

**ATU LOCAL 1596 PENSION FUND
MINUTES OF MEETING HELD
MAY 29, 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
Robert Sugarman - Plan Attorney
Burgess Chambers – Investment Consultant
Brian Anderson – LYNX Liaison

| Agenda Item | Discussion | Decision | Status | Follow-up |
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| 1. | The meeting was called to order at 10:48 A.M. in the LYNX Boardroom, LYNX Central Station, 455 N. Garland Av. Orlando, FL 32801. | | Closed | None |
| 2. a. | <p>Nick Schiess reported that the only remaining Participant who had not opted to repay missing contributions to the Plan, Janet Cypher, had agreed to repay these contributions through payroll deductions. He reminded the Board that multiple Participants had enrolled with incorrect contribution rates in the enhanced benefit option.</p> <p>Mr. Schiess reported the additional discovery that employee contributions had not deducted for participants Helen Palacios and Albert Brown in the amount of \$1,553.57 and \$366.39 respectively. It was noted that a delay had occurred in implementing the contributions for Ms. Palacios after her return from a leave of absence and Mr. Brown had been terminated from service but had appealed his termination. Mr. Schiess discussed past practice for the recovery of missing contributions from participants through payroll deductions.</p> | <p>Bert Francis made a motion to authorize the Administrator to arrange repayment with Ms. Palacios of her contributions owed to the Plan through payroll deductions over a period not to exceed two years. Edward Johnson seconded the motion, approved by the Trustees 6-0.</p> <p>Edward Johnson made a motion to, upon notification by LYNX to the Administrator of the reinstatement of Mr. Brown, authorize the Administrator to arrange repayment of his contributions owed to the Plan through payroll deductions over a period not to exceed six months. Robert Doane seconded the motion, approved by the Trustees 6-0.</p> | Open | PRC |

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| 2.b. | <p>Nick Schiess discussed the dissolution of the partnership between the Pension Resource Center and the Michigan Employee Retirement System that had resulted in the new entity Tegrit Plan Administrators. He advised that the name will revert back to the Pension Resource Center and company will revert back to its former corporate structure.</p> | | Closed | None |
| 2.c. | <p>Bob Sugarman discussed his review and analysis of the past and current Collective Bargaining Agreements and the original settlement that established the Plan. He explained that the original settlement established that the Board has the sole authority to enact changes in the provisions of the Plan. It was noted that the past practice was to obtain final approval from LYNX before implementing changes to the Plan. Mr. Sugarman advised that no basis exists that establishes the requirement of the final approval from LYNX, and this approval was therefore unnecessary.</p> <p>Mr. Sugarman explained that prior Collective Bargaining Agreements did not address the manner of how changes to the Plan were to be implemented. He then explained that the most recent Collective Bargaining Agreement contained a provision that both the Union and LYNX have the right to make changes to the Plan through collective bargaining. Mr. Sugarman advised that this provision did not remove the authority of the Board to make changes to the Plan, but instead, provides the Union and LYNX the opportunity to bargain over any changes to the Plan that the Board has adopted. He further explained that should the Union or LYNX not desire to open bargaining over any changes adopted by the Board, their respective silence on the matter constitutes a waiver of bargaining.</p> | | | |

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| | <p>It was noted that one objective within Amendment Six was the integration of the disability benefits with the long-term disability benefits provided by LYNX's disability insurer thereby reducing costs to the Plan by extending the waiting period for disability benefits from the Plan. It was further noted that the terms of the disability coverage provided by LYNX had changed since the inception of Amendment Six. A lengthy discussion ensued.</p> <p>Mr. Sugarman discussed the status of Amendment Eight noting that a disagreement had occurred over the language within the Amendment, and legal counsel from LYNX had sought to add additional language commonly found within ERISA plans. He explained that the Plan is a governmental plan not subject to ERISA, and the current language within Amendment Eight was legally sufficient and appropriate. A lengthy discussion ensued. Mr. Sugarman recommended that notification should be provided to the Union and LYNX that the Board will implement Amendment Eight in sixty days unless either party expressed an interest in opening bargaining.</p> | <p>Frank Lacock and Edward Johnson agreed to form a committee to research the revised disability coverage provided by LYNX and the provisions within Amendment Six and provide the Board with their findings and recommendations.</p> <p>Frank Lacock made a motion to submit notification to the Union and LYNX that the Board will implement Amendment Eight in sixty days unless either party exercised their right for collective bargaining. Robert Doane seconded the motion, approved by the Trustees 6-0.</p> | <p>Open</p> <p>Open</p> | <p>Frank Lacock Edward Johnson</p> <p>Board</p> |
| * | The meeting recessed at 12:16 P.M. for lunch and reconvened at 12:50 P.M. | | Closed | None |
| 4. | <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, 2009. The investment return for the quarter was -5.1% versus -7.5% for the index. He discussed market and economic factors contributing to the market downturn and recession.</p> <p>Mr. Chambers reviewed the performance of the individual investment products in great detail, noting all were satisfactory given the market turmoil. He then reviewed the asset allocation and a discussion arose regarding the timing and manner of rebalancing the portfolio. Mr. Chambers advised that with the anticipated low returns from fixed income and current market conditions, a reallocation from fixed income to equities was prudent.</p> | | | |

