

**ATU LOCAL 1596 PENSION FUND  
MINUTES OF MEETING HELD  
MAY 19, 2016**

**Board Members Present:**

Ronald Morgan – Chairman, Union Appointee  
Blanche Sherman – Secretary, LYNX Appointee  
Frank Luna - Union Appointee  
Tangee Mobley - LYNX Appointee  
Ismael Rivera – Union Appointee  
Donna Tefertiller - LYNX Appointee

**Others Present:**

Scott Baur, Plan Administrator (Resource Centers)  
Pedro Herrera & Bob Sugarman, Counsel (Sugarman & Susskind)  
Tom Zehnder & Fritz Wermuth (King, Blackwell, Zehnder, & Wermuth)  
Lisa Smith (Court Reporter)  
Aldaberto Ruiz

<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 9:10 AM in the Second Floor Board Room Lynx Central Station, 455 N. Garland Avenue, Orlando, FL 32801.			
2.	No members of the public addressed the Board.  Chair Ron Morgan addressed the Trustees, and he reviewed the items previously cured. Tom Zehnder and Fritz Wermuth, representing the Trustees individually in the cure process, reviewed various aspects of the meetings, notice, and process. Both Mr. Zehnder and Mr. Wermuth emphasized the importance to deliberate anew and to consider issues fresh coming before the Board, since the Trustees must regard past Board actions in meetings improperly posted as “void ab initio” – as though the decisions never happened.		Closed	None
3.	The Trustees considered three years of renewals for the fiduciary liability insurance that protects the Trustees against alleged wrongful acts or breaches of fiduciary. Bob Sugarman distinguished between the improperly noticed meetings, which have not resulted in a claim, and the unresolved claim and lawsuit brought by Local 1596 on behalf of Aldaberto Ruiz. The policies carry a \$10,000 deductible. Bob Sugarman explained the policy transition from State National to Alterra, policies offered through Ulico.	Mr. Baur presented the original renewal information considered by the Board. The Trustees then discussed the need for competitive quotes prior to acting on the three years of renewals. The Trustees tabled any action on the fiduciary liability policies pending further information related to the renewals.	Open	PRC
4.	Mr. Sugarman reviewed the proposed settlement	Ismael Rivera made a motion to defer the	Open	Board

	<p>agreement for Aldaberto Ruiz.</p> <p>Mr. Sugarman recommended the settlement agreement, which he recommended the Trustees approve. He advised that the Board must enter into a shade meeting prior to discussing any modifications or alternatives to the proposed settlement. Mr. