

**ATU LOCAL 1596 PENSION FUND
MINUTES OF MEETING HELD
OCTOBER 9, 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
Brian Anderson - Liaison
Jeff Amrose – Plan Actuary
James Burdick - Plan Auditor, Cherry Bekaert & Holland

Agenda Item	Discussion	Decision	Status	Follow-up
1.	The meeting was called to order at 9:38 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.	There were no Chairman's comments.		Closed	None
4.	James Burdick appeared before the Board on the behalf of Cherry, Bekaert & Holland LLP to present a draft of the Plan's financial statements for the fiscal year ending September 30, 2013. Net Plan assets had increased to \$112,099,585 from the prior year amount of \$97,501,018, which was primarily attributable to investment gains. 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	Blanche Sherman made a motion to accept the auditor's report and financial statements for the 2013 fiscal year. Bert Francis seconded the motion approved by the Trustees 6-0. Ms. Sherman acknowledged receipt of the audited financial statements on behalf of LYNX. Blanche Sherman made a motion to execute the management representation letter to Cherry Bekaert. Bert Francis seconded the motion approved by the Trustees 6-0.	Closed	None

	<p>were identified with internal controls and procedures. A management representation letter was presented for execution.</p> <p>The Board noted an increase in investment management fees from the prior year.</p>	<p>The Board decided to question the Investment Consultant regarding the increase in investment management fees at the next meeting.</p>	Open	Board
5.	<p>The Board discussed restoring the prior disability provisions of the Plan. Considered in the discussion were the repeal of Amendment One and restoration of the prior benefits and also the extension of the effective date of the prior benefits from the original date of May 2, 2013 until September 30, 2013. Jeff Amrose advised that while the effective date was mid-year, the effect on the funding and cost of the Plan was not recognized until the fiscal year beginning October 1, 2013 and therefore delaying the effective date of Amendment One would not have any effect on the funding or contribution rates. A discussion then arose regarding the facts and circumstances of disability applicants Aldaberto Ruiz and Victor Viera and it was determined that they would be the only additional persons covered under the prior disability provisions if the effective date of Amendment One was revised to October 1, 2013.</p>	<p>Tom Lapins passed the gavel to Frank Luna and made a motion to roll back the disability provisions to the prior disability provisions because of the unforeseen and unintended consequences of revising the disability provisions of the Plan and the negative short-term financial impact on new disability applicants. The motion died for a lack of a second.</p> <p>Frank Luna made a motion to revise the effective date of Amendment One to October 1, 2013 to maintain consistency with the 2013 Actuarial Valuation. Ronald Morgan seconded the motion, approved by the Trustees 6-0. The Board directed Robert Sugarman to prepare an Amendment for submission to the Union and LYNX sent with correspondence from the Plan Administrator confirming that there was no financial impact and unless an objection was raised by either party by the date of December 1, 2014 the proposed Amendment would be executed at the next Board meeting scheduled for December 3, 2014.</p>	Open	All
6.a. Part 1	<p>Jeff Amrose appeared on behalf of Gabriel, Roeder, Smith & Company to present the Actuarial Valuation for the fiscal year ending September 30, 2013. He reviewed the actual Plan experience versus assumptions, asset smoothing methodology, funding standard account and the costing of the Plan in great detail. He noted that the funding ratio of the Plan had increased to 97.2%, which was exceptionally high and among the very best of</p>	<p>Donna Tefertiller made a motion to accept the Actuarial Valuation. Blanche Sherman seconded the motion approved by the Trustees 6-0.</p>	Closed	None

	governmental pension plans within Florida. Mr. Amrose reviewed the financial impact of changes that were implemented during the fiscal year, noting that the limitation on pensionable compensation, revised disability provisions and revised interest crediting rate on refunds of contributions resulted in reductions in minimum funding requirements for the fiscal year beginning October 1, 2014 of .10%, .51% and .02% respectively.			
6.a. Part 2	Jeff Amrose presented an analysis dated October 7, 2014 presenting the three alternatives of 1) decreasing the employer and employee contribution rates starting October 1, 2014 or 2) maintaining current contribution rates and improve funding or 3) maintaining current contribution rates and increase benefits all as a result of the Actuarial Valuation for the 2013 fiscal year. Mr. Amrose advised that restoring the previous disability provisions is another option and would result in nearly the same contribution rate for the FY 2014-15 as the FY 2013-14. A question arose regarding the origin of the analysis and subsequent determination on the funding rates, which was clarified as past practice of this Board since 2011. A Trustee challenged whether the Board's determination of a funding option was legally binding on LYNX and whether the employer can just implement the decreased employer contribution rates regardless of the Board's selection of a different option. Robert Sugarman advised that the Board has the affirmative duty to adopt an option presented within the actuary's analysis as it has been done in past years.	The selection of an option presented within the actuary's analysis dated October 7, 2014 was deferred until the next meeting.	Open	Board
6.b.	Jeff Amrose reviewed an analysis of revising actuarial equivalence factors including additional information on actuarial gains and losses that was requested at the last meeting. He reviewed the proposed actuarial equivalency factors used to determine survivorship benefits for retirees and beneficiaries. Jeff Amrose ultimately recommended that the factors be updated to mirror the			

	<p>same assumptions used to develop the funding requirements of the Plan.</p> <p>A lengthy discussion arose regarding whether the Union or LYNX reserved the right under the Collective Bargaining Agreement to collectively bargain the revision of actuarial equivalency factors. Mr. Amrose explained that the change does not affect members accrued benefits and does not constitute a benefit improvement. Robert Sugarman also confirmed that the change did not constitute a benefit improvement and was therefore not subject to collective bargaining. He explained that revising actual equivalence factors was similar to adjusting other actuarial assumptions, which was the sole responsibility of the Board.</p>	The Board directed Robert Sugarman to prepare an Amendment for consideration at the next Board meeting scheduled for December 3, 2014 and for correspondence to be sent to LYNX by the Pension Resource Center advising of the pending action.	Open	All
7.	Donna Tefertiller confirmed that Trustees will be provided additional days off to compensate them when serving the Plan on their days off.		Closed	None
8.	<p>Tom Lapins reviewed the results of the annual enrollment for share accounts and enhanced benefits, noting record high enrollment.</p> <p>Frank Luna commended Ronald Morgan for completing the Certified Public Pension Trustee program offered by the Florida Public Pension Trustee Association.</p>		Closed	None
9.	The next meeting was scheduled for December 3, 2014.		Open	All
	The meeting adjourned at 2:25 P.M.			

Respectfully submitted,

Secretary