

**ATU LOCAL 1596 PENSION FUND
MINUTES OF MEETING HELD
JULY 15, 2011**

Board Members Present:

Robert Doane – Union Appointee
Frank Luna – Chairman, Union Appointee
Tom Lapins - Union Appointee
Edward Johnson - LYNX Appointee
Bert Francis - LYNX Appointee
Lisa Darnall - LYNX Appointee

Others Present

Nick Schiess - Plan Administrator
Pedro Herrera – Plan Attorney
Brian Anderson – LYNX Liaison

Agenda Item	Discussion	Decision	Status	Follow-up
1.	The meeting was called to order at 9:21 A.M. in the Board Room, Lynx Central Station, 455 N. Garland Av. Orlando, FL 32801.			
2.	Frank Luna discussed the recent educational conference that he attended sponsored by the Florida Public Pension Trustees Association.		Closed	None
3.a.	<p>The Board reviewed the actuarial experience study presented at the last meeting with a consensus that the adoption of any replacement assumptions would occur at the next meeting.</p> <p>The Board discussed the annual investment return assumption of 7.0% annually proposed by the Actuary. It was noted that the Actuary had derived the rate from an economic forecasting model, however, at the last meeting the Plan's Investment Consultant had recommended the retention of the current 7.5% annual investment return assumption.</p>		Open	Board GRS

	<p>It was noted that the Florida State Retirement System has an even greater investment return assumption of 7.75%. It was also noted that assumption rates of 8.0% were still very common for governmental pension plans within Florida and a rate of 7.0% was very uncommon. A very lengthy discussion ensued. It was the consensus of the Board that the proposed rate of 7.0% was too conservative and the resulting increase in funding requirements would unnecessarily burden the employer and employees.</p> <p>The Board reviewed the salary growth actuarial assumption and actual experience from the years 2000 through 2010 by years of service, noting that Actuary recommended lowering the projected salary increases by 1% across the salary scale. It was noted that difficult economic times would likely result in the continuation of depressed wages and a lengthy discussion ensued regarding whether a decrease of more than 1% was warranted. A discussion arose regarding the effects on the salary growth assumption of new State legislation that capped salary for the purpose of determination of benefits. Pedro Herrera advised that the cap on compensation imposed by the new legislation would become effective upon the ratification of the next collective bargaining agreement.</p> <p>The Trustees discussed the actuarial assumption for terminations and it was the consensus of the Board that the replacement rate recommended by the Actuary was appropriate and warranted.</p> <p>The Trustees discussed the actuarial assumption for retirements and it was the consensus of the Board that the replacement rate recommended by the Actuary was appropriate and warranted.</p> <p>The Trustees discussed the mortality table noting that the Actuary recommended replacement of the current 1994</p>			
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	<p>Group Annuity Mortality Table with the more current RP-2000 Generational Mortality Table. It was noted that people are indeed living longer and the State has recommended the use of and will eventually require the use of the more current table. It was the consensus of the Board that the more current RP-2000 Generational Mortality Table recommended by the Actuary was appropriate and warranted.</p> <p>The Trustees discussed the assumption for disability retirements and it was the consensus of the Board that the replacement rate recommended by the Actuary was appropriate and warranted.</p> <p>Jeff Amrose joined the meeting via teleconference. A lengthy discussion ensued regarding the annual investment return assumption. Mr. Amrose was advised that the Investment Consultant had recommended the retention of the current 7.5% annual investment return assumption and was questioned whether this rate was still considered reasonable. Mr. Amrose responded that a 7.5% annual investment return assumption was within the range of reasonableness. It was noted that the Board could adjust this assumption prospectively if necessary.</p> <p>A lengthy discussion ensued regarding the salary growth and whether a decrease of more than 1% was warranted given current economic conditions and the expectations of very low salary growth prospectively. Mr. Amrose was provided alternative salary growth scenarios and requested to provide an analysis for consideration at the next meeting.</p>			
3.b	The Board was presented the final audit and financial statements for the 2010 fiscal year and it was noted that they remained unchanged from the draft received and reviewed at the last meeting.	Edward Johnson made a motion to approve the financial statements. Bert Francis seconded the motion, approved by the Trustees 6-0.	Closed	None
3.c.	The Board reviewed a revised Summary Plan Description and a few corrections were noted.	Edward Johnson made a motion to approve the revised Summary Plan	Closed	None

