

**ATU LOCAL 1596 PENSION FUND  
MINUTES OF WORKSHOP  
Tuesday, August 13, 2002**

**Board Members Present:**

Thomas Lapins- Chairman  
Brian Anderson- Secretary  
Blanche Sherman- LYNX Appointee (1:25 PM)  
Mike Donnelly- Union Appointee  
Robert Doane- Union Appointee  
Ed Johnson- LYNX Appointee

**Others Present**

Scott Baur- Fund Administrator  
Joyce Baldi- LYNX Representative  
Jill Hanson- Fund Attorney  
Jeff Swanson- Investment Monitor  
Peter Alfele- Auditor

<b>Agenda Item #</b>	<b>Discussion</b>	<b>Decision</b>	<b>Follow-up</b>
1.	Meeting called to order.	1:00 PM	
2.	Minutes from meeting of May 15, 2002: Mike Donnelly read the minutes to the Board. The Trustees noted corrections to Item 6 ("Donald Jennings") and spelling of name of Trustee Mike Donnelly.	Robert Doane made a motion to approve the minutes subject to the corrections noted. Edward Johnson seconded the motion, approved by the Trustees 5-0.	PRC

3.	Peter Alfele reviewed the audit for the fiscal year ending September 30, 2001. Cherry Bekaert & Holland reviewed the financial statement and issued an unqualified opinion. Mr. Alfele noted an investment loss of \$2,400,000 for the fiscal year, although total assets of the plan decreased only \$86,821 after new contributions. He then noted a concentration of fixed income investments in two issues, although the investments did not violate the guideline for the Pension Fund. The employer made all required contributions to the Pension Fund, although a collective bargaining agreement determines the amount for the employer contribution.	The Board accepted the audit report.	None Required.
*	Peter Alfele advised the Board on changes that would improve the procedures or controls for the Pension Fund. He noted that Pension Management did not record investment information in the financial statement until the end of the reporting year, the Pension Fund experienced a cash buildup in the Fund checking account, benefit approval and payment information should be recording to the file of the participant, the Fund should establish a procedure to check for deceased beneficiaries, and terminating employees should receive a notice from the Fund regarding refunds of contributions.	Scott Baur and Jill Hanson will add an election to the Refund of Contributions Form for the participant to leave the contributions in the Pension Fund. Peter Alfele will report on progress to correct items noted in the management letter when he presents the next annual audit to the Board. Blanche requested an original copy of the management letter from Mr. Alfele.	PRC, Jill Hanson, Cherry Bekaert & Holland
4.	Jill Hanson presented the Trustees with an assignment of the agreement for Pension Management Services to Pension Resource Center.	Robert Doane made a motion to approve the assignment, seconded by Edward Johnson and passed 5-0.	None Required.

*.	The Board received a letter appointing Brian Anderson as a Trustee for the remainder of the term for Luz Robledo.	Edward Johnson made a motion to appoint Brian Anderson as secretary for the remainder of the term for Luz Robledo. Blanche Sherman seconded the motion, approved by the Trustees 5-0.	None Required.
5a.	<p>The Board reviewed forms and the Reference Guide with the following changes noted:</p> <ul style="list-style-type: none"> <li>• A form will be created, acknowledging or declining participation in the Pension Fund (“Participation Form”)</li> <li>• The actuary will produce a summary report for the Reference Guide.</li> <li>• The reference to charts will be deleted from the Table of Contents, since the Reference Guide does not include any charts.</li> <li>• The Table of Contents for the Reference Guide should include a list of Forms.</li> </ul>	The Pension Resource Center will determine the cost of a search service that checks if retired participants have deceased. The Pension Resource Center already requested the actuarial summary report from GRS.	PRC Jill Hanson
5e.	The Trustees discussed the response by Mr. Brooks to the request from Chairman Tom Lapins for an allowance of time during normal work hours to perform his duties.	Tom Lapins noted that he will resign as a Trustee unless progress is made on this issue.	None Required.

