Chair Dwight Mattingly called the meeting to order at 9:00 AM in the Dale R. Smith Conference Room at the Palm Tran North Facility, 3201 Electronics Way, West Palm Beach, Florida. Those persons present included:

TRUSTEES
Dwight Mattingly, Chair  
John Wilson, Secretary  
Frank Stanzione

OTHERS PRESENT
Bonni Jensen, Klausner, Kaufman, Jensen & Levinson  
Ken Harrison, Sugarman & Susskind  
Chad Little, Freiman Little Actuaries  
Scott Baur, Resource Centers  
Dawn Cram, Finance

APPROVAL OF THE AGENDA

Frank Stanzione made a motion to approve the Agenda, seconded by John Wilson, and approved by the Trustees 3-0.

PUBLIC COMMENT

No members of the public addressed the Board.

APPROVAL OF THE MINUTES

The Trustees reviewed the Minutes for the Special Meeting of February 14, 2017. Dwight Mattingly clarified that he requested a plan by the administrator to correct service issues for members.

John Wilson made a motion to approve the Minutes for the Special Meeting of February 14, 2017, seconded by Frank Stanzione, and approved by the Trustees 3-0.

ANNUAL ACTUARIAL VALUATION: CHAD LITTLE

Mr. Little reported that the funded status for the Plan improved to 82.7% in 2016 from 81.1% the prior year. The additional deficiency payment by the County ended in 2016. He noted that many plans now have a funded ratio in the 80% range, and he said that he would provide an exhibit of funding for public plans in Florida. Palm Tran deposited the full contributions required from the employer. The number of active members increased slightly during the year, but the Plan had a small demographic loss as pay increases weighted to members with more service. The Board discussed the payroll issues and contribution amounts that did not equal exactly 3% of reported pay.

Chad Little explained that the Plan had a smoothed return of 6.2% and a real investment return of 6.6% on assets for the fiscal year. The Board considered the impact for the Plan not to make the actuarial assumed rate. Mr. Little stated that he may need to revise the Valuation on the total assets reported by the auditor, since he used the unaudited
financial statement to produce the valuation. The Board addressed the timing of the audit, not yet begun since Cherry Bekaert & Holland presented the 2015 audited financial statement at the beginning of March and the auditor will not have a signed engagement letter until after the meeting. Mr. Little cannot produce the GASB 67 & GASB 68 disclosures until he receives audited financials.

Mr. Little explained the smoothing of investment returns in detail. The actuarial value of assets now exceeds the market value of assets, meaning the Plan has about $6 million in losses still to recognize over the next 4 years. Accordingly, he expects the contribution requirements to increase if the Plan matches the assumptions. He will begin an experience study following the audit and the valuation. He reviewed components of experience contributed to the 82.7% funded ratio. The deficiency payment outweighed the investment experience loss, while the Plan realized a slight gain from demographic factors.

Mr. Little did not recommend approval of the Valuation pending the audited financial statement. John Wilson asked how a change in the assets might impact the contribution requirements. Mr. Little does not expect any significant adjustments to the contributions. The Valuation also includes the new mortality assumptions mandated by the Florida legislature. Finally, Mr. Little noted that contributions actually fell as a percent of pay even though the dollar amount increased due to increases in total active member payroll.

**Frank Stanzione made a motion to accept the draft Valuation, seconded by John Wilson, and approved by the Trustees 3-0.**

Bonni Jensen reported that the Summary Plan Description update is pending the final updated actuarial summary. Mr. Mattingly asked to move the Summary Plan Description forward. Ken Harrison reviewed the updated agreement for attorney Bonni Jensen, which guarantees the new hourly rate approved by the Board for 12 months.

**OTHER BUSINESS**

**John Wilson made a motion to approve the audit engagement letter, seconded by Frank Stanzione, and passed by the Trustees 3-0.**

**BOARD MEMBER COMMENTS**

Mr. Mattingly stated that he wants a plan of action by the administrator to address service issues with members of the Plan. He also asked for a way to allow the Trustees to access the processing queue for pension benefits.

**ADJOURNMENT**
Having previously scheduled the next quarterly meeting for Thursday, June 1, 2017, Frank Stanzione made a motion to adjourn the meeting at 10:01 AM, seconded by John Wilson, and approved by the Trustees 3-0.

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Secretary