

**ATU LOCAL 1596 PENSION FUND
MINUTES OF WORKSHOP
Tuesday, September 10, 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

Agenda Item #	Discussion	Decision	Follow-up
1.	Meeting called to order.	1:12 PM	
2.	Minutes from meeting of August 13, 2002.	Ed Johnson made a motion to approve the Minutes for August 13, seconded by Mike Johnson and approved by the Trustees 5-0.	
3.	(Attorney Report) Jill Hanson reported that Victor Sand and Hector Matos exceeded the time to buy back prior service credit under the plan, although Mr. Santa was notified of the cost and conditions when LYNX rehired him. Mr. Matos indicated that he would likely make an appeal to the Board.		None Required.

*	Jill presented some updated inserts to the Restated Agreement and Declaration of Trust. She reviewed the changes. The Trustees executed the document upon approval, which will require additional signatures by LYNX and the Union.	Mike Donnelly made a motion to eliminate the word “hereof” from Section 3.07 (A). Edward Johnson seconded the motion, approved by the Trustees 4-1. Robert Doane dissented. Ed Johnson made a motion to adopt the Restated Agreement and Declaration of Trust as amended, seconded by Blanche Sherman, and approved by the Trustees 5-0.	Jill Hanson
*	Jill reviewed the Participation Agreement Form, which will require review by the attorney for LYNX. The Trustees then discussed the potential consequences to a participant for making false statements on an application for benefits. Police and fire plans in Florida have the discretion to revoke benefits when a participant makes false statements, but plans covering general employees must refer allegations of fraud to the local state attorney for prosecution for falsifying public documents. The Trustees would only be able to take action against a participant after obtaining a conviction for a specific offense by the state.	The Trustees directed Jill Hanson to make clear in the reference guide the potential consequences for submitting false information on an application for benefits. Jill will add another item at the end of the “Question and Answer” section of the guide.	Jill Hanson
4.	(Investment Consultant Jeff Swanson joined the meeting by telephone at 2:25 PM.) Jeff Swanson noted that the Plan had deviated from the target asset allocation due to the recent volatility in the market. He recommended that the Board hire two mid-cap equity managers, representing value and growth styles of management, to restore the target allocation for the assets of the Plan. He recommended that the Plan	Bob Doane made a motion to invest a total of \$2 Million in the Lord Abbett Fund, with \$1 Million invested immediately and the remaining \$1 Million invested with dollar cost averaging through the end of 2002. Mike Donnelly seconded	Jeff Swanson PRC

	<p>purchase institutional shares of mutual funds to control the management and consulting expenses. He would normally expect the small to mid-cap managers to outperform other classes of equities when the market recovers. He reviewed the style, risk, and returns for numerous small and mid-cap equity managers. The Trustees also discussed whether the Plan should change the target allocation for equities in light of the recent volatility in the market. Jeff Swanson noted that the guideline stipulated that the Plan maintain an allocation of 65% equities at cost, although the Plan currently had an allocation of 30% equities at cost. Jeff Swanson noted that no commissions would be paid on purchases of mutual funds for over \$1 Million, and the recapture arrangement with Merrill Lynch would refund a portion of any additional fees to the Plan.</p>	<p>the motion, approved by the Trustees 5-0. Bob Doane made a motion to invest a total of \$2 Million in the Westfield Fund, with \$1 Million invested immediately and the remaining \$1 Million invested with dollar cost averaging through the end of 2002. Blanche Sherman seconded the motion, which was subsequently withdrawn in discussion. Blanche Sherman made a motion to invest \$1 Million each in the Baron Fund and in the Westfield Fund. Mike Donnelly seconded the motion, approved by the Trustees 5-0. Merrill Lynch will establish an account to custody the mutual funds, which will be funded from the fixed income securities managed by ICC Capital Management.</p>	
*	<p>Jill Hanson wrote a letter to Alliance regarding the executive of Alliance on the Board of Directors for Enron, although she has not received a response. The Reference Guide also needs a five-year return on assets as of December 31, 2001.</p>		Jeff Swanson

