

**ATU LOCAL 1596 PENSION FUND
MINUTES OF MEETING HELD
JULY 22, 2009**

Board Members Present:

Robert Doane –Union Appointee
Frank Luna – Chairman, Union Appointee
Edward Johnson – LYNX Appointee
Bert Francis - LYNX Appointee

Others Present

Nick Schiess - Plan Administrator
Robert Sugarman - Plan Attorney
Brian Anderson – LYNX Liaison
Jeff Amrose – Actuary
Howard Rew – Auditor

Agenda Item	Discussion	Decision	Status	Follow-up
1.	<p>The meeting was called to order at 1:15 P.M. in Conference Room 334, LYNX Central Station, 455 N. Garland Av. Orlando, FL 32801.</p> <p>It was noted that Trustees Frank Lacock and Lisa Darnall were absent due to unavoidable circumstances.</p>		Closed	None
2.	<p>Jeff Amrose appeared before the Board on behalf of Gabriel, Roeder, Smith & Company to present the Actuarial Valuation for the fiscal year ending September 30, 2008. Mr. Amrose reported that for the 2010 fiscal year, the recommended funding requirements for the Agency was 11.58% and for the Participants was 6.23%, 8.73%, and 11.23% for the standard, enhanced, and second tier enhanced benefits respectively, which represents a .045% increase in funding requirements for Participants and an .078% increase for the Agency. He attributed the increase in funding requirements primarily to a –14.1% decrease in the market value of investments and to a lesser extent increases in salary that were</p>			

	<p>greater than expected. He discussed the asset smoothing methodology, which averages the investment returns and losses over five years and serves to minimize the volatility of investment returns from any single year and produces more stable funding requirements. Brian Anderson acknowledged receipt of the Actuarial Valuation on behalf of the Agency.</p> <p>Mr. Amrose was questioned whether any alternative assumptions or cost methods were available that would serve to further dampen the effect of market volatility or the volatility of funding requirements. He responded that all the Plan's assumptions and cost methods were sound and no additional measures were available to be implemented.</p> <p>Nick Schiess reminded the Board that past practice was to provide notification via direct mail to the active members regarding changes in contribution rates.</p>	<p>Robert Doane made a motion to accept the Actuarial Valuation. Bert Francis seconded the motion, approved by the Trustees 4-0.</p> <p>Robert Doane authorized notification via direct mail to the active members regarding changes in contribution rates. Bert Francis seconded the motion, approved by the Trustees 4-0.</p>	<p>Closed</p> <p>Open</p>	<p>None</p> <p>PRC</p>
3.	<p>James Burdick appeared before the Board on the behalf of Cherry, Bekaert & Holland LLP to present a draft of the Plan's financial statements for the fiscal year ending September 30, 2008. Net Plan assets had decreased to \$62,661,971 from the prior year amount of \$68,530,089, which was primarily attributable to investment losses.</p> <p>Mr. Burdick provided and reviewed a Management Discussion and Analysis, which was a detailed analysis of financial activity including assets, liabilities, income, expenses including benefit payments, and other important factors regarding the financial activity for the fiscal year.</p> <p>Mr. Burdick advised that the firm had issued an opinion that the financial statements are presented fairly in all material respects in accordance with Government Auditing Standards. He noted that no material weaknesses in the financial statements had been discovered. Mr. Rew reported also that no deficiencies were identified with internal controls and procedures.</p>			

	Mr. Burdick advised that minor unanswered questions remained involving the reconciliation of employee contributions, which prevented the finalization of the audit. Once the audit is finalized, he will provide it to the Board and if requested by the Board will attend the next meeting.		Open	Board
4.	<p>The Board discussed the pending labor contract negotiations noting that the Union had decided not to bargain over any pension related issues.</p> <p>Robert Doane requested clarification on whether DROP participants are permitted to return to employment with LYNX after separation from service. Edward Johnson advised that former DROP participants are permitted to return to employment but only with a new hire status. Bob Sugarman advised that this matter was a personnel issue between LYNX and the Participants and beyond the scope of the Plan or Board.</p> <p>Bob Sugarman presented proposed revisions to Amendment Six. He reminded the Board 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, however, the terms of the disability coverage provided by LYNX had changed since the inception of Amendment Six. Mr. Sugarman's proposed revisions included the integration of benefits with the revised disability benefits provided by LYNX with the expectation that the costs to the Plan of providing disability benefits would be reduced. Robert Doane advised that the committee tasked to review the matter fully supported Mr. Sugarman's proposed changes. A lengthy discussion ensued and the Board revised slightly Mr. Sugarman's proposed revisions to Amendment Six. Mr. Sugarman advised that an actuarial cost study on the impact of the proposed changes was necessary.</p>	<p>Edward Johnson made a motion to authorize an actuarial cost study on the impact of the proposed changes to Amendment Six. Bert Francis seconded the motion, approved by the Trustees 4-0.</p>	Open	Board

5. & 6.	Due to an unavoidable important commitment, Bert Francis departed the meeting and a quorum was lost.	The remaining agenda items were tabled to the next meeting.	Open	Board
7.	The next meeting was scheduled for August 25, 2009.		Closed	None
*	The meeting adjourned at 3:00 P.M.		Closed	None

Respectfully submitted,

Secretary