

**ATU LOCAL 1596 PENSION FUND
MINUTES OF MEETING HELD
November 19, 2013**

Board Members Present:

Frank Luna – Chairman, Union Appointee
Blanche Sherman – Secretary, LYNX Appointee
Tom Lapins - Union Appointee
Donna Tefertiller - LYNX Appointee
Ronald Morgan – Union Appointee

Others Present:

Nick Schiess - Plan Administrator
Robert Sugarman – Plan Attorney
Burgess Chambers, Frank Wan & Mitchell Brennan - Investment Consultant
Brian Anderson - Liaison

Agenda Item	Discussion	Decision	Status	Follow-up
1.	The meeting was called to order at 9:23 A.M. in the Board Room, Lynx Central Station, 455 N. Garland Av. Orlando, FL 32801.			
2.	There were not any public comments.			
3.	Chairman Frank Luna did not express any comments. It was noted that with absence of Bert Francis, the remaining management Trustees were credited with 1½ votes each.		Closed	None
4.	<p>Burgess Chambers provided a report on the investment performance of the portfolio for the period ending September 30, 2013. The investment return for the quarter was 5.1% versus 3.4% for the index and for the fiscal year-to-date was 13.1% versus 10.6% for the index.</p> <p>Mr. Chambers reviewed the individual investment products in great detail, noting all was satisfactory.</p> <p>Mr. Chambers was questioned regarding the impact of the proposed closure of the Plan to new entrants on the construction of the investment portfolio or Investment Policy Statement. He advised that while there would be a shift to a more conservative position towards the end of</p>	<p>The Board tasked Burgess Chambers to collaborate with the Actuary to research any necessary changes in the investment strategy and the timing and financial impact of such changes. It was noted that</p>	BCA	Open

	<p>the Plan's life expectancy, there would be no immediate</p> <p>Mr. Chambers concluded his report with a review of the asset allocation, risk indices and long-term performance.</p>	this research was one of the last steps in the analysis of the proposed Plan closure.		
5.a.	The Board reviewed the final auditor's report and financial statements for the fiscal year ending September 30, 2012. It was noted that the statements remained unchanged from the draft presented by the Auditor at the last meeting.	Tom Lapins made a motion to accept the auditor's report and financial statements for the 2012 fiscal year. Bert Francis seconded the motion approved by the Trustees 6-0.	Closed	None
5.b.	Nick Schiess reported that the Agreement with the proposed replacement custodian Amalgamated Bank had been successfully negotiated and the funding of the new investment mandates and transfer of the existing assets will proceed.		Open	PRC
5.c.	The Board reviewed a revised DROP Application.	The Board, by consensus, approved the revised DROP Application.	Closed	None
5.f.	<p>The Board discussed the pending closure of the Plan to new entrants pursuant to the recently adopted Collective Bargaining Agreement and it was noted that the proposed defined contribution plan had not been implemented. Robert Sugarman discussed the qualifications and experience of the Plan's service providers who could assist in implementing a defined contribution plan that could be administered by the Board if necessary.</p> <p>Mr. Sugarman discussed the legal ramifications of the Plan for those new employees hired after January 1, 2013. Additionally, it was noted that the fiscal year ended September 30, 2013 and it was imperative to determine which plan the newly hired employees belonged to because it affects the actuarial valuation and audit. Donna Tefertiller advised that all new bargaining unit employees would be enrolled in the Plan until the new defined contribution plan was implemented. She discussed the difficulties in implementing the new defined contribution plan and advised that the legal and technical matters were being addressed.</p> <p>A question arose regarding whether the preparation of an</p>		Open	All

	<p>actuarial impact study on closing the Plan to new entrants would be required. It was noted that an impact statement would eventually be required to accompany any Plan Amendment.</p> <p>A discussion arose regarding assigning responsibility for the additional costs attributable specifically to closing the Plan to new entrants. It was noted that while additional costs arising from closing the Plan were specifically assigned to the Agency within the Collective Bargaining Agreement, the term of the agreement was only three years. Mr. Sugarman advised that a permanent assignment of the additional liability could be attained through the use of individual agreements between the Plan members and the Agency.</p>			
5.g.	<p>Jeff Amrose joined the meeting via teleconference on behalf of Gabriel, Roeder, Smith & Company to review the history and status of the Plan's funding standard account. He explained that account contained the excess employer contributions that had accumulated during the earlier life of the Plan when the employer contributions dictated by the Collective Bargaining Agreement were greater than the required employer contribution creating a surplus. Mr. Amrose explained that the account is important to the operation of the Plan because it absorbs any differences between the annual required employer contributions and the actual contributions, which do fluctuate because they are based upon variable payroll. It was noted that the funding standard account was credited annually with 7.5% interest, which is the assumed rate of investment return. Mr. Amrose was questioned whether the credit balance was available for the Agency's use at any time and the minimum recommended balance. Mr. Amrose responded that the credit balance was available at any time to offset employer contributions and the minimum recommended balance was \$1.5M.</p>	<p>Bert Francis made a motion to authorize the Actuary to produce a notice each year to accompany the actuarial valuation regarding the status of the funding standard account. Blanche Sherman seconded the motion approved by the Trustees 6-0. The Board requested a notice to be produced for the 2012 fiscal year.</p>	Open	GRS
7.a.	<p>Nick Schiess discussed changes to the online educational video on the Plan benefits necessitated by recent Plan Amendments and proposed a fee of \$400 for the</p>	<p>Donna Tefertiller made a motion to approve the \$400 expense to revise the online educational video. Tom Lapins</p>	Open	Nick Schiess

