

**ATU LOCAL 1596 PENSION FUND  
MINUTES OF MEETING HELD  
NOVEMBER 30, 2010**

**Board Members Present:**

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

**Others Present**

Nick Schiess - Plan Administrator  
Robert Sugarman – Plan Attorney  
Nadine Schaal - Attorney for LYNX  
Brian Anderson – LYNX Liaison  
Frank Wan – Investment Consultant  
Ken Nostro – Westwood Group, Investment Manager  
Norm Audet – Active Member  
Mike May – LYNX

Agenda Item	Discussion	Decision	Status	Follow-up
1.	The meeting was called to order at 10:31 A.M. in the Board Room, Lynx Central Station, 455 N. Garland Av. Orlando, FL 32801.			
5.e.	A lengthy discussion arose regarding the restatement of the Plan Document. Robert Sugarman reminded the Trustees that the prior direction of the Board was to simply insert Plan amendments into the text of the current Plan Document in order to expedite the restatement to meet the deadline for submission of the filing for a favorable determination letter from the Internal Revenue Service. He noted that this service was covered under the retainer for legal services. However, a completely restated Plan Document was significantly more involved because it required editing and rewriting and therefore an hourly fee would apply. Nadine Schaal expressed her concerns and recommended a complete restatement of the Plan Document. Mr. Sugarman discussed the advantages of completely restating the Plan Document and believed that his office could complete the restate-	Frank Lacock made a motion to authorize Robert Sugarman's office to prepare a complete restatement of the Plan Document in cooperation with Nadine Schaal by the date of January 10, 2010. Lisa Darnall seconded the motion, approved by the Trustees 6-0.  A special meeting for the review and approval of the restated Plan Document was scheduled on the date of January 13, 2011.	Open          Open	Bob Sugarman   Nadine Schaal  All

	<p>ment in time to meet the deadlines for submission of the revised document to the LYNX Board and enclosure with the application for a favorable determination letter to Internal Revenue Service. It was noted that proposed Amendment Nine had not been adopted and the provisions within this Amendment would be incorporated within the restated Plan Document.</p>			
5. h.	<p>Nadine Schaal discussed LYNX's concerns over proposed Amendment Six. She expressed a concern that a hidden cost might exist because costs are shifted to LYNX's long-term disability coverage and an unexpected consequence might possibly be an increase in insurance premiums. Additionally, there existed great opposition to the provision wherein additional service credit continues to accrue during a disability.</p> <p>Robert Sugarman discussed the primary benefits of proposed Amendment Six. He noted that the provisions shifted costs from the Plan to LYNX's long-term disability insurer resulting in a cost savings to the Plan. In addition, the member would also receive a much better benefit at retirement. Additionally, there was an expected actuarial cost savings from the sum of the provisions.</p> <p>Mr. Sugarman noted that the Trustees have provided their very best proposal in revising the existing disability provisions to the Union and LYNX. And since it would be futile to speculate on the nearly infinite combination of possible provisions that could be agreeable to the parties, either party should revise the proposed Amendment to their satisfaction and present it to the Board. Or alternatively, the matter can be collectively bargained.</p>	Edward Johnson agreed to schedule a meeting within LYNX for the consideration of revising proposed Amendment Six.	Open	Edward Johnson
2.	Frank Luna did not express any Chairman's comments.			
3.	Ken Nostro appeared before the Board on behalf of Westwood Capital Management to provide a report on the		Closed	None

	<p>large cap value commingled fund as of September 30, 2010. Mr. Nostro provided the Board with an update on organizational changes noting that additional staff had been engaged by the firm. He announced the acquisition of McCarthy Group Advisors and advised that the acquisition would not affect the performance of the fund. He reported that the performance for the quarter was 6.7% versus 7.6% for the index and for the 2009 calendar year was 13.3% versus 19.7% for the index. He attributed the underperformance to the market favoring lower quality equities, which are not contained within the fund. Mr. Nostro discussed the investment process noting that the fund contained only higher quality equities and had provided dramatic outperformance in market downturns. He reviewed the long-term performance noting that the trailing five year return of 3.4% dramatically outperformed the index of 0.6%.</p> <p>Mr. Nostro reviewed the holdings and sector allocations in great detail. He was questioned regarding the fund's exposure to international business. Mr. Nostro responded that the holdings are of very large firms that, while domiciled nationally, do receive approximately 30% of their revenues from international business. He advised that this allocation is approximately 5% greater than firms whose holdings comprise the S&amp;P 500 Index.</p>			
*	The meeting recessed at 12:10 P.M. for lunch and reconvened at 12:26 P.M.			
4.	<p>Frank Wan appeared before the Board on behalf of Burgess Chambers &amp; Associates to provide a report on the investment performance of the portfolio for the quarter ending September 30, 2010. The investment return for the quarter was 9.4% versus 7.8% for the index and for the fiscal year was 10.0% versus 9.9% for the index. Mr. Wan reviewed the performance of the individual investment products in great detail.</p> <p>Mr. Wan discussed economic and market conditions and reiterated that the overvaluation of bonds was expected</p>			

