



## LEXTRAN EMPLOYEES CONTRIBUTORY PENSION PLAN AND TRUST PENSION COMMITTEE MEETING

200 WEST LOUDON AVE, ROOM 110  
LEXINGTON, KY 40508

Meeting is available via WebEx upon request.

August 10, 2021

10:00 a.m.

### AGENDA

- |      |  |               |
|------|--|---------------|
| I.   | Call to order  | 10:00         |
| II.  | Approval of Minutes                                  | 10:00 – 10:05 |
|      | a. May 11, 2021 Meeting                              |               |
| III. | Fund Performance Report from Mariner Wealth Advisors | 10:05 – 10:35 |
| IV.  | Old Business   | 10:55 – 11:00 |
| V.   | New Business   | 11:00 – 11:05 |
| VI.  | Adjournment  | 11:05         |

## **PENSION COMMITTEE MEETING**

### **MINUTES**

**May 11, 2021**

#### **EMPLOYEE REPRESENTATIVES PRESENT**

Brian Brewster, Operator  
Darrell Sebastian, Operator  
Ed Adkins, Operator

#### **EMPLOYER REPRESENTATIVES PRESENT**

Fred Combs, Director of Planning, Technology & Community Relations  
Nikki Falconbury, Director of Finance & HR  
Rick Christman, Lextran Board of Directors

#### **OTHERS PRESENT**

Jill Barnett, Lextran General Manager  
Byron Robinson, Lextran Assistant General Manager  
Stephanie Hoke, Lextran Finance Manager  
Alan Jones, Lextran Systems Administrator  
Pamela Thompson, Mariner Wealth Advisors  
Matthew Bitter, Mariner Wealth Advisors  
Steve Osbourne, Osborn, Carreiro & Associates

Due to the COVID-19 pandemic, state of emergency and Governor Beshear's Executive Orders regarding social distancing, this meeting of the Lextran Pension Committee was held via video-teleconference pursuant to Senate 150 (as signed by the Governor on March 30, 2020) and Attorney General Opinion 20-05, and in accordance with KRS 61.826, because it was not feasible to offer a primary physical location for the meeting.

#### **APPROVAL OF MINUTES**

Ms. Barnett called the May 11, 2021 Lextran Pension Committee meeting to order at 10:01 am. Ms. Falconbury checked the attendance and noted that quorum was achieved. Upon a motion by Mr. Christman, with a second by Mr. Brewster, the minutes of February 9, 2021, were unanimously approved.

#### **FUND PERFORMANCE REPORT FROM MARINER WEALTH ADVISORS**

Ms. Thompson and Mr. Bitter from Mariner Wealth Advisors reviewed the Mariner quarterly report for the period ending March 31, 2021. The average long-term investment return was 7.4%. The market value of the total portfolio was \$17,994,240. The fundamental economic data reviewed showed a drastic decrease in unemployment insurance claims since the spike in March 2020. The total retail and food-service sales are also showing growth after the sharp decrease in March 2020.

## **ACTUARIAL REPORT FROM OSBORN, CARREIRO & ASSOCIATES**

Mr. Osborne reviewed the January 1, 2021 actuarial report. He noted that the number of individuals included in the pension plan has increased. The contribution in cents per hour shows 227.0¢ an hour with the recommended actuarial amount for current benefit level at 206.1¢ an hour. The unfunded actuarial accrued liability has gone down since last year due mainly to the 13.6% investment gain in 2020. In fact, the unfunded actuarial accrued liability is less than \$0 indicating the plan is more than 100% funded. The calculated contribution rate is the cost of benefits that are expected to be earned during 2021. This year the plan shows 114% funded.

The primary areas of risk would be investment returns, and a decrease in hours. Assuming 320,000 hours a year and a 6.5% investment return. If the assets had a 0% return next year, the Recommended contribution rate would increase by about 35¢. If hours fell to 300,000 annually, the Recommended contribution rate would increase by about 15¢. If both hours fell to 300,000 annually, and the assets had a 0% return next year, the Recommended contribution rate would increase by almost 60¢. Other areas of risk include the possibility of more disabilities than expected, or a longer life expectancy than assumed.

## **OLD BUSINESS**

Ms. Falconbury gave a brief overview of the timeline for the open Request for Proposals for Pension Fund Management Services. The selection committee will include 7 members for the evaluation on proposals. The final proposals are due on May 21<sup>st</sup> by 3:00pm. The evaluations will be completed by May 28<sup>th</sup> at 5:00pm. The contract will be awarded at the June 16<sup>th</sup> Lextran Board of Directors meeting.

Mr. Adkins requested a motion to increase the benefits of the pension fund to new retirees of \$10 a month. He would like to see if there could be a poll to the current contributors to see if they would endure the cost of the benefit to raise it \$10 a month. Mr. Osborne said the cost to endure that would be about 11¢ an hour. Ms. Falconbury stated that to increase the amount that is contributed into the pension plan it would be required to be negotiated in the current contract. Ms. Barnett stated that she recommended to Mr. Adkins to speak to his negotiation team to present it as a proposal at the next scheduled negotiations meeting. Mr. Adkins asked Ms. Barnett if she thought it would be a problem to enter that into these negotiations. Ms. Barnett stated that Lextran will entertain all items on the table.

## **NEW BUSINESS**

The next meeting date has not been approved by the Lextran Board of Directors, the schedule will be included in the June Board Packet. The current tentative date for the next Lextran Pension Committee is scheduled to be held on August 10, 2021 at 10:00 AM.

## **ADJOURNMENT**

There being no further business to come before the Committee, a motion was made by Mr. Christman to adjourn, Mr. Sebastian seconded. The meeting was adjourned by consensus at 10:48 AM.