

**ATU LOCAL 1596 PENSION FUND  
MINUTES OF MEETING HELD  
DECEMBER 12, 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  
Sidney Taylor – Investment Consultant  
Edward Johnson

<b>Agenda Item</b>	<b>Discussion</b>	<b>Decision</b>	<b>Status</b>	<b>Follow-up</b>
1.	The meeting was called to order at 10:32 A.M. in Room B241, 2500 LYNX Lane Building B, Orlando, FL 32805.		Closed	None
2.	The Board reviewed the minutes of the meetings held on September 26, 2008 and October 31, 2008 and a correction was noted.	Blanche Sherman made a motion to approve the minutes of the meetings held on September 26, 2008 and October 31, 2008 as corrected. Frank Lacock seconded the motion, approved by the Trustees 6-0.	Closed	None
3.	Sidney Taylor 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 September 30, 2008. He discussed market and economic factors and attributed the recent market downturn to irrational market response to a crisis within the credit markets and irrational market behavior. Mr. Taylor noted that every single sector of the market was affected. The investment performance for the quarter was -14.2%, which was favorable on a relative basis in comparison to the index and rankings for the returns of other pension plans. He reported that the returns for the active managers were above their respective benchmark.		Closed	None

	Mr. Taylor was questioned whether there were any concerns with regards to any of the investment managers or products. He advised that no concerns existed and reviewed the compliance checklist noting that all items were within compliance. Mr. Taylor then reviewed the asset allocation and advised that allocations were within specifications and no changes were recommended until after the market settled.			
4.a.	The Trustees reviewed the list of disbursements presented for approval.	Lisa Darnall made a motion to approve the disbursements as presented. Frank Luna seconded the motion, approved by the Trustees 6-0.	Open	None
4.b.	The Board was presented un-audited statements of the balance sheet and income and expense for the fiscal year through September 30, 2008.	The Trustees received and filed the un-audited statements of the balance sheet and income and expense.	Closed	None
5.a.	The Trustees reviewed the list of benefit approvals presented for approval.	<p>Lisa Darnall made a motion to approve the benefit approvals. Frank Luna seconded the motion, approved by the Trustees 5-0 with Bob Doane abstaining for the reason of conflict of interest.</p> <p>The Board requested the administrator to research and verify the amount of the refunds of contributions and the number of benefit credits for DROP entrant Bob Doane and report back to the Board.</p>	Open	Nick Schiess
*	The meeting recessed at 11:59 P.M. for lunch and reconvened at 12:35 P.M.		Closed	None
7.b.	The Board reviewed a management letter issued by the Plan's auditor, Cherry, Bekaert, & Holland, issued in conjunction with the 2007 audit. It was noted that the letter was contradictory with the verbal opinion issued in person during the auditor's presentations at the last meeting regarding whether a material weakness existed within the financial statements. A representative of the auditing firm, Rowana Filtran, was contacted via		Open	Rowana Filtran

	teleconference and explained that confusion existed over recently issued accounting standards around the same date that the audit was issued and printed. She further explained that the interpretation of these standards has become clearer and no material weakness existed within the financial statements. Ms. Filtan agreed to issue an addendum to the 2007 audit to this regard.			
5.b.	Nick Schiess provided the Board with an update on the previously reported issue of receiving inaccurate payroll data for the 2008 fiscal year. He advised that replacement data had not been received and therefore the Administrator was unable to provide the data to the actuary for the production of the actuarial valuation and also produce the annual benefit statements for the members. Mr. Schiess believed the issue stemmed from corrupted reports generated by the Agency's payroll system Ceridian. He reported that the payroll department had initiated dialog with Ceridian to identify the issue and repair the reports. Blanche Sherman acknowledged that the payroll reports were not capturing the correct payroll data from the systems and believed the correct data could be provided directly from the payroll system bypassing the problematic reports. A discussion arose regarding the notification of the membership of the benefit statement distribution. Mr. Schiess reported that in the past practice was to mail the notifications.	It was the consensus of the Board to provide Brian Anderson with the notification for duplication and inclusion with payroll.	Open	Blanche Sherman  Tegrit
5.	<p>Nick Schiess reported that vested deferred member Earl Gaston had submitted an Application for normal retirement benefits after he was informed of the Board's decision at the last meeting to deny his prior Application for disability benefits.</p> <p>Mr. Schiess reported researching the status of the refund of contributions to former member Gerald Ocacio who was promoted to management and requested a refund of his contributions. Mr. Schiess reminded the Board that at the last meeting it was brought to the Board's attention that the rollover of Mr. Ocacio's contributions had been</p>		Closed	None

