

**ATU LOCAL 1696 PENSION FUND
MINUTES OF MEETING HELD
MAY 15, 2008**

Board Members Present:

Robert Doane – Chairman, Union Appointee
Frank Luna – Union Appointee
Blanche Sherman – Secretary, LYNX Appointee
Bert Francis - LYNX Appointee
Frank Lacock - Union Appointee
Lisa Darnall - LYNX Appointee

Others Present

Nick Schiess - Plan Administrator
Jill Hanson - Plan Attorney
Joyce Baldi & Desna Hunte– LYNX
Burgess Chambers – Investment Consultant

Agenda Item	Discussion	Decision	Status	Follow-up
1.	Meeting called to order at 10:32 A.M.		Closed	None
2.	The Board reviewed the minutes of the meeting held on February 21, 2008.	Bert Francis made a motion to approve the minutes of the meeting held on February 21, 2008. Lisa Darnall seconded the motion, approved by the Trustees 6-0.	Closed	None
3.	<p>Burgess Chambers appeared before the Board on behalf of Burgess Chambers & Associates to provide a report on the investment performance of the portfolio for the quarter ending March 31, 2008. He discussed market and economic factors and attributed the recent market downturn to a crisis within the credit markets.</p> <p>Mr. Chambers reported that a partial redemption of \$800K had occurred from the JP Morgan commingled real estate fund and the Plan was in queue for the balance of the total requested redemption in the amount of \$3.2M. Mr. Chambers was questioned whether to retain the product and he recommended the retention of the product for now as no concerns existed over the firm.</p>		Closed	None

	<p>Mr. Chambers and Nick Schiess provided the Board with an update on the status of the portfolio transition approved by the Board at the previous meeting. They reported that the Westwood Capital Management commingled fund had been fully funded and the complete liquidation of the ICC Capital Management and Alliance Bernstein Capital Management portfolios was expected within days. Mr. Schiess discussed the cash flows to the funding the new investment products noting that the flows were structured to maximize participation in the market.</p>			
5.	<p>As a follow up to the last meeting, Nick Schiess provided the Board with a report containing information regarding the active participants that had enrolled in the enhanced benefit option but had incorrect contribution rates. The report included a schedule containing the details of the periods, payroll, and amounts owed to the Plan by the affected participants. Mr. Schiess reminded the Board that at the previous meeting it was noted that one retiree, Lugenia McCarty, was affected and the Board had requested the Administrator to inquire with regards to her preference of repayment of the missing contributions and the additional enhanced benefits or release from participation in the enhanced benefits and the associated additional contributions. He advised that Ms. McCarthy had requested to be released from participation in the enhanced benefit option.</p> <p>A lengthy discussion ensued regarding affording the affected participants the option of repayment of the missing contributions or release from participation in the enhanced benefits and relief from the associated additional contributions. It was noted that the Actuary had previously advised that release from participation in the enhanced benefits would not financially affect the Plan.</p> <p>A subsequent discussion ensued regarding whether the releasing the affected members from participation in the enhanced benefit option was legally permissible. Jill Hanson discussed the applicable Plan provisions and legal ramifications and then advised that an interpretation</p>		Open	

	<p>of the Plan provisions that supports the release from participation was certainly reasonable under the circumstances.</p> <p>A discussion arose regarding the origin of the error and potential safeguards to ensure that the error was not repeated. Brian Anderson discussed the steps used to verify the various levels of payroll deductions prior to the issuance of every single payroll. It was concluded that the safeguards were adequate and the affected participants had simply never been initially set up for the additional deductions.</p> <p>Blanche Sherman expressed concerns that the affected participants might have also been involved with a similar matter identified and corrected in previous years. Nick Schiess agreed to provide notification to the affected members of the matter and also their options. He recommended that the notification include a calculation of the value of the participation in the enhanced benefit with this calculation verified by the Plan's Actuary and the Board agreed.</p>	<p>Frank Luna made a motion to offer the affected participants the option of either repayment of the missing contributions and credit for the additional enhanced benefits or release from participation in the enhanced benefits and the associated additional contributions. Frank Lacock seconded the motion, approved by the Trustees 6-0.</p> <p>The Board directed the administrator to research whether the affected participants might have also been involved with a similar matter identified and corrected in previous years and provide the fundings to Blanche Sherman along with the notification to affected members for final approval prior to distribution.</p>		PRC Blanche Sherman
	The meeting recessed at 11:55 P.M. for lunch and reconvened at 12:50 P.M.		Closed	None
4.b	The Board was presented unaudited statements of the balance sheet and income and expense for the fiscal year through March 31, 2008. A question arose regarding the employer contributions as reported in the Statement of Income and Expense.	<p>Nick Schiess agreed to research the Trustees' questions regarding the Statement of Income and Expense and report back to the Board via e-mail before the next meeting.</p> <p>The Board requested the 2007 fiscal year expenses to be displayed on the Statement of Income and Expense for comparison with current fiscal year expenses.</p>	Closed	Nick Schiess
4.a.	The Trustees reviewed the list of disbursements presented for approval.	Blanche Sherman made a motion to approve the disbursements as presented. Bert Francis seconded the motion, approved by the Trustees 6-0.	Closed	None

