

**ATU LOCAL 1596 PENSION FUND
MINUTES OF MEETING HELD
FEBRUARY 10, 2009**

Board Members Present:

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

Others Present

Nick Schiess - Plan Administrator
Jill Hanson - Plan Attorney
Sidney Taylor – Investment Consultant

Agenda Item	Discussion	Decision	Status	Follow-up
1.	The meeting was called to order at 9:00 A.M. in the LYNX Boardroom, Lynx Central Station, 455 N. Garland Av. Orlando, FL 32801.		Closed	None
2.	Frank Luna expressed appreciation for being appointed as Chairperson and his enthusiasm for the position and willingness to serve the members and beneficiaries of the Plan.		Closed	None
3.	<p>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 December 31, 2008. The investment return for the quarter was -11.6% versus -11.9% for the index. He discussed market and economic factors contributing to the market downturn and recession.</p> <p>Mr. Taylor reviewed the performance of the individual investment managers in great detail, noting all was satisfactory given the market turmoil. He then reviewed the asset allocation and recommended the addition of a small cap allocation through an index fund. Mr. Taylor explained that, historically, small cap equities were in the</p>			

	<p>most market favor leading out of a recession. A lengthy discussion ensued regarding the funding source of the prospective allocation. Mr. Taylor recommended the allocation be funded from the bond and mid cap allocations. A discussion then arose regarding the merits of a redemption of the fixed income since it has been the only positively performing asset class recently. Mr. Taylor explained that the reallocation was small and not a significant shift. He also explained that the valuations of equities had fallen so dramatically and not expected to fall much lower. In addition, with the valuations already being low, an opportunity existed to purchase small cap equities at a relatively low price.</p> <p>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.</p>	<p>Bob Doane made a motion to initiate a 3% and 1% redemption of the bond index fund and mid cap index fund, respectively, and to purchase a small cap index fund selected by the Investment Consultant with the proceeds. Bert Francis seconded the motion, approved by the Trustees 6-0.</p>	Open	<p>Nick Schiess</p> <p>BCA</p>
4.	The Board reviewed the minutes of the meeting held on December 12, 2008.	<p>Bob Doane made a motion to approve the minutes of the meeting held on December 12, 2008. Edward Johnson seconded the motion, approved by the Trustees 6-0.</p>	Closed	None
5.a.	As a follow up to the last meeting, Nick Schiess reported that the deadline had expired for the Participants who had enrolled with incorrect contribution rates in the enhanced benefit option to elect to repay the missing contributions or withdraw from participation in the option. Mr. Schiess reported that all affected Participants had responded except Janet Cypher, and only John Acuna had elected to repay the missing contributions.	<p>Lisa Darnall agreed to hand deliver the notification to Janet Cypher and request her election.</p>	Open	Lisa Darnall
5.b.	As a follow up to the last meeting, Nick Schiess provided the Board with answers to the Trustees' specific questions regarding the strategic partnership of the Pension Resource Center with the Michigan Employee Retirement System that resulted in the new entity Tegrit Plan Administrators. Jill Hanson recommended that the	<p>Ed Johnson made a motion to amend the Agreement for administrative services for assignability to Tegrit Plan Administrators. Bert Francis seconded the motion, approved by the Trustees 6-0.</p>	Open	Replacement Attorney