	to detract from investment returns prospectively. He noted that, pursuant to the direction of the Board at the last meeting, the first transfer of three months for the staggered funding of the 10% convertible bond allocation had been completed. Mr. Wan reviewed the asset allocation and recommended an immediate rebalancing of the portfolio back to target allocations. It was noted that this direction replaced the prior direction for the staggered funding of the convertible bond product.	Frank Lacock made a motion to rebalance the portfolio back to target allocations based upon the recommendation of the Investment Consultant. Robert Doane seconded the motion, approved by the Trustees 6-0.	Closed	None
5. a.	As a follow up to the last meeting, the Board discussed new information pertaining to the Application for Disability Benefits received from Vernita Quinones. Lisa Darnall reported that Ms. Quinones had been terminated on the date of August 23, 2010 and for the reason that she was unable to return to work for medical reasons. Ms. Quinones was interviewed shortly after termination and was not offered any reasonable accommodation for her situation. It was noted that Ms. Quinones did not file a grievance and did not request or was offered reasonable accommodation. Robert Sugarman explained that since Ms. Quinones had not been awarded Social Security disability benefits, the alternative process was to gather medical records and possibly perform an independent medical exam noting that this represented a cost to the Plan. He recommended the commencement of this process.	The Board directed Robert Sugarman to obtain the medical records for Vernita Quinones.	Open	Sugarman & Susskind
5.b.	As a follow up to the last meeting, Nick Schiess reported that a mailing was competed to active and retired participants who missed service while out on worker's compensation within the last five years advising them of their option to purchase service credit in the Plan. He reported than only one member, Anthony Kutcher, had remitted his respective contributions and was credited with the missed service.		Closed	None
5.c.	Nick Schiess reported that historical wage information was needed to compute the vested deferred benefit of James Williams, but obtaining older compensation records	Bert Francis agreed to conduct research on the availability of historical information possessed by LYNX and report back to the Board.	Open	Bert Francis

	was difficult. A discussion arose regarding the availability of historical information possessed by LYNX.			
5.d.	Nick Schiess provided a report on the open enrollment on the enhanced benefit option and share accounts. A discussion arose regarding prospective marketing and publicity on these additional options.		Closed	None
5.g.	The Board reviewed and discussed a proposal from the Plan's Actuary to perform an experience study, which is an evaluation of the actual experience of the Plan versus the Plan assumptions.	The Board tabled the matter until the next meeting and requested that the proposal be presented in person by a representative of the actuarial firm.	Open	Board Gabriel, Roeder, Smith, & Company
5.i.	As a follow up to the last meeting, Nick Schiess reported on the progress made on the educational video on the benefits of the Plan. He advised that the content was written and a demonstration version had been submitted to and reviewed by a few Trustees. He anticipated completion of the project by the next meeting.		Open	Nick Schiess
5.j.	<p>Nick Schiess reported that the notice to the active members regarding the change in employee contribution rates for the 2010 fiscal year had been provided for posting on the new bulletin boards for the Plan. A discussion arose regarding the posting of the Notice and since the posting was questionable it was determined that the Notice should be re-posted.</p> <p>A lengthy discussion arose regarding the decrease in contribution rates for the 2011 fiscal year. It was noted that the Actuary annually determines the employer and employee contribution rates that are necessary to adequately fund the Plan. It was then noted that the past practice was to adopt the revised recommended contribution rates in conjunction with the adoption of the annual actuarial valuation. It was further noted that prior to the cost sharing of contribution requirements in excess of 9.75% for the employer and 5.25% for the employees, consideration was also given to use Plan reserves to increase benefits. Since the contribution requirements decreased for the 2011 fiscal year, a discussion arose</p>	<p>The Board determined that the Actuary should present three alternatives after the completion of prospective actuarial valuations in the event that a decrease in contributions is warranted: revised decreased contribution rates for employees and employer; maintain present contribution rates with a statement on the impact upon the funding of the Plan; and maintain present contribution rates with a statement on the funding available for benefit improvements.</p> <p>Additionally, the Board requested the</p>	<p>Open</p> <p>Open</p>	<p>Brian Anderson</p> <p>Frank Luna</p> <p>Gabriel, Roeder, Smith, &amp; Company</p>

