

**ATU LOCAL 1596 PENSION FUND
MINUTES OF MEETING HELD
FEBRUARY 18, 2014**

Board Members Present:

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

Others Present:

Nick Schiess - Plan Administrator
Robert Sugarman – Plan Attorney
Frank Wan - Investment Consultant
Brian Anderson - Liaison

Agenda Item	Discussion	Decision	Status	Follow-up
1.	The meeting was called to order at 10:03 A.M. in the Board Room, Lynx Central Station, 455 N. Garland Av. Orlando, FL 32801.			
2.	There were no public comments.		Closed	None
3.	Chairman Tom Lapins did not express any comments.		Closed	None
4.	<p>Frank Wan provided a report on the investment performance of the portfolio for the period ending December 31, 2013. The investment return for the quarter was 4.0% and for the calendar year was 15.5%.</p> <p>Mr. Wan reported the successful transition of assets from former custodian BNY Asset Management to replacement custodian Amalgamated Bank.</p> <p>Mr. Wan introduced master limited partnerships as a potential new investment product. He discussed the recent technological developments that have dramatically improved the recovery of domestic oil and natural gas. Mr. Wan explained that this increased recovery has resulted in an investment opportunity for holdings of those firms who provide the shipping infrastructure from the</p>		Closed	None

	<p>production fields to the refineries. And these holdings receive transportation revenues that have tax advantages granted under federal energy policy. Sugarman discussed some potential issues with this type of investment including but not limited to the potential filing of additional tax forms and perhaps even unrelated business income tax.</p> <p>Mr. Wan reviewed the individual investment products in great detail, noting all was satisfactory. He concluded his report with a review of the asset allocation, risk indices and long-term performance.</p>			
5.a.	The Board acknowledged that Blanche Sherman was formally reappointed by LYNX for another three year term of office.		Closed	None
5.b.	The Board discussed the pending closure of the Plan to new entrants pursuant to the recently adopted Collective Bargaining Agreement. Robert Sugarman reminded the Board that the Trustees were deadlocked over the closure of the Plan to new entrants and that arbitration could be resumed upon the request of any single Trustee. He reviewed the history of the matter, noting that the Collective Bargaining Agreement was silent on many details of implementation and many questions remained unanswered. Mr. Sugarman expressed hope that the parties involved in collective bargaining could remedy the outstanding issues within the upcoming special meetings.		Open	All
	The meeting adjourned for lunch at 12:15 P.M. and resumed at 12:45 P.M.			
5.c	As a follow up to the last meeting, the Trustees continued their discussion and analysis of the unforeseen and unintended consequence of revising the disability provisions of the Plan. It was noted that one active member had brought to several Trustees' attention that he would receive less benefits under the new benefit structure between the pension, long-term disability insurance and disability benefits from the Social Security	Donna Tefertiller agreed to research whether the insurer of disability benefits would consider a rider to remove the offset for disability benefits from the Plan or even recognize only the portion of the benefit attributable to employer contributions only.	Open	All

	Administration. The Board discussed options for remedying the unforeseen consequence including but not limited to restoring the prior disability benefit structure and requesting LYNX to amend the long-term disability coverage.			
5.d.	Nick Schiess reported that annual benefit statements had been mailed to active participants and workshops had been scheduled for February 26 -27, 2014.		Open	PRC
5.e.	The Board discussed the periodic service provider review process and decided by consensus that the current process was adequate and the Trustees did not identify any improvements to the process itself.	The Board decided to continue with the periodic service provider review of the Plan's Actuary and Auditor using the existing review process.	Open	Board
5.f.	The Board reviewed costs of procuring portable electronic devices for the dissemination of pension related information to the Trustees.	Frank Luna made a motion to procure portable electronic devices for the Trustees. Ronald Morgan seconded the motion, approved by the Trustees 6-0.	Open	PRC
5.g.	The Board reviewed a GASB 67&68 implementation package from Gabriel Roeder Smith, which outlined the newly established reporting requirements and the associated costs of preparing the reporting.	Consideration of the GASB 67&68 implementation package was tabled until the next meeting in order for Blanche Sherman to discuss the matter with the Plan's Actuary.	Open	Blanche Sherman Board
5.h.	The Board reviewed an analysis on the facts and circumstances of reemployed retirees. Robert Sugarman discussed the issues surrounding continuation of employment with LYNX in any capacity while drawing a pension benefit from the Plan. He discussed qualification and tax ramifications, noting that the continuance of service after retirement is restricted by the Internal Revenue Service. He explained that there must be a bona fide separation of service with no pre-arrangement of employment. And members who entered early retirement are limited to serving only 20% of their service before retirement. Members who retire under normal retirement are not subject to service restrictions. Only one retiree was identified who entered early retirement and had been reemployed on a part-time basis. It was further	The Board determined that no issues had been identified with any reemployed retirees.	Closed	None

