, had requested modification of some the language within the Amendment.</p>	<p>Frank Lacock made a motion to direct the Attorney to request an opinion from the attorney General on whether Plan amendments may be adopted without written approval by LYNX. Bob Doane passed the gavel and seconded the motion, approved by the Trustees 6-0.</p> <p>Frank Lacock made a motion to request the actuary to issue separate impact statements for Amendment Seven and Amendment Eight to be sent to Bob Doane for execution and then Amendment Seven subsequently submitted to LYNX. Blanche Sherman seconded the motion, approved by the Trustees 6-0.</p> <p>Blanche Sherman made a motion to direct Jill Hanson to respond to LYNX's concerns over the language within proposed Amendment Eight. Bert Francis seconded the motion, approved by the Trustees 6-0.</p>	<p>Open</p> <p>Open</p> <p>Open</p>	<p>Jill Hanson</p> <p>Jill Hanson</p> <p>Jill Hanson</p>
3.	As a follow up to the last meeting, Nick Schiess provided the Board with a report containing information regarding the active participants that had enrolled in the enhanced		Closed	PRC

	benefit option but had incorrect contribution rates. He requested that the matter be tabled until the meeting the very next day so that some useful information could be added to the report.	Blanche Sherman made a motion to table the matter until the meeting tomorrow. Frank Luna seconded the motion, approved by the Trustees 6-0.		
5.	Bob Doane reviewed an e-mail received from Union President Paul Wilson containing several concerns over the administration of the Plan and the status of the proposed amendments. Mr. Wilson was present and advised that all his concerns had been satisfactorily addressed.		Closed	None
	The next meeting was scheduled for May 15, 2008.		Closed	None
6.	The meeting adjourned at 3:46 P.M.		Closed	None

Respectfully submitted,

Blanche Sherman, Secretary