	regarding whether it would have been prudent to instead maintain the prior higher contribution rate to reduce the unfunded liability of the Plan or possibly increase benefits.	Actuary to prepare the three alternatives applicable to the 2011 fiscal year.		
5.k.	The Board reviewed, revised and approved for use a new form for selection of an earnings method for the DROP necessitated by Amendment Eight.		Closed	None
5.l.	<p>As a follow up to the last meeting, Nick Schiess and Bert Francis provided a report on the Plan's checking account arrangement with BankAtlantic. Mr. Schiess reported that the bank had just offered an alternate arrangement reserved for governmental entities that credited 0.25% interest. Mr. Francis advised that this interest rate was favorable given current market conditions and recommended the selection of this account arrangement.</p> <p>It was noted that BankAtlantic's status as a qualified public depository was valid only until April 2014 and then a search for a replacement bank might therefore be necessary.</p>	Bert Francis made a motion to select the alternative interest bearing account offered by BankAtlantic. Edward Johnson seconded the motion, approved by the Trustees 6-0.	<p>Closed</p> <p>Open (Year 2014)</p>	<p>None</p> <p>PRC</p>
6.	The Board reviewed the minutes of the meetings held on August 23, 2010, October 26, 2010 and November 5, 2010.	Lisa Darnall made a motion to approve the minutes of the meeting held on August 23, 2010. Bert Francis seconded the motion, approved by the Trustees 6-0. Lisa Darnall made a motion to approve the minutes of the meeting held on October 26, 2010. Edward Johnson seconded the motion, approved by the Trustees 6-0. Edward Johnson made a motion to approve the minutes of the meeting held on November 5, 2010. Lisa Darnall seconded the motion, approved by the Trustees 6-0.	Closed	None
7. a.	The Trustees reviewed the list of disbursements presented for approval.	Edward Johnson made a motion to approve the disbursements as presented. Robert Doane seconded the motion, approved by the Trustees 6-0.	Closed	None

7. b.	Nick Schiess advised that the un-audited statements of the balance sheet and income and expense would be provided to the Board via e-mail by the end of the week.		Closed	None
8. a.	The Trustees reviewed the list of benefit approvals presented for approval.	Lisa Darnall made a motion to approve the benefit approvals as presented. Edward Johnson seconded the motion, approved by the Trustees 6-0.	Closed	None
9.	As a legislative update, Robert Sugarman reported that the State legislation would be convening and legislation unfavorable to defined benefit pension plans was expected to be considered.  Mr. Sugarman discussed upcoming educational conferences.		Closed	None
10.a.	Nick Schiess provided a quote for the renewal of fiduciary liability insurance for the amount of \$11,944.91 from the Hudson Insurance Company.	Bert Francis made a motion to renew the fiduciary liability insurance. Edward Johnson seconded the motion, approved by the Trustees 6-0.	Closed	None
10.b.	The Trustees discussed the Board's procedure of the periodic review of service providers, noting that it was time again to review the relationships with the Plan Administrator and Investment Consultant. It was noted that past practice dictated that a committee be formed to review the relationships and then provide recommendations to the Board. A lengthy discussion ensued regarding the review process itself.	Robert Doane and Edward Johnson agreed to form the committee to review the relationships with the Plan Administrator and Investment Consultant and provide a report to the entire Board at the next meeting.	Open	Robert Doane Edward Johnson  Board
10.c.	Nick Schiess discussed the Board's policy and process for the periodic review of disability pensions every three years. He provided the Board with a schedule of disability pension recipients and agreed to request documentation of continued disability from the recipients who are under normal retirement age.		Open	PRC
10.d.	The Board discussed the distribution of the annual benefit statements for active members.	Distribution of the annual benefit statements was scheduled for January 13 and 14, 2011.	Open	PRC

11.	<p>The Trustees recognized the Union's appointment of Norm Audet to the Board and recognized outgoing Trustee Frank Lacock's valued service and contribution.</p> <p>It was noted that Lisa Darnall's term expired and while she was likely to be reappointed by LYNX, the formal appointment by the LYNX Board would not occur until their next meeting. Robert Sugarman discussed the carry over provision of state law for Trustee terms noting that she could choose to remain a Trustee even after her term expired until her successor was appointed or she re-appointed. Lisa Darnall agreed to remain a Trustee until the LYNX Board formally reappointed or replaced her.</p>	Robert Doane made a motion to seat Norm Audet as Trustee. Lisa Darnall seconded the motion, approved by the Trustees 6-0.	Closed	None
			Open	Board
12.	Next year's meetings were scheduled for February 15, May 24, August 16 and November 22, 2011.		Closed	None
	The meeting adjourned at 3:33 P.M.		Closed	None

Respectfully submitted,

Secretary