

**ATU LOCAL 1596 PENSION FUND  
MINUTES OF MEETING HELD  
FEBRUARY 17, 2015**

**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  
Tangee Mobley - LYNX Appointee

**Others Present:**

Nick Schiess - Plan Administrator  
Robert Sugarman – Plan Attorney  
Burgess Chambers & Frank Wan - Investment Consultant  
Brian Anderson - Liaison  
Robert Doane - Visitor

<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 9:13 A.M. in the ATU Local 1596 Union Office Conference Room at 231 East Colonial Drive, Orlando, FL 32801.			
2.	There were not any public comments.		Closed	None
3.	There were not any Chairman's comments.		Closed	None
4.a.	The Board recognized newly appointed LYNX Trustee Tangee Mobley who replaces Bert Francis.		Closed	None
4.b.	Robert Sugarman discussed amending the Plan Document for the closure of the Plan to new entrants. He reminded the Board that the Trustees were deadlocked on the proposed Amendment and had agreed to defer the matter until the 13(c) arbitration between the Union and LYNX had been resolved. It was noted that the 13(c) arbitration had been delayed because the attorney for the Union had been replaced and the arbitration was proceeding.		Open	All
4.c.	The Board discussed the deadlocked issue of changing the effective date of revised Amendment One from May 1, 2013 to October 1, 2013. The Trustees reviewed an actuarial impact statement prepared by the Plan's Actuary, noting the annual cost of revising the effective			

<p>date was \$18,211 and would affect one additional disability recipient Aldaberto Ruiz. Blanche Sherman acknowledged that the \$18,211 cost was not significant but since there was a financial impact the matter must go through the collective bargaining process. Tom Lapins discussed the harm to Mr. Ruiz caused by the unintended consequences of the previous revision of the disability provisions within the Plan. A question arose whether the LYNX Board had the authority to pass revised Amendment One. Robert Sugarman explained that the LYNX Board could pass revised Amendment One and see if the parties consented or began collective bargaining. Mr. Sugarman reported that neither the Union nor LYNX had to date demanded collective bargaining over the matter. Ms. Sherman advised that LYNX would not collectively bargain this one single matter outside of the overall bargaining for the next pending contract. Tom Lapins reported that there had been no response from the Union on this matter. Mr. Sugarman explained that the Pension Board could proceed with the adoption of revised Amendment One and then see if any party objects.</p> <p>It was noted that arbitration had already been demanded over this deadlocked matter. Mr. Sugarman discussed the anticipated costs of proceeding with the arbitration, noting that significant expense could be spared if the matter was resolved through collective bargaining or by consent of the Union and Authority. He suggested that the Board establish a budget and subsequent discussion ensued. A discussion ensued regarding the production of documents.</p> <p>A discussion arose regarding the availability of the Plan's Actuary in the proceedings.</p> <p>Mr. Sugarman noted that the arbitration has arisen because there exists an even number of Trustees , which is a structure inherited from the original creation of the Plan when there was a private sector employer subject to the Taft-Hartley Act. He explained that the expense of the arbitration was necessary because the Plan Document specified that upon demand, deadlocked issues shall be</p>	<p>Frank Luna made a motion to establish a budget of \$50K for each side for legal representation and authorize payment of the additional expenses for arbitrators, court reporters and hearing venue costs as well as authorizing the Plan Administrator to execute any engagement letters. Ronald Morgan seconded the motion, approved by the Trustees unanimously.</p> <p>The Board authorized the Plan Administrator to disseminate any records requested by either party.</p> <p>Ronald Morgan made a motion to authorize the Plan's Actuary to discuss the matter under arbitration and provide information to legal counsel of either party. Blanche Sherman seconded the motion, approved by the Trustees unanimously.</p>	<p>Open</p> <p>Open</p> <p>Open</p>	<p>All</p> <p>PRC</p> <p>Gabriel Roeder Smith</p>
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	resolved through arbitration.			
4.d.	<p>The Board discussed the deadlocked matter of establishing the contribution rates for the current 2015 fiscal year. Robert Sugarman recapped the matter, noting that setting the contribution rates by the Board based upon options presented within an analysis provided by the Plan's Actuary has been a practice annually since the year 2011. He advised that the Board has the right to establish contribution rates in the absence of contribution rates not being set in the collective bargaining agreement. Blanche Sherman expressed that LYNX management does not recognize the Pension Board's authority to select from among the options presented within the Actuary's analysis but instead LYNX management believes that the contribution requirement in the collective bargaining agreement is the minimum required contribution in the actuarial valuation. It was noted that while the matter was deadlocked, no Trustee had yet requested arbitration. Tom Lapins then demanded arbitration on the matter.</p> <p>Mr. Sugarman discussed the anticipated costs of proceeding with this arbitration, noting that they would be similar to the other arbitration unless the two matters were consolidated together in the same arbitration. A discussion arose regarding the advantages and disadvantages of consolidating the arbitrations. Mr. Sugarman recommended allowing legal counsel for the parties to decide whether to consolidate the arbitrations.</p>	Frank Luna made a motion to establish a budget of \$50k for each side for legal representation and authorize payment of the additional expenses for arbitrators, court reporters and hearing venue costs as well as authorizing the Plan Administrator to execute any engagement letters. But if the parties agree to consolidate the two pending arbitrations then the legal fees for each side are capped at \$75K. Blanche Sherman seconded the motion, approved by the Trustees unanimously.	Open	All
4.e.	Nick Schiess reported that notice had been sent to vested deferred participant Aldaberto Corado providing him with repayment options determined by the Board at the last meeting for the pension contributions owed to the Plan.		Open	PRC
5.	Burgess Chambers and Frank Wan provided a report on the investment performance of the portfolio for the period ending December 30, 2014. The investment return for the calendar year was 6.6% versus 7.3% for the index.		Closed	None

