

**ATU LOCAL 1596 PENSION FUND
MINUTES OF MEETING HELD
DECEMBER 1, 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
Ismael Rivera – ATU Local 1596

Agenda Item	Discussion	Decision	Status	Follow-up
1.	The meeting was called to order at 8:31 A.M. in the in the Board Room, Lynx Central Station, 455 N. Garland Av. Orlando, FL 32801.			
2.	There was not any public comment.		Closed	None
3.	There was not any comment from the Chairman.		Closed	None
4.	Frank Wan provided a report on the investment performance of the portfolio for the period ending September 30, 2015. The investment return for the quarter was -5.1% and for the trailing year was -0.8%. Mr. Wan discussed in great detail the market and environmental conditions behind the market volatility and downturn. Mr. Wan was questioned regarding the impact of global influences on the investment portfolio and measures to minimize risk. He responded that even though a small allocation of the investment portfolio was directly invested in foreign holdings, many of the investments are multi-national in nature and therefore affected by the world economic and market factors. Mr. Wan reviewed the asset allocation, noting that increasing the allocation to private real estate would lessen risk and volatility because the asset class has a low correlation to equities. A lengthy discussion ensued regarding the	Frank Luna made a motion, based upon the recommendation of the investment consultant, to increase the real estate allocation from 6-9% to be funded from the small and mid-cap allocation and enter the capital commitment queue with real estate manager JP Morgan. Tangee Mobley seconded the motion, approved by the Trustees unanimously.	Open	PRC

	<p>allocation and potential funding source and it was noted that a queue existed for any additional capital commitment with real estate manager JP Morgan.</p> <p>Mr. Wan reviewed the individual investment products in great detail, noting all was satisfactory.</p> <p>Mr. Wan concluded his report with a review of the asset allocation, risk indices and long-term performance.</p>			
5.a.	<p>Mr. Sugarman discussed the status of the deadlocked issues before the Board. The deadlocked matter of the Plan closure to new entrants had on hold pending the outcome of a 13c arbitration between LYNX and the Union. The arbitration hearing was recently suspended due to the Authority's claim of non-arbitrability. A lengthy discussion ensued regarding the details of the cancellation and it was noted that the next step if the case was to proceed would be for either party to file a lawsuit. Mr. Sugarman noted that outcome of the arbitration had been expected to provided valuable guidance to the Board on the closure of the Plan.</p> <p>The arbitration for the contribution rate issue was scheduled for February 2-3, 2016 and for the effective date of the new disability provisions was scheduled for January 19-20, 2016.</p> <p>At the last meeting, arbitration had been demanded on the new deadlocked matter of restoring the disability provisions back to the pre-Amendment One level, which was deferred until this meeting to allow the matter to be addressed by the collective bargaining parties. Mr. Sugarman advised that the anticipated expenses for the arbitrations were \$250K - \$500K and strongly encouraged the settlement of the issues by the collective bargaining parties beforehand.</p>		Open	All
5.b.	<p>The Board resumed consideration of the pending arbitration restoring the disability provisions back to the pre-Amendment One level. Tom Lapins reminded the Board that he had demanded arbitration at the last</p>	<p>Mr. Lapins deferred commencement of the new arbitration until the date of January 20, 2016 at which time a schedule meeting could be scheduled because all the interest</p>	Open	All

	meeting with commencement deferred until this meeting to allow the matter to be addressed by the collective bargaining parties. A discussion arose regarding the cost of the existing arbitrations to date. Blanche Sherman requested the Plan Administrator to prepare a report on the costs and also requested commencement of this arbitration be deferred until the next quarterly meeting in February 2016.	parties would already be gathered for the disability effective date arbitration.		
5.c.	The Board resumed the periodic review of disability pension recipients and reviewed documentation of the continued receipt of Social Security disability benefits requested at the last meeting. It was noted that disability recipients William Perez and Victor Viera had not submitted their documentation as requested.	Blanche Sherman made a motion to approve the continuance of disability pension benefits to all disability pension recipients under review except for William Perez and Victor Viera. The Board directed the Plan Administrator to send another request to William Perez and Victor for documentation of Social Security disability benefits and report back to the Board at the next meeting.	Open	All
5.d.	Nick Schiess provided a report on the annual enrollment for share accounts and enhanced benefit options.		Closed	None
5.e.	As a follow up to the last meeting, Robert Sugarman opined that interest on refunds of contributions issued to members promoted to management was permissible and should not be considered an in-service distribution by the Internal Revenue Service. He explained that the basis of the opinion was that the interest was not a retirement benefit.		Closed	None
6.	The Board reviewed the minutes of the meeting held on September 15, 2015 and a correction was noted.	Blanche Sherman made a motion to approve the minutes of the meeting held on September 15, 2015 as amended. Tangee Mobley seconded the motion, approved by the Trustees unanimously.	Closed	None
7.a.	The Board recognized that changes to the Collective Bargaining Agreement had been proposed in recent collective bargaining and the Plan's Actuary and Attorney had prepared at the Chairman's request comment on the potential impact of those proposed changes on the	Blanche Sherman made a motion to table discussion of the impact of proposed changes to the Plan under consideration in collective bargaining. Tangee Mobley seconded the motion, which did not pass	Closed	None