	noted that his service averaged out less than 20% of his prior service and he was scheduled to totally separate from service.			
5.i.	<p>As a follow up to the last meeting, Nick Schiess presented research into situations that have arisen within the last five years that might warrant further review to determine whether pension forfeiture was required under State Statutes. He reported that only one possible member had been identified, Luis Pacheco, who had committed an offense that warranted pension forfeiture. Mr. Schiess explained that Mr. Pacheco was not vested before termination of employment and therefore was not eligible for pension benefits. However, Mr. Pacheco was credited with interest on his refund of contributions, which is considered a benefit from the Plan and would have not been issued had the facts and circumstances been known at the time of the refund.</p> <p>Robert Sugarman discussed State Statutes regarding the forfeiture of pensions by members of governmental pension plans as well as the specific conditions and situations involving forfeiture. He recommended that Mr. Pacheco be sent a demand letter for a return of the interest paid on his refund of pension contributions.</p> <p>The Board reviewed and approved notification to be posted regarding pension forfeiture and also same sex marriages.</p>	<p>The Board directed the Plan Administrator to send a demand letter to Luis Pacheco requesting a return of the interest paid on his refund of pension contributions.</p> <p>The Board approved notification to be posted regarding pension forfeiture and same sex marriages.</p>	<p>Open</p> <p>Open</p>	<p>PRC</p> <p>Brian Anderson (posting)</p>
5.j.	Nick Schiess reported that in the matter of the disposition of survivorship benefits of Paul Helmick, Judy Helmick had not appealed the Board's decision to award survivorship benefits to Linda Helmick with the Court and therefore benefits had commenced to Linda Helmick.		Closed	None
6.	The Board reviewed the minutes of the meeting held on August 20, 2013, which were tabled at the last meeting and also the minutes of the meetings held November 20, 2013 and January 8, 2014.	Donna Tefertiller made a motion to approve the meetings held on August 20, 2013, November 20, 2013 and January 8, 2014. Ronald Morgan seconded the motion, approved by the Trustees 6-0.	Closed	None
7.a.	The Board reviewed an Agreement with Robbins Geller	Bert Francis made a motion to execute the	Closed	None

	Rudman & Dowd for portfolio monitoring services, noting that the services were either of no charge or on a contingency basis.	Agreement with Robbins Geller Rudman & Dowd. Blanche Sherman seconded the motion, approved by the Trustees 6-0.		
7.b.	Tom Lapins requested the approval of additional meeting expenses in conjunction with the settlement of the closure of the Plan to new entrants, specifically dinner and lunch for all parties involved with special meetings, hotel expense for Ronald Morgan given the heavy meeting schedule, and Peter Dowd's legal fees for advice to the Union Trustees. The Trustees questioned legal counsel whether the expenses were reasonable and appropriate. Robert Sugarman responded that they were reasonable and appropriate and far less than the costs of settling the matter through arbitration.	Blanche Sherman made a motion to approve additional meeting expenses requested by Tom Lapins including Peter Dowd's legal fees through February 28, 2014. Bert Francis seconded the motion, approved by the Trustees 6-0.	Closed	None
7.c.	The Board considered an Application for Disability Benefits submitted by Aldaberto Ruiz and Victor Viera. It was noted that both applicants had been awarded Social Security disability benefits. It was also noted that both applicants were under the new disability provisions of the Plan and would therefore continue to earn service credit while their benefits were deferred until age 65. Additionally, Aldaberto Ruiz qualified for an initial benefit from the Plan in the amount of \$6,608.15 representing the difference between his historical earnings and payment of other disability benefits.	Ronald Morgan made a motion to award disability benefits to Aldaberto Ruiz. Blanche Sherman seconded the motion, approved by the Trustees 6-0. Ronald Morgan made a motion to award disability benefits to Victor Viera. Blanche Sherman seconded the motion, approved by the Trustees 6-0.	Closed	None
8.a.	The Trustees reviewed the list of disbursements.	Blanche Sherman made a motion to approve the disbursements as presented. Donna Tefertiller seconded the motion, approved by the Trustees 6-0.	Closed	None
8.b.	Un-audited statements of the balance sheet and income and expense were provided to the Board.	The Trustees received and filed the financial statements.	Closed	None
9.	Robert Sugarman advised that he had no additional items to address.		Closed	None

10.a.	The Trustees reviewed the list of benefit approvals.	Frank Luna made a motion to approve the benefit approvals as presented. Bert Francis seconded the motion, approved by the Trustees 6-0.	Closed	None
11.	There were no Board member comments.		Closed	None
12.	Special meetings were scheduled for February 18, 2014 at 6:00 PM and February 19, 2014. Quarterly meetings were scheduled for May 20, 2014, August 19, 2014 and November 18, 2014.		Open	All
	The meeting adjourned at 4:10 P.M.			

Respectfully submitted,

Secretary