

**ATU LOCAL 1596 PENSION FUND
MINUTES OF MEETING HELD
FEBRUARY 19, 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 - Pension Plan Administrator
Robert Sugarman – Pension Plan Attorney
Brian Anderson - Pension Plan Liaison
John Lewis - LYNX
Norm Audet - ATU Local 1595
Peter Dowd - Pension Plan Attorney Union Trustees
Carolyn Kershner - LYNX Attorney
Richard Siwica - Amalgamated Transit Union Attorney
Gary Rauen - Amalgamated Transit Union
Jeff Amrose - Pension Plan Actuary

Agenda Item	Discussion	Decision	Status	Follow-up
1.	The meeting was called to order at 9:03 A.M. in the Board Room, Lynx Central Station, 455 N. Garland Av. Orlando, FL 32801.			
2.	<p>Jeff Amrose presented and viewed a cost study dated February 13, 2014 to identify the costs specifically attributable to closing the Plan to entrants. He reviewed in detail exhibits that projected the impact upon costs for lowering the investment return assumption which is usually prescribed for closed pension plans.</p> <p>A discussion arose regarding the Trustees' fiduciary responsibility and Robert Sugarman advised that the Trustees' duty was to act in the best interests of members and their beneficiaries without regard to LYNX or the Union.</p> <p>Gary Rauen contended that the employer's savings from closing the Plan were nearly the same as the projected increase in costs from closing the Plan and therefore the Plan should not be closed. Carolyn Kershner expressed</p>		Open	Board

	<p>that the employer had agreed to absorb increased costs as a direct result of Plan closure and consideration of cost savings for the employer was an irrelevant factor for the Trustees.</p> <p>A question arose regarding whether benefits to the remaining members might be subject to reductions in future collective bargaining because of a shift in union membership from a defined benefit plan to the defined contribution plan who would be more inclined to concede to benefit reductions in the defined benefit plan. Norm Audet contended that there would most likely not be any benefit increases prospectively because a less aggressive investment strategy would not likely produce any surplus to fund such increases.</p> <p>Carolyn Kershner expressed that there had never existed a guarantee of benefits, but there was always an opportunity to increase benefits during collective bargaining. Robert Sugarman added that benefits were only guaranteed during the three year term of any collective bargaining agreement and the only way to establish a lasting guarantee was through individual contracts with each member. Peter Dowd expressed that it was important to establish a guarantee beyond the term of a collective bargaining agreement.</p> <p>Carolyn Kershner advised that it was the employer's position that a new defined contribution plan will be established pursuant to the Collective Bargaining Agreement and has the employer has the authority to direct new employees and their contributions into that plan. She expressed that nothing additional must be done in this regard and it was not conditional upon any other factor including approval of the Trustees. She agreed that the intent of the employer was to protect the Plan members from the impact of the closure and while the employer was unlikely to guarantee individual contract with employees indefinitely, there might be consideration of providing contracts over a finite period. Gary Rauen objected to further discussion of employee contacts</p>			
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	<p>because the matter had not been formally presented to the Union. Richard Siwica expressed that the Collective Bargaining Agreement should not be implemented until after arbitration had occurred between the Union and LYNX because the establishment of a fixed employee contribution rate had been promised within collective bargaining. Gary Rauen announced the Union's intent to pursue arbitration with LYNX over the matter.</p> <p>Carolyn Kershner announced that the employer will establish a defined benefit plan effective March 1, 2014 and direct new employees and their contributions into that plan.</p> <p>Robert Sugarman requested the Union and LYNX to resolve the matter before the end of the Plan's fiscal year ending September 30, 2014. The Board thanked Richard Siwica, Norm Audet and Gary Rauen who departed the meeting at 1:21 P.M.</p> <p>Robert Sugarman expressed disappointment that the matter was not resolved but noted that at least it would be resolved between the appropriate parties. A discussion arose regarding their arbitration process. Mr. Sugarman explained that the Trustees could still proceed with their arbitration over the prior deadlock on closing the Plan. He recommended waiting until the arbitration had concluded or at the very least waiting to see who was arbitrating the matter and then decide whether to proceed with joint arbitration.</p>			
3.	The meeting adjourned at 2:10 P.M.			

Respectfully submitted,

Secretary