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| | <p>He recommended a 10% reallocation of the portfolio from fixed income to small cap equities, mid cap equities, international equities and treasury protected income securities at the allocations of 3%, 3%, 3% and 1% respectively. A lengthy and careful discussion ensued.</p> <p>Mr. Chambers reviewed the compliance checklist noting that all items were within compliance. He then reviewed the risk/reward measurements of the portfolio.</p> | Edward Johnson made a motion to rebalance the portfolio pursuant to the recommendation of the Investment Consultant. Bert Francis seconded the motion, approved by the Trustees 6-0. | Closed | None |
| 2.d. | <p>As a follow up to the last meeting, the Board, in the performance of due diligence, reviewed a survey of hourly rates charged by various actuarial firms specializing in governmental pension plans. It was noted that while the hourly rates charged by the senior actuary with the incumbent firm, Gabriel Roeder & Smith, was above average, the majority of the services were performed by analysts for whose hourly rates were well within average. The Board also noted considerable satisfaction with the services performed by the incumbent firm.</p> | Robert Doane made a motion to retain the services of Gabriel Roeder & Smith. Frank Lacock seconded the motion, approved by the Trustees 6-0. | Closed | None |
| 2.e. | Nick Schiess provided and reviewed informational publications on retirement. | The Board accepted the informational publications for use. | Closed | None |
| 2.f. | <p>Bob Sugarman discussed the principle of sovereign immunity and its relevance to the necessity of the Board to carry fiduciary liability insurance. He explained that while sovereign immunity does provide some protection for the Trustees, that the protection was limited to torts, not breach of contract. Mr. Sugarman noted that fiduciary liability insurance also covers the costs of defense, which could be substantial. He concluded that fiduciary liability insurance was valuable and recommended the retention of the coverage.</p> | | Closed | None |
| 8.a. | The Board reviewed the Application for Disability Benefits submitted by Sandra Mantalas. It was noted that she had meet the criteria for disability benefits including the award of social security disability benefits. | Lisa Darnall made a motion to approve disability benefits for Sandra Mantalas. Edward Johnson seconded the motion, approved by the Trustees 6-0. | Closed | None |
| 8.b. | The Board discussed the verification of credited service for Jose Rios. Nick Schiess reported that the | | | |

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| | <p>Administrator had inherited electronic data on service since the year 1999 and had been provided data from LYNX since being engaged as Administrator in the year 2002. He explained that his office had inherited very few paper records prior to the year 1999 and older records available from LYNX was sparse.</p> | <p>The Board requested the administrator to correspond with LYNX to determine the scope of records available.</p> | Open | PRC |
| 8.c. | <p>It was noted that negotiations had commenced on the new Collective Bargaining Agreement. Bob Sugarman advised that the Board should be apprised of any changes affecting the Plan before ratification.</p> <p>A discussion arose regarding whether any suggestions should be proposed by the Board regarding the Plan to the Union and LYNX. Frank Luna announced a request to repeal the provision that appeared within the last Collective Bargaining Agreement that both the Union and LYNX have the right to make changes to the Plan through collective bargaining. In addition, he requested the Trustees' consideration of a cost-of-living adjustment, noting that the benefits of older retirees have remained the same since retirement. A discussion ensued regarding a request to the Union and LYNX to defer consideration of pension related matters during bargaining in order to provide the Board with additional time to formulate any potential recommendations.</p> | <p>Robert Doane made a motion to provide a request to the Union and LYNX to defer bargaining over pension related matters until after July 15, 2009. Frank Lacock seconded the motion, approved by the Trustees 6-0.</p> | Open | Board |
| 7. | <p>Bob Sugarman reminded the Trustees to file their annual Statement of Financial Interest.</p> <p>Mr. Sugarman reported that the Internal Revenue Service had implemented revised tax withholding tables as a result of the Making Work Pay Credit within the American Recovery and Reinvestment Act of 2009. He explained that withholding was reduced but the credit upon which the reduction was based is contingent upon future earned income defined as compensation from employment. Therefore, if the retiree was not employed, then insufficient federal income tax might be withheld. He recommended that notification be provided of the</p> | <p>Edward Johnson made a motion to provide notification to the retirees of the possible ramifications the revised federal tax withholding tables. Frank Lacock seconded the motion, approved by the Trustees 6-0.</p> | Closed | PRC |

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| | <p>situation to the retirees in order that they may revised their tax withholding if appropriate.</p> <p>Mr. Sugarman discussed potential litigation against the Plan's former Investment Consultant, Merrill Lynch Consulting Services noting that many of the firm's other former clients had already filed lawsuits. He discussed a coalition of his firm with two other firms that would proceed with filing for arbitration on behalf of the Plan for a contingency only fee of 25% of the award less any recovery of fees on the basis of breach of contract and failure of fiduciary duty. He disclosed that his firm's share of the contingency fee was 25%. Mr. Sugarman advised that additional administrative fees might be incurred at a direct cost to the Plan. A lengthy discussion ensued.</p> | Robert Doane made a motion to accept the proposal for litigation against Merrill Lynch Consulting Services. Bert Francis seconded the motion, approved by the Trustees 6-0. | Open | Bob Sugarman Board |
| 3. | The Board reviewed the minutes of the meetings held on February 10, 2009 and April 13, 2009. | Robert Doane made a motion to approve the meetings held on February 10, 2009 and April 13, 2009. Lisa Darnall seconded the motion, approved by the Trustees 6-0. | Closed | None |
| 6.a. | The Trustees reviewed the list of benefit approvals presented for approval. | Lisa Darnall made a motion to approve the benefit approvals as presented. Robert Doane seconded the motion, approved by the Trustees 6-0. | Closed | None |
| 5.a. | The Trustees reviewed the list of disbursements presented for approval. Questions arose regarding several disbursements, which Nick Schiess agreed to research and report back to the Board. | The Board tabled approval of the disbursements. | Open | PRC Board |
| 5.b. | Un-audited statements of the balance sheet and income and expense were provided to the Board. | The Board tabled review of the financial statements. | Open | Board |
| 9. | The next quarterly meetings were scheduled for August 25, 2009 and November 24, 2009. | | Closed | None |
| * | The meeting adjourned at 5:12 P.M. | | Closed | None |

Respectfully submitted,

Secretary