Chairperson Dwight Mattingly called the meeting to order at 10:10 A.M. in the Dale R. Smith Conference Room at Palm Tran North Facility, 3201 Electronics Way, West Palm Beach, Florida.

TRUSTEES

Dwight Mattingly
Frank Stanzione
Richard Roberts
Brad Merriman

OTHERS

Bonni Jensen; Hanson, Perry, & Jensen
Sidney Taylor; Burgess Chambers & Assoc.
Ronelda Arnette; Palm Tran
Scott Baur & Denise Clougherty; Pension Resource Center
Ken Harrison; Sugarman & Susskind
John Murphy; Palm Tran Finance
Oscar Ardoguein, Marta Brancato, Bobbi Cabral
Kenny Lunden and Gabe Santamarina; Retirees
Lloyd Stamey, CS McKee Investment Managers
Chad Little, Paula Freiman; Freiman, Little Actuaries.

Approval of the Agenda

The Board reviewed the Agenda for the meeting. Dwight Mattingly advised he may add items at the end of the meeting under Other Business. A motion was made by Brad Merriman to approve the Agenda. The motion was seconded and carried 4-0.

Minutes

The Board reviewed the Minutes for the meeting of November 30, 2006. The Administrator will make typo correction on pages 2 and 5. A motion was made by Brad Merriman to approve the Minutes of November 30, 2006 as corrected. The motion was seconded and carried 4-0.

A motion was made by Brad Merriman to approve the Minutes of February 15, 2007. The motion was seconded and carried 4-0.

Benefit Applications

The Administrator discussed with the Board the retirement benefits that have been being paid incorrectly. Dwight Mattingly expressed concern regarding the benefit calculations and asked if the situation of being so far behind on calculations is due to the actuarial situation and are we somehow delaying the process of completing calculations? Mr. Mattingly discussed two members over the age of 65 with substantially lower benefits due to being paid from old statements. Mr. Chad Little of the fund’s actuarial firm advised that the benefit calculations could be done by mid-March. The Board engaged in a detailed discussion regarding their concern over the benefit calculations for their members, including those members who have been overpaid a benefit. Mr. Sugarman, counsel for the fund, advised that the Board needs to fix the mistakes, first and foremost. The Board must also recover money due the plan. The Board directed the Administrator to set up a special meeting to discuss each and every member either
over paid or under paid by the plan. Mr. Sugarman went on to explain the time frame for Federal Government for correcting errors. Mr. Merriman and Mr. Roberts came up with suggestions for allowing members to repay the plan. Mr. Mattingly would like to see the Board go after the party responsible for the errors. Ms. Jensen, attorney for the plan, reminded the Board that future benefits can also be reduced over the lifetime of the member to recapture overpayment.

The Board took a recess at 10:56 a.m.

The Board reconvened at 11:05 a.m.

The Board reviewed the priority of paying the correct amount, but not making haste to recover money due the plan. Once the error is identified, the correction should be made immediately after notifying the member. Mr. Sugarman suggested the following options for members who have been overpaid a benefit 1) the member shall be given the right to appeal to the Board, 2) the member may accept a different payment, thereby, agreeing to repayment to the plan over time. Mr. Baur introduced Edvins Selga, who has been being paid incorrectly, due to an ASI error and gave a brief overview of his situation. Dwight Mattingly made the point that Mr. Selga has already appealed to the Board. Mr. Sugarman added that he consented to the continuation of the Optional Form of payment and recommended a table of repayment. A motion was made by Brad Merriman to 1) correct the benefit immediately and 2) table the issue of repayment by Mr. Selga, until the Special Meeting. The motion was seconded and carried 4-0.

Ms. Jensen provided a memorandum regarding the overpayment of benefits to another member. A motion was made by Richard Roberts to table this issue, as well, until the Special Meeting. The motion was seconded and carried 4-0.

**Disbursements**

The Board reviewed the disbursements provided by the Administrator, and a motion was made by Brad Merriman to approve the disbursements presented. The motion was seconded and carried 4-0. The Board requested that the Administrator provide the number of benefit calculations that were processed on the list of disbursements for reference.

