

**ATU LOCAL 1596 PENSION FUND  
MINUTES OF MEETING HELD  
MAY 20, 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 & Burgess Chambers - Investment Consultant  
Brian Anderson - Liaison  
Jeff Amrose – Plan Actuary (Via SKYPE)

<b>Agenda Item</b>	<b>Discussion</b>	<b>Decision</b>	<b>Status</b>	<b>Follow-up</b>
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.	There were no Chairman's comments.		Closed	None
4.a.	Regarding the pending closure of the Plan, Robert Sugarman announced that arbitration between the Union and LYNX was scheduled for the month of September 2014. And while the resolution of the arbitration would likely not be completed before the end of the fiscal year, the Plan was not receiving contributions for new employees hired after the date of March 1, 2014. Mr. Sugarman explained the Board's involvement would likely be limited to individual Trustees being called as witnesses. Mr. Sugarman recommended revisiting this matter at the next meeting and the Board agreed.		Open	All

4.b.	As a follow up to the last meeting, the Trustees continued their discussion on the new disability provisions of the Plan. Jeff Amrose discussed in detail the Plan benefits and costs of both the prior and new disability provisions. He noted that due to the timing of the implementation of the new provisions, the funding requirements for the current fiscal year do not reflect the cost savings of the new provisions, which will instead be reflected in the next actuarial valuation and funding requirements for the next fiscal year. Robert Sugarman discussed the unforeseen and unintended consequences of revising the disability provisions of the Plan and the negative short-term financial impact on new disability pension recipients. A lengthy discussion ensued regarding revising the employer provided disability insurance payment level to compensate for the reduction in benefits from the Plan and the Trustees reviewed quotes from the disability insurer.	The Board determined that additional quotes from the disability insurance provider were needed and a special meeting should be scheduled as soon as possible after the quotes were received by LYNX.	Open	All
7.b.	Plan Actuary Jeff Amrose reviewed the actuarial equivalency factors used to cost survivorship benefits for retirees. He recommended that the factors be updated to mirror the assumptions used to develop the funding requirements of the Plan. He recommended that an analysis be commissioned on the effects of the changes including illustrations of the impact on survivorship payments.	Donna Tefertiller made a motion to commission an actuarial analysis on revising the actuarial equivalency factors. Bert Francis seconded the motion, approved by the Trustees 6-0.	Open	Board GRS
4.c.	The Board reviewed a GASB 67 implementation package from Gabriel Roeder Smith, which outlined the newly established reporting requirements and the associated costs of preparing the reporting.	Blanche Sherman made a motion to accept the proposal from Gabriel Roeder Smith to prepare the new required GASB 67 disclosure. Donna Tefertiller seconded the motion, approved by the Trustees 6-0.	Closed	None
4.d.	The Board reviewed a proposed policy for the use of portable electronic devices.	Blanche Sherman made a motion to approve the proposed policy for the use of portable electronic devices. Donna Tefertiller seconded the motion, approved by the Trustees 6-0.	Closed	None
4.e.	The Board conducted the periodic service provider review	The Board, by consensus, determined the	Closed	None

	process for the Plan's Actuary and Auditor and reviewed the survey forms submitted by the individual Trustees.	fees and services of the Plan's Actuary were satisfactory and agreed to retain their services. The Board, by consensus, determined the fees and services of the Plan's Auditor were satisfactory and agreed to retain their services.		
4.f.	<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. A lengthy discussion arose regarding communications to the Members relating to pension forfeiture.</p> <p>Nick Schiess reported that research into potential forfeiture situations within the last five years had only identified one former Member, 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. Pursuant to the direction of the Board at the last meeting, Mr. Schiess had sent a demand letter to Luis Pacheco requesting a return of the interest paid on his refund of pension contributions but had received no response.</p>	<p>The Board decided, by consensus, to provide Members with a notice that included common examples of offenses that could result in pension forfeiture and requested Brian Anderson, Bob Sugarman and Nick Schiess to collaborate on developing the notice.</p> <p>Robert Sugarman recommended that his office be permitted to send Luis Pacheco another demand letter and the Board agreed.</p>	Open	All
4.g.	Robert Sugarman reported that the Internal Revenue Service had not approved the Plan's request for a favorable Tax Determination Letter and his firm would closely monitor any progress and report back to the Board.		Open	Robert Sugarman Board
	The meeting adjourned for lunch at 12:15 P.M. and resumed at 12:45 P.M.			
5.	Frank Wan provided a report on the investment performance of the portfolio for the period ending March 31, 2014. The investment return for the quarter was 1.9%		Closed	None

