Chairperson Dwight Mattingly called the meeting to order at 10:40 A.M. in the Dale R. Smith Conference Room at the Palm Tran North Facility, 3201 Electronics Way, West Palm Beach, Florida.

TRUSTEES
- Dwight Mattingly
- Frank Stanzione
- Liz Bloeser
- Nancy Bolton

OTHERS PRESENT
- Bonni Jensen, Law Office of Perry & Jensen
- Burgess Chambers, Burgess Chambers & Associates
- Chad Little, Freiman Little Actuaries
- Nick Schiess & Scott Baur, Pension Resource Center
- Pedro Herrera, Sugarman & Susskind
- John Murphy, Laverne Blackwood & Betty Garrett, Palm Tran
- Rowana Flitan & James Burdick, Cherry Bekaert & Holland
- Gary Lisk & Joseph Pappo, Lotsoff Capital Management

APPROVAL OF THE AGENDA

The Board reviewed the agenda for the meeting. A motion was made by Nancy Bolton to approve the agenda. The motion was seconded and carried 4-0.

MINUTES

The Board reviewed the minutes for the meeting held on March 26, 2009. A motion was made by Liz Bloeser to approve the meeting held on March 26, 2009. The motion was seconded and carried 4-0.

INVESTMENT MANAGER REPORT: LOTSOFF CAPITAL MANAGEMENT

Gary Lisk and portfolio manager Joseph Pappo appeared before the Board on behalf of Lotsoff Capital Management to discuss the performance of the mid cap equity portfolio for the quarter ending March 31, 2009. Burgess Chambers discussed the performance of the portfolio, noting that performance has been below the benchmark for the previous four quarters. Mr. Lisk discussed organizational changes, noting that he had replaced Alison Fitzgerald as managing director and he anticipated that this and other changes within the firm would be favorable. Mr. Fisk discussed market and economic conditions, noting that a tremendous amount of market volatility occurred last year. He advised that the firm had not altered the investment strategy, but instead the strategy had just not been in market favor. Mr. Pappo discussed performance last year, noting that the higher quality bias of the portfolio was affected by the mass liquidation of equities by hedge fund managers as those managers were forced to liquidate their quality holdings resulting in rapid devaluation of higher quality equities. He advised that the performance since the end of the quarter was 17% versus only 7% for the index and the portfolio was poised for continued outperformance. Mr. Pappo was questioned regarding the overlap of the portfolio into small cap equities and he responded with the devaluation of equity values that many formerly large cap companies became mid cap companies and mid cap
companies became small cap companies, so the portfolio did contain a minute small cap exposure. Mr. Lisk was questioned whether any changes in investment strategy or company philosophy was anticipated, and he responded that no changes were expected.

**INVESTMENT CONSULTANT REPORT: BURGESS CHAMBERS**

Burgess Chambers appeared before the Board to present an investment performance report for the quarter ending March 31, 2009. He reported that the return for the quarter was -3.4% versus the index of -8.6%, with the dramatic outperformance attributable to conservative positioning of the portfolio. For the fiscal year, the investment return was -23.3% versus -26.4%. The best performing investment product was the C.S. McKee large cap portfolio, with a -12.7% return versus the index of -16.8%. Mr. Chambers reported that the portfolio managed by Lotsoff Capital Management had underperformed, however, performance had recently rebounded since the end of the quarter. He reviewed the performance of the various investment managers in detail, noting all was satisfactory.

Mr. Chambers discussed market and economic factors and anticipated growth for the next few years. He then reviewed the asset allocation, noting a slight underweighting in equities at the end of the quarter, however, the recent rebound in equities since the end of the quarter had brought the portfolio within compliance of the Investment Policy Statement. He recommended rebalancing from fixed income to equities, however, delaying the rebalancing for at least another quarter to allow further settling within the financial markets. It was noted that the Board had previously granted Mr. Chambers the authority to rebalance the portfolio between meetings if necessary. Mr. Chambers reviewed the compliance checklist, noting all was satisfactory. He concluded his report with a thorough review of the risk/reward measurements of the portfolio, noting that outperformance of the benchmark had been achieved with significantly less risk.

