

**PALM TRAN ATU LOCAL 1577
MINUTES OF MEETING HELD
JULY 24, 2009**

Chairperson Dwight Mattingly called the meeting to order at 10:05 A.M. in the Dale R. Smith Conference Room at the Palm Tran North Facility, 3201 Electronics Way, West Palm Beach, Florida.

TRUSTEES

Dwight Mattingly
Frank Stanzone
Liz Bloeser
Nancy Bolton

OTHERS PRESENT

Chad Little, Freiman Little Actuaries
Burgess Chambers, Burgess Chambers & Associates
Bob Sugarman, Sugarman & Susskind
Nick Schiess, Pension Resource Center
Lorraine Syzms, Palm Tran

APPROVAL OF THE AGENDA

The Board reviewed the agenda for the meeting. **A motion was made by Nancy Bolton to approve the agenda. The motion was seconded and carried 4-0.**

ACTUARY REPORT: CHAD LITTLE

Chad Little provided and reviewed the 2008 Actuarial Valuation. He discussed the recently performed experience study, noting that resulting revisions in assumptions had been incorporated into the costing of the Plan presented within the Valuation.

Mr. Little discussed the history of the Plan and the funding percentages by the employees and employer throughout this history. He reminded the Trustees that the prior credit balance had been exhausted in late 2008 and a deficiency of \$260K occurred in the recommended employer contributions in the 2008 fiscal year.

Mr. Little discussed the unfunded liability of the Plan noting that the funded ratio decreased from 82.6% to 65.6%, which was primarily attributable to recent investment losses. Mr. Little advised that the assumptions do not affect the true cost of the Plan, which is determined by the benefits that are issued offset by investment gains, but instead to determine the timing of the contributions necessary to adequately fund the Plan.

Mr. Little reviewed in great detail the components used to develop the cost of the Plan. He reported noted that no significant changes occurred within the demographics of the Plan. He then discussed the results of the experience study as it related to the individual assumptions used to develop the cost of the cost the Plan. Mr. Little advised that members are retiring later and older than the assumption for retirement, and recommended revising the assumption for retirement age from age 63 to age 65 with 5 years of service and from age 61 to age 62 for 10 or more years of service. A question arose whether the normal retirement age represented within the Annual Benefit Statements influenced the decision of the members, and Mr. Little agreed to revised prospective Statements accordingly. Mr. Little discussed mortality and recommended the revision of the current mortality table from the 1983 GAM Mortality Table to the RP2000

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with projections for improvement in mortality. Mr. Little reviewed the experience for disability pensions and recommended lowering by half the assumption for anticipated prospective disability pensions. He reviewed the experience for termination for non-vested members and recommended doubling the rate for terminations. Mr. Little discussed the salary growth assumption and recommended bringing forward the salary scale one year. Mr. Little then reviewed the summary of the results of the Valuation, noting that the recommended employer contribution rate increased from 21% to 23.3%, with the increase primarily attributable to investment losses for the year 2008. The net effect of the combined changes in assumptions was – 0.3%.

A very lengthy discussion arose regarding the timing on the implementation of the revised assumptions. Mr. Little recommended the immediate implementation of the assumptions, however, expressed that delaying the implementation was acceptable. He did recommend the adoption of all the revised assumptions at a single time and not in part.

Frank Stanzione made a motion to adopt the 2008 Actuarial Valuation inclusive of the revised actuarial assumptions. The motion was seconded and carried 4-0.

Mr. Little reported that for the first time a vested employee, Chris Mortensen, who elected to receive a refund of contributions with a reduced monthly benefit will not be entitled to a reduced benefit. He explained that because of Mr. Mortensen's youth, the present day value of his benefit is less than his contributions to the Plan.

SCHEDULE NEXT MEETING

The next regular quarterly meeting was scheduled for August 27, 2009.

ADJOURNEMENT

The meeting was adjourned at 12:01 A.M.

Secretary