	<p>Mr. Chambers reviewed the individual investment products in great detail, noting all was satisfactory. He discussed market conditions, noting that the quarter was largely influenced by a dramatic decline in the price of oil. Mr. Chambers believed the condition to be temporary and the recently implemented allocation to Master Limited Partnerships was still warranted despite recent negative returns.</p> <p>A question arose whether the strategic model, expressed as a weighted blend of the many different allocations held within the portfolio, was a more appropriate benchmark than the current 60% equities and 40% fixed income index. Mr. Wan discussed the intricacies of the index and advised that the current benchmark was favored over the strategic model but both were represented within every report for the Board's consideration.</p> <p>Mr. Wan concluded his report with a review of the asset allocation, risk indices and long-term performance.</p>			
	The meeting adjourned at 12:30 PM for lunch and resumed at 2:30 PM			
6.	The Board reviewed the minutes of the meetings held on October 9, 2014 and December 3, 2014 and revisions were noted.	<p>Blanche Sherman made a motion to approve the minutes of the meeting held on October 9, 2014 as amended. Donna Tefertiller seconded the motion, approved by the Trustees unanimously.</p> <p>Blanche Sherman made a motion to approve the minutes of the meeting held on December 3, 2014 as amended. Donna Tefertiller seconded the motion, approved by the Trustees unanimously.</p>	<p>Closed</p> <p>Closed</p>	<p>None</p> <p>None</p>
7.a.	The Board recognized the necessity of revising the Summary Plan Description, which had been on hold pending the resolution of the disability provisions and closure of the Plan to new entrants but decided at the last meeting to proceed regardless.	The Board deferred consideration of the Summary Plan Description until the next meeting. Robert Sugarman was requested to insert disclaimer language regarding the pending outstanding items.	Open	All

7.b.	<p>The Board initiated the periodic service provider review for the relationship with the Attorney and Custodian. A discussion arose regarding the review practice in place.</p> <p>Robert Sugarman advised that the agreement with his firm had not been reviewed since his original engagement. He requested deferral on the service provider review until the next meeting in order the review the current agreement and determine whether there were any changes to propose.</p>	<p>The Board deemed the current practice was sufficient with no changes required.</p> <p>The Board deferred further consideration of the review until the next meeting and requested input from the Investment Consultant on the Custodian at the next meeting.</p>	Open	All
8.a.	The Trustees reviewed the list of disbursements.	Blanche Sherman made a motion to approve the disbursements as presented. Frank Luna seconded the motion, approved by the Trustees unanimously.	Closed	None
8.b.	Un-audited statements of the balance sheet and income and expense were provided to the Board.	<p>The Trustees received and filed the financial statements.</p> <p>The Board requested that prior year totals for expense items be added to the income and expense statements for comparison.</p>	<p>Closed</p> <p>Open</p>	<p>None</p> <p>PRC</p>
9.	Robert Sugarman reported reviewing a question from Plan Administrator regarding the credited service of Jose Joglar who had two separate terms of service. He reported that after reviewing the facts and circumstances of Mr. Joglar's employment, his second term of service should be added to the first term for the purpose of determining benefits.		Closed	None
10.a.	The Trustees reviewed the list of benefit approvals. A discussion arose whether the refund of contributions issued to Videsh Deonarine, who was promoted to LYNX management, was appropriate given the he was still employed by LYNX. Nick Schiess explained that the Board had previously approved refunds in these specific situations based upon the Plan's prior attorney's opinion that they were not considered in-service distributions.	Blanche Sherman made a motion to approve the benefit approvals with the exception of the refund of contributions to Videsh Deonarine. Donna Tefertiller seconded the motion, approved by the Trustees unanimously. The Trustees directed Mr. Schiess to research the facts and circumstances of the refund to Videsh Deonarine and past practice of the Board including the prior attorney's opinion and report back to the Board.	Open	PRC Board

10.	Nick Schiess discussed the issues encountered with the receipt of accurate active employee payroll data for the 2014 fiscal year. He explained that the LYNX payroll department had encountered difficulties in separating out overtime compensation considered pensionable pursuant to new State Statutes. Mr. Schiess reported that the delay in receiving the payroll data had also delayed the generation of Annual Benefit Statements for active members and the audit and actuarial valuation. He expressed that the payroll department was actively working on the matter and it was considered a high priority.	The Board requested to be apprised of the generation of annual benefit statements and also future problems with payroll data.	Open	PRC
11.	The Board discussed the attendance of LYNX liaison Brian Anderson at the upcoming Florida Public Pension Trustees Association conference. Robert Sugarman explained the Plan Document provides for payment to agents and experts of reasonable costs to administer the Plan. The Board recognized Mr. Anderson's great contribution to serving the Plan membership, trustees and service providers.	Blanche Sherman made a motion to authorize the payment of expenses for Brian Anderson to attend the Florida Public Pension Trustees Association conference. Frank Luna seconded the motion, approved by the Trustees unanimously.	Closed	None
12.	The next meeting was scheduled for June 23, 2015.		Open	All
	The meeting adjourned at 4:15 P.M.			

Respectfully submitted,

Secretary