**ACTUARY REPORT: CHAD LITTLE**

Chad Little provided and reviewed an experience study of the Plan for the prior five years, noting that study was a comparison of the actual experience of the Plan versus the Plan assumptions in order to refine the assumptions to more accurately predict the cost of the Plan. He advised that the primary goal of the study was to determine as best as possible the amount of funding that is predicted to be required to fund the benefits that will be issued over the long-term, and the secondary goal is to establish as best as possible level funding requirements. Mr. Little advised that the assumptions do not affect the true cost of the Plan, which is determined by the benefits that are issued offset by investment gains, but instead to determine the timing of the contributions necessary to adequately fund the Plan. He then discussed in detail the components to develop the costing of the Plan. Mr. Little the reviewed the salary scale assumption, noting an average payroll growth of 5.9% over the study period. He advised that the actual experience was very similar to the assumption, with the assumption being slightly conservative. He was questioned regarding the accuracy of the average payroll growth, which was believed to be just 3%, and he responded that the payroll data supported the higher payroll growth reported within the study. Mr. Little the reviewed the retirement
rate experience, noting that the assumption was too conservative. He then reviewed the termination rate experience, noting that the assumption was also too conservative. Mr. Little discussed the mortality assumption, noting it was based upon the 1983 GAM Mortality Table. He explained that more recent tables have been developed in response to longer longevity, and he then discussed various tables available. Mr. Little then reported that the current assumption for investment returns was 8.0% and advised that the Board should seek input from the Investment Consultant regarding whether this assumption was appropriate. Burgess Chambers recommended the retention of 8.0% assumption, believing it to be reasonable and attainable over the long-term. Mr. Little recommended that the 2008 Actuarial Valuation should be prepared using the appropriate revised assumptions in order to evaluate their impact on the costing of the Plan, and the Board agreed. The Board decided to schedule a special meeting in July 2009 for the presentation of the Actuarial Valuation.

Mr. Little was questioned regarding Annual Benefit Statements for active members and he advised that the statements were nearly completed.

The meeting recessed from 12:02 P.M. to 12:45 P.M. for lunch.

AUDITOR'S REPORT: CHERRY BEKAERT & HOLLAND

James Burdick and Rowana Flitan appeared before the Board on the behalf of Cherry, Bekaert & Holland LLP to present auditor’s report and financial statements for the fiscal year ending December 30, 2008. Net Plan assets had decreased to $37,332,547 from the prior year amount of $46,902,218, which was primarily attributable to investment losses.

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. 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. Burdick reported also that no deficiencies were identified with internal controls and procedures.

Mr. Burdick was questioned regarding whether the administrative expenses of the Plan were reasonable, and he responded that the administrative expenses of only 0.4% of assets were deemed excellent and far below average for governmental pension plans. A discussion arose regarding whether any cost saving measures were available, and it was noted that a possibility existed to reduce banking fees. Nick Schiess agreed to research alternative banking relationships. Mr. Burdick reported that a deficiency existed in the employer contributions, and advised that if a reasonable expectation of recovery existed, then a receivable should be recorded within the financial statements. The Board, having previously addressed the matter in prior meetings, advised Mr. Burdick that recovery was not expected. **Liz Bloeser made a motion to accept the auditor’s report and financial statements. The motion was seconded and carried 4-0.**
ATTORNEY REPORT: BONNI JENSEN


Ms. Jensen presented for execution a revised agreement with her firm, the Law Office of Perry & Jensen, that was necessitated by the retirement of former partner Jill Hanson and the subsequent name change. She reported that the Agreement had been reviewed and approved by Bob Sugarman’s office.

