Chairperson Dwight Mattingly called the meeting to order at 1:02 P.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
Liz Bloeser
Nancy Bolton

OTHERS PRESENT

Chad Little, Freiman Little Actuaries
Bonni Jensen, Law Office of Perry & Jensen
Robert Sugarman, Sugarman & Susskind
Nick Schiess, Pension Resource Center
Jim Linn, Lewis, Longman & Walker
Donna Rainey, Palm Beach County Attorney
Brad Merriman, Palm Beach County
Chuck Cohen, Palm Tran
John Murphy, Palm Tran

APPROVAL OF THE AGENDA

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

REQUEST FOR INFORMATION FROM COUNTY ATTORNEY

Jim Linn reviewed the January 1, 2009 Actuarial Valuation and questioned Chad Little regarding a deficiency in funding of the Plan. Mr. Little responded that a shortage in the amount of $260K existed between the recommended and actual employer funding during the 2008 fiscal year. It was noted that the recommended amount was determined as the minimum amount to maintain the actuarial soundness of the Plan and the actual employer contribution rate was specified within the Collective Bargaining Agreement. Mr. Little was questioned regarding the treatment of the shortage and he responded that the shortage was treated as a funding deficiency, which was not amortized. A question arose whether the Actuarial Valuation had been accepted by the State and it was noted that the State had not yet issued approval or disapproval. Mr. Little was questioned regarding the anticipated funding deficiency for the 2009 fiscal year and whether this amount will also be treated as a funding deficiency. He responded that the anticipated shortage would be the approximate amount of $2.5M, which would also be treated as a funding deficiency and not amortized. Mr. Little was questioned regarding unrecognized investment losses. He reported that the there did exist some unrecognized investment losses because the asset smoothing methodology averages the investment gains and losses over a rolling five-year period thereby minimizing the effect of market volatility within any single year. Mr. Little was questioned regarding recent actuarial assumption changes and whether any additional changes were recommended. He responded that changes in assumptions did occur within the 2008 Actuarial Valuation and those changes are listed within the document. He advised that no additional actuarial assumption changes are recommended.
Mr. Linn announced that he had additional questions for Plan Attorneys Robert Sugarman and Bonnie Jensen. He questioned whether the Board has the duty or obligation to reduce benefits to make the Plan actuarially sound. Mr. Sugarman responded that the Board has the ability but not the duty to reduce benefits and the Board’s obligation is to recover the deficient contributions from the employer.

REQUEST TO RESTORE SERVICE CREDIT FROM STEPHANIE CROWLEY

Nick Schiess reported Stephanie Crowley had requested to restore her service credit by repaying her contributions that she had withdrawn after termination by Palm Tran. It was noted that she was reinstated through the grievance process. In addition, she had been again terminated and reinstated but without a refund of contributions. A lengthy discussion ensued and it was noted that a legal opinion had been previously issued that members must repay any withdrawn contributions and have their service credit restored because the situation is considered as if the member was never terminated. Dwight Mattingly passed the gavel and made a motion to permit Stephanie Crowley to restore her service credit by repaying her withdrawn pension contributions plus interest as calculated by the Actuary with the restoration of service credit to only be recognized after receipt of full repayment. The motion was seconded and carried 4-0.

SCHEDULE NEXT MEETING

The next quarterly meetings were scheduled for May 27, August 26 and December 2, 2010.

ADJOURNMENT

The meeting was adjourned at 2:45 P.M.