

**ATU LOCAL 1596 PENSION FUND
MINUTES OF MEETING HELD
AUGUST 25, 2009**

Board Members Present:

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

Others Present

Nick Schiess - Plan Administrator
Robert Sugarman - Plan Attorney
Burgess Chambers – Investment Consultant
Brian Anderson – LYNX Liaison
Paul Wilson, Union President

Agenda Item	Discussion	Decision	Status	Follow-up
1.	The meeting was called to order at 10:23 A.M. in the LYNX Boardroom, Lynx Central Station, 455 N. Garland Av. Orlando, FL 32801. A quorum was not present so the meeting started as a workshop.			
2.	<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 June 30, 2009. The investment return for the quarter was 8.5% versus 10.2% for the index with the underperformance attributable to an underweighting in equities. He noted, however, that this underweighting was of significant advantage in preserving capital during the recent market decline. The calendar year-to-date return was -9.1% versus -9.2% for the index. Mr. Chambers 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. He advised that the underperformance for the quarter by the Westwood</p>		Closed	None

	<p>Capital Management and EuroPacific funds was attributable to a high quality bias within the funds during a period when the market favored lower quality equities, however, over the long-term both funds had attained above average returns. A discussion arose regarding the poor absolute performance of the JP Morgan real estate fund and Mr. Chambers advised that the fund should be held and not liquidated in anticipation of an economic recovery and subsequent recovery of the initial investment. He was questioned with low valuations whether the allocation should be increased and he advised against the addition because the low availability of capital within the banking system would restrict the performance of real estate products.</p> <p>Edward Johnson, Bert Francis and Lisa Darnall arrived at the meeting at 10:44 A.M. and advised that they had been detained at an earlier meeting.</p> <p>Mr. Chambers reviewed the asset allocation noting that the 10% reallocation of the portfolio from fixed income to small cap equities, mid cap equities, international equities and treasury protected income securities had occurred pursuant to the direction of the Board at the last meeting. Mr. Chambers was questioned whether increasing the equity allocation even more was prudent, and he recommended not increasing the equity allocation at this date. A lengthy discussion arose regarding the asset allocation and Mr. Chambers was questioned regarding the frequency of the review of the allocation. Mr. Chambers reported that the asset allocation was reviewed at least quarterly with the Board.</p> <p>A question arose regarding the cash flows of the Plan. Nick Schiess reported that the employer and employee</p>			
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	<p>contributions were received into the local checking account maintained by the Administrator for the payment of benefits and Plan expenses. He explained that excess cash of \$200-\$300K was reallocated monthly to the investment accounts selected by the Investment Consultant. He further explained that the transfers over the prior year had occurred to the fixed income index fund, however, recently the Investment Consultant had directed the transfers to the equity index funds. Mr. Schiess was questioned regarding the interest credited on the checking account and he agreed to research the interest rate and report back to the Board as soon as possible.</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>			
*	The meeting recessed at 12:06 P.M. for lunch and reconvened at 12:35 P.M.		Closed	None
3.a.	<p>The Board discussed the pending labor contract negotiations noting that the Union had decided not to bargain over any pension related issues. A discussion arose whether the Board had any recommendations for changes to the proposed Collective Bargaining Agreement, specifically revisions to the provision that LYNX reserves the right to bargain over any pension related matters. It was noted that the Board still has the authority to implement changes to the provisions of the Plan and then LYNX or the Union may become involved if desired. A lengthy discussion ensued.</p>	<p>Robert Doane made a motion to recommend to the Union and LYNX that the language within Article 31 of the Collective Bargaining Agreement should remain unchanged. Frank Lacock seconded the motion, approved by the Trustees 6-0.</p>	Closed	None
3. b.	<p>The Board considered a request from the Pension Resource Center to increase administrative fees from \$3,600 monthly to \$4,100 monthly with a two-year rate guarantee. Nick Schiess explained that the basis for the request was that changes in accounting standards had necessitated increasing staff to perform additional</p>	<p>Robert Doane made a motion to approve increasing the monthly administrative fee to \$4,100 month retroactive to August 1, 2009 with a two-year rate guarantee. Frank Lacock seconded the motion, not approved by the Trustees 2-4 with Frank Luna. Lisa</p>		