*	<p>The Board reviewed the provisions in the plan to buyback prior service credit after reemployment by LYNX, when the participant previously took a refund of contributions. Jill Hanson suggested that the Board might ultimately wish to amend the plan to further clarify the provisions. After some discussion, the Trustees determined that the plan document currently stipulates that a participant must return contributions previously refunded within 5 years of the date of the refund, not the date of reemployment.</p>	<p>The form for Refund of Contributions will be modified to include a disclosure that clearly states the amount of time a participant has to complete a buyback of prior service credit upon returning to employment at LYNX. A motion was made by Blanche Sherman to advise two participants that they had exceeded the time limit to buyback prior service. Mike Donnelly seconded the motion, passed by the Trustees 5-1. Tom Lapins voted against the motion.</p>	<p>Jill Hanson PRC</p>
*	<p>Jeff Swanson reported on the current state of the market, now in a significant bear market in terms of degree and length of time. The portfolio for the Fund has performed well on a relative basis. Jeff Swanson noted that the asset allocation for the Fund conformed to guidelines, including the two bonds noted by the auditor. Mr. Swanson advised the Fund should rebalance the assets held in the portfolio. Jeff also noted that all the managers had out performed their peers during the trailing 12 months, even though Bernstein lost money on Worldcom. Jeff suggested the Trustees rebalance the assets by hiring a new manager for mid-cap growth, then dollar cost average new contributions to the Fund to the new manager until a 10% allocation is achieved.</p>	<p>Robert Doane made a motion to follow the recommendations of the consultant by hiring a manager for small to mid-cap equities. Blanche Sherman seconded the motion, approved by the Trustees 5-1. Mike Donnelly dissented. Jeff Swanson will report on a manager search at the next scheduled meeting. Jill Hanson will follow up with Alliance to obtain a letter requested at the May meeting, regarding changes in investment procedures after Alliance held Enron.</p>	<p>Jeff Swanson Jill Hanson</p>

*	Meetings were scheduled for September 10, October 1, and November 12 at 1 PM.		PRC
5b.	<ul style="list-style-type: none"> <li>• The Trustees delegated further review of the forms to Tom Lapins, Jill Hanson, and the Pension Resource Center.</li> <li>• Mike Donnelly will listen to the tapes for the January 8 meeting to determine if the Board instructed Pension Management to cancel attendance at an FPPTA conference on behalf of certain Trustees.</li> <li>• The restatement of the plan document is in process.</li> <li>• The Board will continue to discuss the issue of comp time for Chairman Tom Lapins at the next meeting.</li> <li>• The Trustees reviewed changes to the annual benefit statement.</li> </ul>	<p>A motion was made by Mike Donnelly to accept a quote from the printer to assemble the reference guides in binders. Blanche Sherman seconded the motion, approved by the Trustees 6-0.</p> <p>The Trustees directed Jill Hanson to research the issue of whether Fla. law permits them to forfeit a person's pension if that person makes a false statement on an application.</p>	<p>Jill Hanson PRC Tom Lapins Mike Donnelly</p>
6a.	The supervisors do not appear as though they will join the Pension Fund. If they do, the employee and employer contributions would have to be consistent with the contributions for other participants. The Board discussed the addition of Trustees should the supervisors ultimately join.	The Board will seek input from the Local regarding the addition of Trustees. A motion was made by Blanche Sherman, seconded by Ed Johnson, and approved 6-0 taking no position on the addition of Trustees to the Board. The matter of educational seminars for plan participants was deferred until the next meeting scheduled for September.	PRC

6c.	The Pension Resource Center discussed the processing of applications for benefits. Scott Baur advised the Trustees that the actuary should review all final benefit calculations, and he discussed the issue with Theora Braccialarghe from Gabriel Roeder Smith and Company.	The Trustees directed the administrator to provide Gabriel Roeder Smith with any benefit calculations completed by Pension Management Services for review. The administrator will send all future benefit calculations to GRS for review.	PRC Joyce Baldi
7.	<ul style="list-style-type: none"> <li>• The Pension Resource Center was reminded to provide copies of all contracts to Blanche Sherman, per her request.</li> <li>• Blanche Sherman requested a reconciliation on the account for the tax deposits.</li> <li>• Pension Resource Center will provide regular financial statements as well. The administrator had not yet received the adjustments for the beginning of the year from the auditor.</li> </ul>		PRC
*	The Trustees discussed recent issues with Pension Management Services, as well as the merger with Pension Resource Center. The administrator offered to send an alternative person to meetings of the Trustees, should the Board desire to make such a change. The Trustees expressed some concerns regarding additional changes, since the continuity of representation to the Board may be lost.	Mike Donnelly made a motion to direct the Pension Resource Center to send a person other than Angela Apicella to meetings of the Board. Robert Doane seconded the motion, approved by the Trustees 3-2. Blanche Sherman and Edward Johnson dissented.	PRC

8.	<p>Additional items discussed:</p> <ul style="list-style-type: none"> <li>▪ The Trustees discussed the care that must be exercised regarding the use of potentially offensive language in communications on behalf of the Pension Fund.</li> <li>▪ Jill Hanson will provide some additional information regarding the Sunshine Law to the Trustees.</li> <li>▪ Edward noted a problem with the credit from Boca Resort from the FPPTA conference in July. He believes that the Pension Fund may have overpaid the Hotel. The administrator will look into the matter.</li> </ul>	<p>Blanche Sherman made a motion to approve all disbursements except for the FPPTA reimbursements to Trustees for conference related expenses. Mike Donnelly seconded the motion, approved by the Trustees 6-0.</p>	PRC
9.	Benefit Applications: None.		
10.	There being no other business, and the next meeting having been previously scheduled during the meeting, the Trustees adjourned at 5:50 PM.		

Sincerely,

Brian Anderson  
Secretary