		Description as corrected. Bert Francis seconded the motion, approved by the Trustees 6-0.		
3.d.	<p>The Board was presented the restated and amended Plan Document for execution.</p> <p>A discussion arose regarding dissemination of the restated and amended Plan Document and the revised Summary Plan Description. It was noted that past practice was direct mailing to Plan members.</p>	<p>Edward Johnson made a motion to execute the restated and amended Plan Document presented at the last meeting and submit the document to the Internal Revenue Service as a replacement to the original Plan Document filed along with the application for a favorable tax determination letter. Tom Lapins seconded the motion, approved by the Trustees 6-0.</p> <p>Robert Doane made a motion to approve the duplication and distribution costs via direct mail of the revised Plan Document and Summary Plan Description.</p>	<p>Closed</p> <p>Open</p>	<p>None</p> <p>PRC</p>
	The meeting recessed at 12:22 P.M. for lunch and reconvened at 12:42 P.M.			
3.e.	The Board tabled discussion of Amendment Six because collective bargaining was in progress where the final outcome of the Amendment would hopefully be determined.		Open	Board
3.f.	Committee members Robert Doane and Edward Johnson provided a follow up report on their review of Plan Administrator and whether to amend the responsibilities of the Plan Administrator. They reported that they had reviewed the responsibilities of Plan Administrator and determined them appropriate.		Closed	None
3.g.	Committee members Tom Lapins and Bert Francis provided a report on their service provider review of Actuary and Auditor noting the services were acceptable and well priced.		Closed	None
3.h.	Nick Schiess provided the Board with a schedule of disability pension recipients noting that the Board had reviewed documentation of continued disability for all disability recipients at a prior meeting with the exception	Lisa Darnall made a motion to approve the continuing disability benefits to William Perez. Robert Doane seconded the motion, approved by the Trustees 6-0.	Closed	None

	of William Perez. He provided documentation of continuing disability recently received from Mr. Perez			
3.1.	Pedro Herrera discussed the impact on governmental pension plans of recently adopted State legislation Senate Bill 1128. He explained that salary for the purposes of determination of benefits can not include more than 300 hours per year of overtime or accrued leave payouts upon termination. These changes will become effective upon the ratification of the next collective bargaining agreement. Mr. Herrera discussed other aspects of the legislation.		Closed	None
4.a.	Nick Schiess discussed the processing of applications for disability benefits and offsets to disability pensions from LYNX's disability insurer.		Closed	None
4.b	A discussion arose regarding payment by the Plan to Nadine Schall for services rendered in conjunction with the development of the restated and amended Plan Document. An opinion was expressed that Ms. Schall's involvement was beneficial to the production of the document and helped meet the deadline for submission to the Internal Revenue Service. Another opinion was expressed that Ms. Schall is engaged by LYNX in the best interests of management and the fees for her services in this circumstance were not pre-approved by the Board. Since an invoice had not yet been presented to the Board for consideration, the matter was tabled.		Open	Board
4.c.	Tom Lapins requested the Board's consideration of producing a newsletter to LYNX Board Members and other interested parties on the Plan.	The Board agreed that producing a newsletter to LYNX Board Members and other interested parties on the Plan was acceptable provided that the entire Board reviewed the document before dissemination and tasked Tom Lapins with creation of the document.	Open	Tom Lapins Board
5. a.	The Trustees reviewed the list of disbursements presented for approval.	Bert Francis made a motion to approve the disbursements as presented. Lisa Darnall seconded the motion, approved by the Trustees 6-0.	Closed	None

5.b.	Un-audited statements of the balance sheet and income and expense were provided to the Board. A question arose regarding miscellaneous income account for the month of November.	The Trustees received and filed the financial statements. Nick Schiess agreed to research the activity regarding miscellaneous income account for the month of November and report back to the Trustees.	Open	PRC
6.	<p>Pedro Herrera announced that notice was received from the Internal Revenue Service regarding the application for a favorable tax determination letter advising that the application was in good order and filed timely. He confirmed that now that the Plan restatement was executed it would be submitted to the Internal Revenue Service as a replacement to the original Plan Document filed with the application for a favorable tax determination.</p> <p>Mr. Herrera reported that his office was requested to prepare a memorandum regarding the effects of Senate Bill 1128 and he advised that it would be best to refrain until after the conclusion of collective bargaining and the State Division of Retirement issues opinions regarding the implantation of the new provisions.</p> <p>Mr. Herrera advised that his travel arrangements involved an airline flight and he would have to depart the meeting unless the Board desired him to remain. He offered to revise his arrangements in order to stay at the meeting but the Board excused him at 2:00 P.M.</p>		<p>Closed</p> <p>Open</p>	<p>None</p> <p>Sugarman & Susskind</p>
7.a.	The Trustees reviewed the list of benefit approvals presented for approval.	Tom Lapins made a motion to approve the benefit approvals as presented. Edward Johnson seconded the motion, approved by the Trustees 6-0.	Closed	None
8.	A very lengthy discussion arose regarding reimbursement for Trustee expenses in conjunction with educational conferences held in the central Florida area.	Edward Johnson made motion to amend the Travel Expense Policy to prohibit reimbursement for hotel expenses for educational conferences held within the immediate tri-county area. Tom Lapins		

	A question arose whether DROP Participants can also participate in share accounts. A question arose regarding alternative options for the distribution from the DROP accounts.	<p>seconded the motion, approved by the Trustees 6-0. Edward Johnson made motion to amend the Travel Expense Policy to allow reimbursement for meal expenses for educational conferences held within the immediate tri-county area only for lunch and any other meals for special committee events all at the rate established by the U.S. General Services Administration. Tom Lapins seconded the motion, approved by the Trustees 6-0. The Administrator was directed to amend the Trustee Travel Expense Policy.</p> <p>The Plan Administrator agreed to research these questions and report back to the Board at the next meeting.</p>	Open	PRC
9.	The next quarterly meeting was scheduled for August 16, 2011.		Open	All
	The meeting adjourned at 3:17 P.M.		Closed	None

Respectfully submitted,

Secretary