*	<p>The following additional modifications were suggested for the Reference Guide:</p> <ul style="list-style-type: none"> • Appendix B, the Plan Document, will be switched to precede Appendix A, the Summary Plan Description. • The Signature Page will be modified to include the middle initial for each Trustee. • Some additional formatting changes were suggested for the history of the Plan. • The Pension Resource Center will establish a special Email destination for the Plan, ATU1596@resourcecenters.com • Some language changes were requested for Item 4 under "Frequently Asked Questions" to clarify the example for early retirement. • The Trustees suggested additional language changes. 		Jill Hanson PRC
5.	<p>The Administrator reported on the following items:</p> <ul style="list-style-type: none"> • The Trustees need to file the Financial Disclosure with the Supervisor of Elections. Scott Baur brought forms for the Trustees. • The PRC mailed forms for the annual election for the Share Accounts and Enhanced Benefits. • The PRC is in the process of updating the financial statements for the Plan. • Current disbursements were presented to the Trustees for approval. • A new signature card for the pension checking account was presented to reflect changes in the composition of the Board. 	<p>Mike Donnelly made a motion to approve the disbursements, seconded by Bob Doane, and approved by the Trustees 4-0. The Administrator will report on prior disbursements at the next scheduled meeting, including Check Nos. 1065 and 1069 to the Custodian and a check sequence that appeared not to have been approved by the Trustees in the spring. The PRC will provide a copy of all correspondence with the IRS resulting from problems with the FIN</p>	PRC

		to Jill Hanson.	
6.	<p>Old Business:</p> <ul style="list-style-type: none"> • The Reference Guide and the Restated Plan Document were reviewed earlier in the meeting. • The Board is still waiting for a reply to a letter to LYNX regarding comp time for the Chairman (Tom Lapins). The Union has a meeting scheduled for September 28 or 29. • The Union will provide a cell phone to Tom Lapins for use as the Chairman of the Plan. • The Administrator will bring sample Benefit Statements to the meeting scheduled for October 15 at 1 PM, with the expectation that LYNX will provide payroll information on October 4 for the September 27 pay date. • The Trustees will discuss educational seminars for participants at the next scheduled meeting. 	None Required	PRC Tom Lapins
7.	New Business: None.		
8.	Other Business: None.		
9.	Disbursements: Approved under Administrator Report.		
10.	The Trustees discussed the disability application for benefits for Julian Galindo. Mr. Galindo, originally hired on November 18, 1991, is legally blind; he has applied for benefits under SSI. The letter from the physician indicated that Mr. Galindo had reached a condition of maximum medical improvement, making the disability total and permanent since Mr. Galindo can no longer perform the duties of a driver.	Bob Doane made a motion to grand the disability pension to Mr. Galindo, pending a determination that LYNX has not other available position. Blanche Sherman seconded the motion, approved by the Trustees 4-0. Jill Hanson will write a letter to LYNX to determine if any reasonable accommodation	Jill Hanson.

		can be made for Mr. Galindo.	
*	<ul style="list-style-type: none"> • Tom Lapins noted that the new LYNX newsletter omitted the article submitted by the Pension Plan. • No Trustees decided to attend the Fall FPPTA conference. The Trustees expressed an interest to attend in January • The Trustees discussed the End of Year lunch in November, as well as lunch/ drinks at the regularly scheduled meetings. • The Administrator explained differences in benefit statements provided to two participants that caused those participants some concern. 	Mike Doane made a motion to have Edward Johnson supply soda to the Trustees at the regular meetings, seconded by Brian Anderson, and approved by the Trustees 4-0. Blanche will supply food, while the administrator will bring a manual check for reimbursement.	PRC Ed Johnson Blanche Sherman
*	<ul style="list-style-type: none"> • Tom presented the final proof of the binder cover for the Reference Guide. • Jill Hanson noted that the Union and LYNX each needed to reappoint one Trustee to the Board. • The Trustees completed the Statements of Financial Interest for the Supervisor of Elections. 	Brian Anderson made a motion to accept the proof for the cover to the Reference Guide, seconded by Bob Doane and approved by the Trustees 4-0.	LYNX Union
10.	There being no other business, and the next meeting having been previously scheduled during the meeting, the Trustees adjourned at 5:20 PM.		

Sincerely,

Brian Anderson
Secretary