	<p>versus the benchmark of 1.9% and for the fiscal year-to-date was 5.9% versus 6.9% for the index. Mr. Wan reviewed the individual investment products in great detail, noting all was satisfactory. He then reviewed the asset allocation, risk indices and long-term performance.</p> <p>As a follow up from the last meeting, Mr. Wan recapped the benefits of master limited partnerships as a potential new investment product. He provided and reviewed the results of a prospective manager comparison and recommended that the Board interview at least two of the prospective managers. Mr. Wan advised that the Investment Policy Statement must be revised in order to accommodate this investment.</p> <p>Mr. 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. Mr. Sugarman disclosed for the record that he conducts personal business with one of the prospective managers Miller Howard but was introduced to him by his broker and receives no discount or special consideration from Miller Howard.</p>	<p>The Board requested the scheduling of a special meeting to entertain presentation from all three managers identified within the manager search.</p> <p>Burgess Chambers agreed to provide a proposed revised Investment Policy Statement at the next meeting.</p>	<p>Open</p> <p>Open</p>	<p>Board</p> <p>BCA</p>
6.	The Board reviewed the minutes of the meetings held on February 18, 2014 and February 19, 2014, and revisions were noted.	Donna Tefertiller made a motion to approve the minutes of the meetings held on February 18, 2014 as amended. Ronald Morgan seconded the motion, approved by the Trustees 6-0. Donna Tefertiller made a motion to approve the minutes of the meetings held on February 19, 2014 as amended. Ronald Morgan seconded the motion, approved by the Trustees 6-0.	Closed	None
7.a.	Nick Schiess provided a report on LYNX's use of the employer's surplus funds within the Funding Standard Account to offset the employer funding requirements.		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,	Closed	None

	<p>The Board reviewed invoices received from Dowd, Bloch &amp; Bennett for legal services provided to the Union Trustees through February 28, 2014. A question arose whether the correspondence with Attorney Dowd were a matter of public record or protected because there was a pending arbitration between the Union and Management Trustees that was suspended pending the outcome of the arbitration between LYNX and the Union. Robert Sugarman advised that he needed to review the documents that were generated in order to make the determination of whether they were public records and requested the Union Trustees to forward to him any documents they had received from Mr. Dowd.</p>	<p>approved by the Trustees 6-0.</p> <p>Blanche Sherman made a motion to approve the invoices received from Dowd, Bloch &amp; Bennett for legal services as presented. Donna Tefertiller seconded the motion, approved by the Trustees 6-0.</p>	<p>Closed</p> <p>Open</p>	<p>None</p> <p>Union Trustees Robert Sugarman</p>
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.	<p>Robert Sugarman further discussed the pending arbitration between the Union and LYNX regarding closure of the Plan to new entrants, noting that Frank Luna, Robert Doane and Jeff Amrose have been called as witnesses in the proceedings. He suggested that the Board consider whether to have legal representation at the meeting and would be available if so desired.</p> <p>Mr. Sugarman reported that there was not any State legislation passed within the last Florida legislative session that affected governmental pension plans.</p>		Open	All
10.a.	<p>The Trustees reviewed the list of benefit approvals.</p> <p>Nick Schiess reported that a refund of contributions had been issued to Hector Rodriguez, whose employment was reinstated through the appeal process and therefore he was required to repay his withdrawn contributions.</p>	<p>Blanche Sherman made a motion to approve the benefit approvals as presented. Bert Francis seconded the motion, approved by the Trustees 6-0.</p> <p>Blanche Sherman made a motion to delegate to Nick Schiess the negotiation of Hector Rodriguez's repayment of</p>	<p>Closed</p> <p>Open</p>	<p>None</p> <p>PRC</p>

		withdrawn employee pension contributions with the Union, Lynx and Mr. Rodriguez. Bert Francis seconded the motion, approved by the Trustees 6-0.		
10.	Nick Schiess reviewed proposed changes to the educational video necessitated by changes in the Plan provisions including disability benefits.  Mr. Schiess reported that the electronic tablets for the Trustees would be available at the next quarterly meeting.	The Board deferred changes to the educational video until the disability provisions matter is resolved.	Open	Board
11.	There were no Board member comments.		Closed	None
12.	The next meeting was scheduled for August 19, 2014.		Open	All
	The meeting adjourned at 3:42 P.M.			

Respectfully submitted,

Secretary