	Trustees approve the assignment of the Agreement to Tegrit Plan Administrators.			
5.c.	Frank Luna discussed the difficulties of the prior Chairperson obtaining scheduled days off to attend meetings and conduct business on behalf of the Board.	It was suggested that Mr. Luna submit a request for consideration on this matter to the Human Resources Department.	Open	Frank Luna
5.e.	<p>Nick Schiess reported the resolution of the payroll data reporting issue and the receipt of the corrected data for the 2008 fiscal year. He advised that the preparation of the Annual Benefit Statements for the active members can now commence and discussed the options for the distribution of the statements to the members.</p> <p>Mr. Schiess reported that the revised Pension Handbook was in production and was expected to be ready for distribution along with the Annual Benefit Statements.</p>	The Board decided that the Annual Benefit Statements should be distributed personally by the Administrator over several dates to be scheduled, with the remaining statements sent via regular mail, as was past practice.	Open	Nick Schiess
5.f.	The Board discussed the periodic review of service providers with specific attention to the services provided by the Plan's Actuary, Gabriel Roeder Smith, & Company. The Trustees noted their satisfaction with services provided by the Board. The Trustees also discussed their responsibility to validate the fees charged by the firm were reasonable and comparable to the fees charged by other firms providing similar services.	<p>Bob Doane made a motion to retain the services of Gabriel Roeder Smith & Company. Frank Lacock seconded the motion, approved by the Trustees 6-0.</p> <p>The Board requested the Administrator to survey the rates charged by other actuarial firms that serve governmental pension plans.</p>	<p>Closed</p> <p>Open</p>	<p>None</p> <p>Nick Schiess</p>
5.	The Board discussed whether sovereign immunity was applicable to the Trustees, making the expense for the fiduciary liability insurance unnecessary.	The Board deferred the matter in order to obtain a legal opinion from the Plan's replacement attorney.	Open	Replacement Attorney
5.	The Board reviewed an addendum to the management letter issued by the Plan's auditor, Cherry Bekaert & Holland in conjunction with the 2007 audit that represented that no material weakness existed within the financial statements.	The Board received and filed the addendum to the Auditor's management letter.	Closed	None

6.	The Board reviewed the responses for the request for proposals for legal services. A question arose regarding the scope of the firms that were solicited for proposals, and Nick Schiess reported that all firms that provide legal services specifically to governmental pension plans were solicited for proposals. A lengthy discussion ensued regarding the respondents' qualifications, experience and fees.	Bob Doane made a motion to schedule a special meeting for the Board to personally interview the law firms of Sugarman & Susskind, P.A., Klausner & Kaufman, P.A. and Hanson, Perry, & Jensen, P.A. Edward Johnson seconded the motion, approved by the Trustees 6-0.	Open	Board
*	The meeting recessed at 12:16 P.M. for lunch and reconvened at 12:50 P.M.		Closed	None
5. d.	<p>Jill Hanson provided the Board with an update on the status of Amendments Six and Eight.</p> <p>Ms. Hanson reported that she had responded to the Agency over concerns they had expressed within the language within Amendment Eight and the reason that the Agency had declined to execute the Amendment was for a differing interpretation of the language therein rather than a matter of costs.</p> <p>Ms. Hanson reported that a request had been recently submitted to the Agency to join the Board in a joint request to the Attorney General for a determination on the status of Amendment Six. She advised that a response had not been received back from the Agency and she would follow up on the matter in a few weeks.</p>		Open	<p>Board</p> <p>Jill Hanson</p> <p>Replacement Attorney</p>
4.b.	Un-audited statements of the balance sheet and income and expense were not provided to the Board. Nick Schiess explained that major revisions were required for the representation of investment accounts as a result of changes in accounting standards.		Closed	None
5.a.	The Trustees reviewed the list of benefit approvals presented for approval.	Lisa Darnall made a motion to approve the benefit approvals as presented. Bob Doane seconded the motion, approved by the Trustees 6-0.	Closed	None
4.a.	The Trustees reviewed the list of disbursements presented for approval.	Lisa Darnall made a motion to approve the disbursements as presented. Frank Lacock	Open	None

		seconded the motion, approved by the Trustees 6-0.		
9.	Jill Hanson advised that she had no additional items to report and expressed thankfulness for being engaged as the Plan's Attorney. The Trustees expressed gratitude to Ms. Hanson for her years of service to the Plan and Board.		Closed	None
10.a.	The Trustees discussed attendance at the upcoming Florida Public Pension Trustees' Association conference scheduled in June 2009. Frank Luna noted that the Trustees were responsible for continuing education.		Closed	None
10.b.	The Trustees discussed the preparation of a document created to explain the retirement process for new retirees.	The Trustees requested the Administrator to prepare a special document to explain the retirement process for new retirees.	Open	Nick Schiess
10.c.	Nick Schiess distributed a complete set of revised forms for the Plan, noting that the prior forms had become outdated and it was important to publish new forms within the revised Pension Handbook. Jill Hanson confirmed that the new forms had already been reviewed and approved.		Closed	None
11.	It was noted that it might be necessary to reschedule the meetings previously scheduled on the dates of May 14, 2009, August 15, 2009 and December 11, 2009, depending on the schedule of the replacement attorney.		Open	Board
	The meeting adjourned at 2:52 P.M.		Closed	None

Respectfully submitted,

Secretary