Ms. Jensen discussed the Plan provisions for reemployed members, noting that the Plan Document specifies the repayment of refunds of contributions within twelve months of re-employment or such longer period as permitted by law. Nick Schiess reported than an inquiry had been made to Palm Tran whether an opportunity existed for repayment through payroll deductions, and advised that such repayment method was not available. A discussion arose whether twelve months for repayment was adequate. Chad Little was questioned whether any costs would be associated with extending the time period and he advised that extending the time period would not add any costs to the Plan. It was noted that the question had arisen as a result from an inquiry from a reemployed employee who was partially vested and had a received a refund, in which case different provisions applied and the matter must be researched further.

ATTORNEY REPORT: PEDRO HERRERA

Pedro Herrera reported that the Management Representation Letter for the audit had been reviewed and was acceptable.

Mr. Herrera presented the draft demand letter to the former Administrator requesting the cessation of duplicate tax filing for prior years and the Board approved the letter.

BENEFIT APPROVALS

The Board reviewed a list of benefit approvals presented by the Administrator for approval. Nancy Bolton made a motion to ratify the retirement benefits presented. The motion was seconded and carried 4-0.

APPROVAL OF DISBURSEMENTS

The Board reviewed the disbursements provided for approval. Liz Bloeser made a motion to approve the disbursements as presented. The motion was seconded and passed 4-0.
ADMINISTRATIVE REPORT

Scott Baur 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 it’s former corporate structure.

Mr. Baur requested the Board’s favorable consideration of an increase in fees for administrative services, noting that the cost of providing services to the Plan had increased primarily attributable to changes in accounting standards and the resulting additional accounting burden. After a lengthy discussion, Liz Bloeser made a motion to approve a 10% increase in administrative fees effective June 1, 2009. The motion was seconded and carried 4-0.

OTHER BUSINESS

Nick Schiess presented renewal quotes for both general liability insurance and crime insurance. A lengthy discussion ensued regarding the necessity of the insurance coverage and it was determined that the actual policies required further review. Frank Stanzione made a motion to renew the general liability insurance contingent upon the review of the policy by Nancy Bolton and her final approval of the coverage. The motion was seconded and carried 4-0. Frank Stanzione made a motion to renew the crime insurance contingent upon the review of the policy by Nancy Bolton and her final approval of the coverage. The motion was seconded and carried 4-0.

APPLICATION FOR DISABILITY BENEFITS RACHEEL WILSON

The Board continued the disability hearing for Racheel Wilson and Ms. Wilson joined the meeting via teleconference. It was noted that an Independent Medical Exam had been performed, and the physician performing the exam had recommended that a Functional Capacity Exam be performed. The Trustees reviewed both the reports from the Independent Medical Exam and Functional Capacity Exam. It was noted that the physician that performed the Independent Medical Exam had expressed within his report that in the event that the results of the Functional Capacity Exam were invalid, then he considered Ms. Wilson not permanently and totally disabled. The Trustees reviewed the Functional Capacity Exam, noting that the results were deemed invalid. Pedro Herrera advised that the options before the Board were to schedule another Functional Capacity Exam at Ms. Wilson’s expense, invite Ms. Wilson to a future meeting to personally plead her case or make a decision based upon the medical records available.

Ms. Wilson discussed her injuries that occurred while in service and her subsequent medical treatments. She was questioned whether she had submitted an application for Social Security Disability benefits and she responded that she had only recently submitted an application. She was questioned whether she was employed and she responded that she was not employed. The Trustees discussed in great detail Ms. Wilson’s medical condition, Independent Medical Exam, Functional Capacity Exam and
other factors regarding the Application for Disability Benefits for Racheel Wilson. Frank Stanzone made a motion to deny Ms. Wilson’s Application for Disability Benefits based upon the medical records. The motion was seconded and carried 4-0.

**SCHEDULE NEXT MEETING**

The next regular quarterly meeting was scheduled for August 27, 2009.

**ADJOURNEMENT**

The meeting was adjourned at 2:50 P.M.

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Secretary