**Investment Consultant Report, Burgess Chambers & Associates:**

Mr. Sidney Taylor appeared before the Board to present the quarterly performance report for the quarter ended December 31, 2006. Mr. Taylor advised the Board that there has been improved performance since the manager change. The Plan had assets of $41,274,972 as of December 31, 2006. The total fund earned 5.3% and ranked in the top 17th percentile. For the year, the fund earned 10.3% and ranked in the top 49th percentile. Mr. Taylor reminded the Board that his firm recommended reducing the REIT allocation from 8% to 4%, based upon the fact that this asset class had earned nearly 50% during the past 13 months. He added that he has provided a revised IPS, which allows a minimum REIT invest of 4%. We will need to file with the company and with the state. Further revision proposed to strike “rebalance to target allocation” to rebalance “within” target allocation range. A motion was made by Brad Merriman to further rebalance 1% out of real estate within 31 days from today. The motion was seconded and carried 4-0.
**Attorney Report, Sugarman & Susskind, Bob Sugarman**

Mr. Sugarman reported that the contract and engagement letter with Freiman Little Actuaries has been completed. Mr. Sugarman received provision and fees. Mr. Chad Little explained the certification and discussed the fees with the Board. A motion was made by Dwight Mattingly to approve the engagement letter and the agreement with Freiman Little Actuaries. The motion was seconded and carried 4-0.

The Board okayed the actuarial fee for Valuation billed in arrears on completion of the work.

Dwight Mattingly asked to discuss the situation with Public Pension Professionals. Several attempts have been made to get the final valuation, both by the Administrators and Mr. Little with no response. To date, the fee for the final valuation has not been paid. Chad Little proposed to redo the valuation with the data he received from the Administrator and tell Public Pension Professionals to disregard the requests. Mr. Little believes the valuation could be ready by the beginning of April.

A motion was made by Brad Merriman to give Public Pension Professionals until February 28, 2007 to deliver the completed valuation. The motion was seconded and carried 4-0.

**Attorney Report, Hanson, Perry and Jensen; Ms. Bonni Jensen**

Ms. Jensen provided the Board with copies of the Trust Agreement with the changes recommended by the Board at the Special Meeting of February 15, 2007.

Ms. Jensen also provided the Board with a revised copy of the Summary Plan Description, which came out to 40 pages. The entire Plan Document is only 48 pages, so the summarizing was not so effective. Dwight Mattingly explained that the union made payments to the plan for union members out of work during union business, but that the employer has yet to make their portion of the payments. The Administrator will need to send a letter to Palm Tran asking for these back contributions. Mr. Mattingly noted that the dispute over the payment of these contributions was due to cell phone usage of the union members. Mr. Sugarman advised that the employer is required to pay the undisputed amounts and not withhold their contributions from the plan. Mr. Mattingly advised he would provide the Administrator with the details. A motion was made by Dwight Mattingly to direct the Administrator to send a letter to Palm Tran requesting the amount after the union notifies the Administrator of the correct amounts. The letter will include a reminder to the employer that amounts should get paid on a quarterly basis. The motion was seconded and carried 4-0.

Brad Merriman departed the meeting at 12:02 p.m.
Administrative Report, Pension Resource Center

Mr. Scott Baur advised the Board that the website is up and running and Palm Tran participants can use the website for a various number of possibilities regarding their pension plan.

Other Business

Mr. Chad Little noted that Freiman Little Actuaries is going forward with calculation reviews and believes things will stabilize soon. The Administrator sends them the calculation and they respond. The most recent issue of contributions and interest has been resolved. The plan pays 5%. Dwight Mattingly does not want to pay interest on refunds to non-vested members. Mr. Mattingly requests the Board discuss this issue at the next regularly scheduled meeting. Mr. Little will provide an impact statement and Mr. Jensen will draft the amendment (for non-vested members only). Mr. Richard Roberts stated that he would like to see the Plan discontinue paying interest to anyone at all.

Mr. Mattingly would like the Administrator to post a notice with an agenda two weeks prior to each meeting with a copy of the previous meeting’s minutes. The County has public meeting notice on their website, which the Administrator sends to post.

The Administrator will confirm the May 24, 2007 meeting with the Actuary, Brad Armstrong and set up a Special Meeting in early April.

A motion was made by Frank Stanzione to adjourn. The motion was seconded and carried 3-0. The meeting was adjourned at 12:41 p.m.

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Dwight Mattingly, Secretary

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Dwight Mattingly, Secretary