

**PALM TRAN ATU LOCAL 1577
MINUTES OF MEETING HELD
JULY 9, 2014**

Chairperson Dwight Mattingly called the meeting to order at 10:00 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 Stanzione
Nancy Bolton
Liz Bloeser

OTHERS PRESENT

Bonni Jensen, Law Office of Perry & Jensen
Nick Schiess, Pension Resource Center
Ken Harrison, Sugarman & Susskind
Chad Little, Freiman Little Actuaries
Joe Doucette & John Murphy, Palm Tran
James Burdick, Cherry Bekaert

PUBLIC COMMENT

There were no public comments.

APPROVAL OF THE AGENDA

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

AUDITOR'S REPORT

James Burdick appeared before the Board on the behalf of Cherry Bekaert to present the Auditor's report and financial statements for the fiscal year ending December 31, 2013. Mr. Burdick reported that net Plan assets had increased to \$80,577,001 from the prior year amount of \$70,887,279. He provided and reviewed a Management Discussion and Analysis, which was a detailed analysis of financial activity including assets, liabilities, income, expenses including benefit payments, and other important factors regarding the financial activity for the fiscal year. He reported that the firm had issued an opinion that the financial statements are presented fairly in all material respects in accordance with Governmental Auditing Standards. Mr. Burdick noted that no material weaknesses in the financial statements had been discovered. He also reported that no deficiencies were identified with internal controls and procedures. **Liz Bloeser made a motion to approve the Audit Report and execute a Management Representation Letter. The motion was seconded and passed 4-0.**

Mr. Burdick reported that testing had identified a benefit overpayment. Nick Schiess explained that the \$200 supplemental benefit had not discontinued at age 65 for the retiree as required. Mr. Schiess reported that an internal audit had been conducted and other incorrect payment situations had been discovered. He advised that a full report would be provided to the Board at the next meeting.

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ACTUARY REPORT: CHAD LITTLE

Chad Little discussed the impediment in the production of the Actuarial Valuation, specifically a delay was encountered in receiving data on the retroactive compensation paid in the year 2014 as agreed during collective bargaining but actually accrued during the 2013 fiscal year.

Mr. Little advised that to avoid any delay in issuing the annual benefit statements, they would be prepared without the inclusion of the retroactive compensation, which was acceptable because the statements represented only estimates of projected benefits.

AMENDMENT THIRTEEN

The Board reviewed proposed Amendment Thirteen establishing limits on the amount of overtime and accrued leave time payable at termination that can be considered pensionable as required by State Statutes. It was noted that the County expressed objections to the proposed Amendment. Joe Doucette confirmed that the County's position was that State Statutes dictated that up to three hundred hours can be considered pensionable, but a lesser amount could be implemented and the matter should be subject to collective bargaining. A lengthy discussion ensued. Bonni Jensen advised that the Board must implement the restriction immediately to be in compliance with State Statutes. Ken Harrison also confirmed that restriction must be implemented immediately and not be delayed at all by the collective bargaining process. It was noted that without the restrictions in Amendment Thirteen, all overtime and accrued leave payout is considered pensionable and therefore these restrictions will lessen the funding requirement of the Plan and be financially beneficial to the County. It was also noted that either party had the opportunity to address this within recent collective bargaining that had just concluded. Ken Harrison recommended proceeding with the immediate adoption of Amendment Thirteen, noting that the restriction on pensionable overtime could always be revised in future collective bargaining. **Frank Stanzione made a motion to adopt Amendment Thirteen. The motion was seconded and passed 4-0.**

AMENDMENT FOURTEEN

The Board reviewed proposed Amendment Fourteen amending Section 1.10 eliminating the reference to calendar year compensation as represented on tax reporting forms. It was noted that Amendment One adopted in the year 2003 deleted this very same reference from Section 1.06. A discussion ensued and it was determined that revising Section 1.10 now was essentially correcting a change that had been unintentionally omitted in Amendment One. It was further noted that there was not any change in determining final average salary and this is consistent with past practice in the administration of the Plan and calculation of benefits. **Liz Bloeser made a motion to adopt Amendment Fourteen. The motion was seconded and passed 4-0.**

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A discussion arose regarding restating the Plan Document to include all the successive amendments. The Board agreed and tasked Bonni Jensen to prepare the restatement.

BOARD MEMBER COMMENTS

There were no Board member comments.

SCHEDULE NEXT MEETING

The next quarterly meeting was scheduled for August 28, 2014.

ADJOURNMENT

The meeting was adjourned at 11:30 P.M.

Secretary