	<p>bookkeeping services and prepare interim financial statements and also the rising costs of conducting business. A lengthy discussion ensued regarding the services provided by the Administrator and the amount of the fee increase.</p>	<p>Darnall, Edward Johnson and Bert Francis dissenting.</p> <p>Robert Doane made a motion to approve increasing the monthly administrative fee by the amount of \$325 monthly retroactive to August 1, 2009 with a one-year rate guarantee. Frank Lacock seconded the motion. After further discussion, the motion was rescinded.</p> <p>Bert Francis made a motion to approve increasing the monthly administrative fee 6% retroactive to August 1, 2009 with an annual 3% cost-of-living increase. Edward Johnson seconded the motion, approved by the Trustees 6-0.</p>	Closed	None
3. c.	<p>The Board reviewed different alternatives of proposed Amendment Six with the changes directed by the Trustees at the last meeting. Jeff Amrose joined the meeting via teleconference on behalf of Gabriel Roeder Smith & Company to discuss the details of an actuarial cost study dated August 24, 2009. It was noted that most of the alternative variations of the proposed Amendment should result in increased benefits to the members with a cost savings to the Plan attained by integration with LYNX's short and long-term disability benefits.</p> <p>Edward Johnson departed the meeting at 3:40 PM.</p>	The Board refined and narrowed the number of variations of proposed Amendment Six and requested a revised cost study. A special meeting was scheduled for September 1, 2009 for the consideration of the revisions to proposed Amendment Six.	Open	Board
7.	Robert Sugarman provided the Board with a draft of proposed Amendment Nine revising the DROP provisions of the Plan to include an option for DROP participants to select a more conservative, lower market risk investment return on their DROP accounts. It was noted that the Plan currently only provides a market return on DROP funds equivalent to the investment return or loss that the Plan attains on the investment portfolio less investment related expenses. The proposed additional option was for a money market fund to be selected by the Investment	The Board decided to further consider proposed Amendment Nine at the special meeting scheduled for September 1, 2009.	Open	Board

	Consultant and the DROP participants could switch between the options on a quarterly basis.			
3.d.	Robert Sugarman reported that Amendment Eight permitting retirees to change their joint annuitants had been sent to the Union and LYNX, and since neither party had requested to open bargaining over the matter, the Amendment had become effective. Nick Schiess recommended that correspondence regarding the new benefit be sent to all retirees who had selected an optional form of payment that provided a survivorship benefit.	Robert Doane made a motion to authorize a mailing to all retirees who had selected an optional form of payment that provided a survivorship benefit. Frank Lacock seconded the motion, approved by the Trustees 6-0.	Open	PRC
3.e	Nick Schiess reported that his office hoped to obtain a quote on fiduciary liability insurance from an alternate insurer, however, the underwriting required information on the Trustees that was personal in nature and Mr. Schiess requested the Board's permission to proceed.	The Board agreed that the Administrator should seek a quote on fiduciary liability insurance from the alternate insurer.	Open	PRC
3. d.	As a follow up to the last meeting, Nick Schiess reported researching the scope of older payroll records available from LYNX. He reminded the Board that the Administrator had inherited electronic data since the year 1999 and had been provided data from LYNX since being engaged as Administrator in the year 2002. Mr. Schiess explained that his office had inherited very few paper records prior to the year 1999 and older records available from LYNX were sparse. The result of the research was that many records had been inadvertently destroyed and the only records discovered were calendar year-end payroll from years 1993-2000 and these reports included wages but not hours. Mr. Schiess discussed the verification of service credit for Jose Rios. He advised that service credit was based upon hours served during a fiscal year and therefore some extrapolation would be necessary to attempt to convert the yearly earnings data to fiscal year hours for the purpose of determining benefit credits. He also advised that often large discrepancies in credited service are attributable to breaks in service with corresponding refunds of contributions and believed it prudent to research whether Mr. Rios had ever received a	The Board requested the administrator to research whether Mr. Rios had a break in service and attempt to convert the earnings data to benefit credits for review at the next meeting.	Open	PRC