	administration of the Plan. A discussion arose whether it was appropriate to discuss pending proposals considered in collective bargaining given that many parties to collective bargaining were present at the meeting. A question also arose regarding authorizing an actuarial impact study on the proposed changes.	3-3 with Tom Lapins, Frank Luna and Ronald Morgan voting not in favor and Tangee Mobley, Blanche Sherman and Donna Tefertiller voting in favor.		
7.b.	The Board reviewed a quote for the renewal of the fiduciary liability insurance.	Blanche Sherman made a motion to approve the renewal of the fiduciary liability insurance through the Markel Insurance Company for the annual premium of \$8,078.40. Tangee Mobley seconded the motion, approved by the Trustees unanimously.	Closed	None
8.	Robert Sugarman discussed situations under which notes taken at pension board meetings and meetings with public officials and executives become a matter of public record. Mr. Sugarman provided an update on the status of the application for a favorable tax determination letter and anticipated completion of the process by the next meeting.		Closed Open	None Robert Sugarman
9.a.	The Trustees reviewed the list of disbursements.	Blanche Sherman made a motion to approve the disbursements as presented. Tangee Mobley seconded the motion, approved by the Trustees unanimously.	Closed	None
9.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
10.a.	The Trustees reviewed the benefit approvals.	Donna Tefertiller made a motion to approve the benefit approvals as presented. Blanche Sherman seconded the motion, approved by the Trustees unanimously.	Closed	None
10.	Nick Schiess reported that the 2015 fiscal year active data had passed testing and preparation of the Annual		Closed	None

	<p>Benefit Statements had commenced.</p> <p>As a follow up to the last meeting, Mr. Schiess reported that Raheem Grant's employment had been reinstated and therefore consideration of pension forfeiture proceedings was unnecessary. He reminded the Board that the Trustees had deferred the matter until the resolution of Mr. Grant's appeal.</p>			
	The meeting adjourned at 12:10 PM for the annual holiday luncheon and resumed at 3:00 PM.			
11.	<p>Ronald Morgan expressed concerns over the revision of contribution rates for the 2014 and 2015 fiscal years by LYNX without the Board's approval. And while the matter of the authority to set contribution rates was under arbitration, he noted that fewer contributions have been remitted to the Plan in the interim. Mr. Morgan expressed a concern that the Board could be considered remiss in its duty and fiduciary responsibility to collect the proper amount of contributions.</p> <p>Robert Sugarman suggested that the Board consider combining arbitrations whenever possible and adopting a legal expense budget for the new arbitrations. A discussion ensued regarding the budget established for previous arbitrations.</p> <p>Frank Luna expressed concerns over the closure of Plan and contributions that were not collected on behalf of workers who were placed in the defined contribution plan.</p>	<p>Ronald Morgan made a motion to begin a legal collection action against LYNX to collect delinquent contributions for the 2014 and 2015 fiscal years. Frank Luna seconded the motion, which did not pass 3-3 with voting Frank Luna, Ronald Morgan and Tom Lapins voting in favor and Tangee Mobley, Blanche Sherman and Donna Tefertiller voting not in favor. Ronald Morgan demanded arbitration.</p> <p>Ronald Morgan made a motion to establish a budget for the \$50k for each arbitration or \$75K for a combined arbitration. Frank Luna seconded the motion, approved by the Trustees unanimously.</p> <p>Frank Luna made a motion to file a lawsuit against LYNX to recover contributions for workers who were placed in the defined contribution plan. Ronald Morgan seconded the motion, which did not pass 3-3 with Frank Luna, Ronald Morgan and Tom Lapins voting in favor and Tangee Mobley, Blanche Sherman and Donna Tefertiller voting not in favor. Frank Luna demanded arbitration.</p>	Open	All
12.	The Board recognized that the Union had reappointed Ronald Morgan and LYNX had reappointed Tangee	The Trustees elected Ronald Morgan as Chairman and Blanche Sherman as	Closed	None

	Mobley as Trustees for another three year term of office.	secretary.		
13.	The next meetings were scheduled for February 23, 2016, May 19, 2016, August 16, 2016 and December 6, 2016		Open	All
14.	The meeting adjourned at 4:39 P.M.			

Respectfully submitted,

Secretary