	<p>interrupted when the Agency's attorney had issued an opinion that the distribution was considered an in-service distribution and therefore not permissible. At the last meeting, Jill Hanson had advised that the distribution was not an in-service distribution, which she again confirmed at this meeting. Mr. Schiess reported that the check issued as a rollover of Mr. Ocacio's contributions had indeed been cashed by the Hartford Insurance Company on the date of September 8, 2008.</p> <p>Mr. Schiess announced that the Pension Resource Center entered into a strategic partnership with the Michigan Employee Retirement System that resulted in the new entity Tegrit Plan Administrators. A number of questions arose regarding the organizational aspects of the new firm and also whether a new agreement with the Board was necessary. Mr. Schiess agreed to provide Jill Hanson with additional information and a new Agreement would be provided at the next meeting if necessary.</p>	<p>It was the consensus of the Board that since the check issued for the refund of the contributions of Gerald Ocacio had been cashed, the matter was closed unless advised otherwise.</p>	<p>Closed</p> <p>Open</p>	<p>None</p> <p>Tegrit Jill Hanson</p>
7.d.	<p>As a follow up to the last meeting, Mr. Schiess reported notifications had been sent via registered mail, return receipt requested, to the Participants who had not submitted a response in regards to the original notification that they had enrolled in the enhanced benefit option but with incorrect contribution rates. The deadline for a final response was the date of January 15, 2009</p>		Open	Tegrit
7.g.	<p>Bob Doane expressed discontent over the loss of his agency e-mail address, which he considered important to conducting the business of the Plan. Edward Johnson explained that Mr. Doane's former e-mail address had been issued in conjunction with the former position that he had held within the Agency. Mr. Doane also expressed discontent with difficulties in scheduling and being excused from regular duties to attend the Board meetings. He requested consideration by the Agency for the support of the Chairman of the Board including an e-mail address and also scheduling.</p>	<p>The Chairperson, Edward Johnson, and Jill Hanson were all to discuss the matter after the meeting adjourned.</p>	Open	<p>Chairperson</p> <p>Edward Johnson</p> <p>Jill Hanson</p>



		The Board tabled the periodic review of actuary until the next meeting.	Open	Board
7.a.	The Board reviewed the application for disability benefits submitted by William Perez. It was noted that he was receiving social security benefits, which under the current disability provisions satisfies the determination of disability.	Bert Francis made a motion to award Mr. Perez disability benefits. Blanche Sherman seconded the motion, approved by the Trustees 6-0.	Closed	None  Jill Hanson
7.c.	As a follow up to the last meeting, the Board discussed whether DROP participants were eligible for re-employment even on a part-time basis. Lisa Darnall advised that the intent was that DROP participants would terminate employment and retire immediately after their DROP participation. It was clarified that DROP participants must separate from service but may be eligible for re-employment but as a new employee with respect to rank and compensation.		Closed	None
7.e.	The Board reviewed a quote for the renewal of fiduciary liability insurance from Travelers Insurance Corporation for the yearly premium of \$14,046.07. Ms. Hanson was questioned whether sovereign immunity was applicable to the Trustees making the expense for the insurance unnecessary.	Blanche Sherman made a motion to approve the renewal of the fiduciary liability insurance. Frank Luna seconded the motion, approved by the Trustees 6-0.	Open	New Attorney
8.	The Trustees reviewed their respective schedules for quarterly meeting dates for 2009.	The Board scheduled quarterly meetings on February 10, 2009, May 14, 2009, August 15, 2009, and December 11, 2009.	Closed	None
9.	The Board recognized the departure of Blanche Sherman as Trustee replaced by Edward Johnson. It was noted that the Board officers must be appointed and Bob Doane declined serving another term as Chairperson.	Blanche Sherman nominated Lisa Darnall as Secretary, approved by the Trustees 6-0. Blanche Sherman made a motion to appoint Frank Luna as Chairperson, approved by the Trustees 6-0.	Closed	None
11.	The meeting adjourned at 4:16 P.M.		Closed	None

Respectfully submitted,

Secretary