5.a.	The Trustees reviewed the list of benefit approvals presented for approval.	Blanche Sherman made a motion to approve the benefit approvals as presented. Bert Francis seconded the motion, approved by the Trustees 6-0.	Closed	None
6.a.	Jill Hanson reviewed a draft of the revised Summary Plan Description noting that the document must be revised and distributed to the members every two years. She advised that the disability provisions were in question given the circumstances of Amendment Six. The Trustees provided revisions to the document, which Ms. Hanson agreed to include within the final draft of the document. Nick Schiess requested direction on the distribution of the document.	Frank Lacock made a motion to adopt the Summary Plan Description as amended. Blanche Sherman seconded the motion, approved by the Trustees 6-0. Frank Luna made a motion to authorize the duplication of the document and distribution via regular mail. Frank Lacock seconded the motion, approved by the Trustees 6-0.	Closed	PRC
6.b.	Jill Hanson reviewed a draft of the revised Pension Reference Guide. The Trustees provided revisions to the document, which Ms. Hanson agreed to amend and provide a final draft copy at the next meeting.		Open	Jill Hanson
4.b	Jill Hanson announced that the Agreement for custodial services of the new index fund investment products by the Bank of New York had been successfully negotiated to her satisfaction as the firm among other items had agreed to execute a public entity crimes affidavit for those employees with direct contact with the Plan's investments.		Closed	None
7.b.	The Trustees reviewed the responses to the request for proposals for auditing services.	A committee was formed to review the responses and provide a report to the Board at the next meeting	Open	Blanche Sherman Frank Luna
7.c.	The Trustees discussed the upcoming Florida Public Pension Trustees Association conference to be held in Orlando Florida on June 29 - July 2, 2008. A question arose regarding the appropriateness of the expense for Trustees to secure hotel accommodations for local conferences. It was noted that significant travel still was involved given the size of Orlando and also knowledge was obtained through association with Trustees from other pension plans during the evenings after the formal instructional sessions had concluded. Ms. Hanson noted		Closed	None

	that no restriction this regard were present within the Trustee Travel Policy.			
7.	<p>As a continuation from the meeting on May 14, 2008, the Trustees resumed consideration of the matter of Jason Kasalap, who had submitted an application to enter the DROP and it had been later determined that he did not meet the eligibility requirements to participate. It had been previously determined that Mr. Kasalap clearly was ineligible to participate in the DROP and also that the Plan could not deposit employee contributions on behalf of Mr. Kasalap or relieve him of the obligation if service is credited for the period in which deductions were not made. A very lengthy discussion arose whether the Administrator should be requested to be financially responsible for Mr. Kasalap's contributions owed to the Plan as had been requested by Mr. Kasalap. Mr. Schiess acknowledged that the Mr. Kasalap's entry into the DROP was an unfortunate oversight, however, no financial loss had been incurred by Mr. Kasalap as a result. A subsequent discussion arose regarding the general resolution of errors in the administration of the Plan. It was noted that given the size and complexity of the Plan that errors would occur and a discussion ensued on the general and consistent resolution of errors with respect to employee contributions owed to the Plan and also the setting of precedents. The Board discussed the final resolution of the matter noting that remaining consistent with past practice would dictate affording Mr. Kasalap the option of either repayment of the missing contributions and credit for the service or release from the employee contributions without credit for the service.</p> <p>Jill Hanson presented a revised Application for the DROP, which now included the specific provisions regarding eligibility for the DROP. The Trustees reviewed the Application and authorized the replacement of the existing form with the expectation that the revised Application will eliminate future confusion over eligibility requirements. A question arose whether a DROP</p>	<p>Bert Francis made a motion to issue notification to Jason Kasalap identifying his options of either repayment of the missing contributions and credit for the service or release from the employee contributions without credit for the service. Lisa Darnall seconded the motion, approved by the Trustees 6-0. The Trustees requested that Jill Hanson issue the notification given Mr. Kasalap's discontent with the Administrator.</p> <p>The Board requested the revision of the DROP Application to include language that a participant's eligibility for part-time employment after DROP participation might be affected by the Collective Bargaining Agreement.</p>	Open	PRC Jill Hanson

	participant can return to employment after termination on a part-time basis and it was noted that the Collective Bargaining Agreement contained restrictions regarding this issue.			
6.	Jill Hanson reminded the Trustees to file their annual Statement of Financial Interests.		Closed	None
5.	Nick Schiess reported that the creation of the internet based educational presentation of the provisions of the Plan was far more involved that anticipated and additional time was required for the completion of the project.		Open	PRC
8.	The next meeting was scheduled for August 21, 2008.		Closed	None
9.	The meeting adjourned at 4:16 P.M.		Closed	None

Respectfully submitted,

Blanche Sherman, Secretary