	refund of contributions.			
3.g.	The Board reviewed the final 2008 audit prepared by Cherry, Bekaert, & Holland.	Bert Francis made a motion to receive and file the audit. Lisa Darnall seconded the motion, approved by the Trustees 5-0.	Closed	None
3.h.	Nick Schiess discussed the receipts of proceeds from securities litigation. He explained that the proceeds were the result of the settlement of securities litigation lawsuits against companies for which the Plan had investment holdings during the period of some transgression. He further explained that the final settlement and payment may take up to seven years. Because the proceeds had been sent to different parties other than the Administrator, Mr. Schiess provided the Board with research on the origins of various distributions received in the past. He noted that several of the sources had an incorrect address on file, which explained the receipt of the proceeds from the Plan's former custodian from eight years ago, SunTrust Bank, and former investment manager Alliance Bernstein, that had been sent to LYNX and not the Administrator. Mr. Schiess advised that the addresses of record had been corrected and he had ordered a report from SunTrust Bank containing all the distributions issued for reconciliation against deposits with the Plan.		Open	PRC
4.	The Board reviewed the minutes of the meetings held on May 29, 2009 and July 22, 2009 and also the workshop held July 22, 2009. A correction was noted on the minutes of the meeting held on May 29, 2009.	Robert Doane made a motion to approve the minutes of the meeting held on May 29, 2009 as corrected. Lisa Darnall seconded the motion, approved by the Trustees 5-0. Frank Lacock made a motion to approve the minutes of the workshop held on July 22, 2009. Lisa Darnall seconded the motion, approved by the Trustees 5-0. Robert Doane made a motion to approve the minutes of the meeting held on July 22, 2009. Lisa Darnall seconded the motion, approved by the Trustees 5-0.	Closed	None
5.a.	The Trustees reviewed the list of disbursements presented for approval.	Frank Lacock made a motion to approve the disbursements as presented. Robert Doane seconded the motion. approved by	Closed	None

		the Trustees 5-0.		
5.b.	Un-audited statements of the balance sheet and income and expense were provided to the Board.	Bert Francis made a motion to receive and file the financial statements. Lisa Darnall seconded the motion, approved by the Trustees 5-0.	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 5-0.	Closed	None
6.	As a follow up to the last meeting, Nick Schiess reported that notification had been sent to the retirees on the ramifications of the revised federal tax withholding tables as a result of the Making Work Pay Credit within the American Recovery and Reinvestment Act of 2009.		Closed	None
7.	<p>Robert Sugarman reviewed the process of implementing revisions to the Plan that was determined at the previous meeting. He explained that the original settlement established that the Board has the sole authority to enact changes in the provisions of the Plan. Then notification would be provided to the Union and LYNX that the Board will implement the change in sixty days unless either party expressed an interest in opening bargaining over the matter. Mr. Sugarman provided the Board with the notification to the Union and LYNX regarding the implementation of proposed Amendment Eight and advised that neither party had desired to bargain over this specific change to the Plan.</p> <p>Mr. Sugarman discussed an upcoming educational conference sponsored by the International Foundation of Employee Benefit Plans in Orlando, Florida.</p> <p>As a follow up to a previous meeting, Mr. Sugarman announced that the litigation against the Plan's former Investment Consultant, Merrill Lynch Consulting Services will proceed and the allegations will include a breach of fiduciary duty.</p>	<p>Robert Doane made a motion to authorize the reimbursement of expenses for any Trustee attending the conference and become a member of the sponsor organization if necessary. Bert Francis seconded the motion, approved by the Trustees 5-0.</p>	<p>Closed</p> <p>Closed</p> <p>Open</p>	<p>None</p> <p>None</p> <p>Robert Sugarman Board</p>

	<p>Robert Sugarman reviewed correspondence from Frank Luna to LYNX regarding being granted the time off necessary to attend to the business of the Plan. Mr. Luna and former chairman Robert Doane discussed prior difficulties in obtaining time off to conduct the business of the Plan. Mr. Sugarman noted that the Plan Document specifically provides that LYNX shall assist the Trustees in carrying out their responsibilities as Trustees by releasing the Trustees from their other responsibilities without loss of compensation or benefits to conduct business on behalf of the Plan.</p> <p>A discussion arose regarding the Trustee Travel Expense Policy.</p>	<p>Frank Lacock and Bert Francis were appointed to a committee to review the Trustee Travel Expense Policy and provide recommendations to the Board at the next quarterly meeting.</p>	<p>Closed</p> <p>Open</p>	<p>None</p> <p>Frank Lacock Bert Francis Board</p>
9.	The next quarterly meeting was scheduled for November 24, 2009.		Closed	None
*	The meeting adjourned at 6:10 P.M.		Closed	None

Respectfully submitted,

Secretary