	revisions.	seconded the motion approved by the Trustees 6-0.		
7.b.	A discussion arose regarding providing special consideration to providers on incidental services.	The Trustees agreed to express gratitude to providers on incidental services individually from the Board.	Closed	None
7.c.	The Board was presented with an Audit Engagement Letter with incumbent auditor Cherry Bekaert & Holland for the audit of the Plan's financial statements for the fiscal year ending September 30, 2013. The cost of the audit was not to exceed \$13,500 and the Letter was under review by the Plan's attorney.	Blanche Sherman made a motion to execute the Audit Engagement Letter contingent upon approval by the Attorney. Bert Francis seconded the motion, approved by the Trustees 6-0.	Open	CBH Robert Sugarman
7.d.	The Board reviewed proposed Amendment Two, which implemented restrictions on the amount of overtime and accrued leave payout that can be considered as pensionable compensation. Robert Sugarman explained that the changes were required pursuant to new State Statutes and were therefore not subject to collective bargaining. The Trustees amended the effective dates within the proposed Amendment.	Blanche Sherman made a motion to adopt Amendment Two as amended. Bert Francis seconded the motion, approved by the Trustees 6-0.	Closed	None
5.e.	The Trustees, having reviewed the medical evidence individually prior to the meeting, discussed in great detail Mary Robles' medical condition, physicians' evaluations, independent medical evaluation, and other factors regarding the Application for Disability Benefits for Mary Robles. Robert Sugarman reviewed the Plan provisions regarding the qualifications for disability benefits. Ms. Robles appeared before the Board and discussed her medical conditions and treatments. She advised that she had applied for Social Security disability benefits, had been denied and has subsequently appealed. A lengthy discussion ensued whether Ms. Robles could satisfactorily perform the duties of another position within the Agency.	Tom Lapins made a motion to award disability benefits to Mary Robles contingent upon a review to occur one year later. Blanche Sherman seconded the motion, approved by the Trustees 6-0.	Open	All
5.d.	The Board reviewed the status of the survivorship benefits of deceased retiree Paul Helmick. Robert Sugarman and Nick Schiess reviewed the facts presented to the Board at the last meeting. It was noted that the			

	<p>matter had been deferred until this meeting to allow both petitioners for the survivorship benefits to retain legal counsel and provide additional evidence in support of their claim.</p> <p>Mr. Sugarman discussed the issues to be determined by the Trustees. First, whether new State Legislation invalidates Mr. Helmick's prior designation of Judy Helmick as joint annuitant because of divorce. Second, whether to recognize Mr. Helmick's request to change his joint annuitant to Linda Helmick was consistent with his prior attempts to change his joint annuitant. And third, whether to avoid the risk of having to pay both parties by letting the court decide the matter, which is very expensive to the claimants.</p> <p>Judy Helmick appeared before the Board and alleged that it was Mr. Helmick's intent that she receives survivorship benefits despite their divorce. Joyce Bates appeared before the Board and alleged overhearing conversations between Paul and Judy Helmick that she would receive survivorship benefits. Judy Helmick introduced a copy of a completed Designation of Beneficiary Form naming her as beneficiary, which was noted to have been executed pre-retirement.</p> <p>A discussion arose regarding recent State legislation, which invalidated survivorship benefits after divorce unless specifically court ordered or the redesignation of survivorship benefits by the member. It was confirmed that the Final Judgment of Dissolution of Marriage was silent on survivorship benefits and the Plan had not received a redesignation of survivorship benefits from Mr. Helmick prior to his death. Mr. Sugarman advised that the new legislation does extinguish Judy Helmick's right to survivorship benefits.</p> <p>Linda Helmick appeared before the Board and alleged that it was Mr. Helmick's intent that she receive survivorship benefits. William Link appeared as legal counsel for Linda Helmick. Gloria Link and Gloria Nelson also appeared before the Board to express that Mr.</p>			
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	<p>Helmick's intent was that Linda receives his survivorship benefits.</p> <p>A lengthy discussion ensued regarding Paul Helmick's health condition and competency when executing the request to designate Linda Helmick as joint annuitant, the demonstration of his attempt to designate a beneficiary other than Judy Helmick prior to such change was permitted by the Plan and other factors and extenuating circumstances.</p>	<p>Tom Lapins made a motion to recognize Linda Helmick as Paul Helmick's joint annuitant. Donna Tefertiller seconded the motion, approved by the Trustees 5-1 with Blanche Sherman dissenting. The Board agreed with Robert Sugarman's recommendation to defer payment to Linda Helmick until after an Order has been provided to both parties and the time period expires for Judy Helmick to file an appeal with or the conclusion of the appeal by the Appellate Division of the Circuit Court.</p>	Open	Robert Sugarman Board
7. e.	The Board discussed arrangements for the annual holiday dinner.	The Board delegated the selection of a location to Blanche Sherman.	Open	Blanche Sherman
7.f.	Nick Schiess provided and reviewed the notification and forms for the annual enrollment in the share account and enhanced benefits.		Open	PRC
6. 8.a 8.b 10 10.a.		The Board tabled the consideration of approval of minutes, disbursements, benefit approvals and receiving and filing the interim un-audited financial statements until the next meeting.	Open	All
9.	Robert Sugarman discussed recently adopted State legislation that affected governmental pension plans, which mainly consisted of additional reporting requirements and disclosures.		Closed	None
13.	There were no Board member comments		Closed	None
14.	The next quarterly meeting was scheduled for November 19, 2013.		Open	All

	The meeting adjourned at 3:47 P.M.			
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Respectfully submitted,

Secretary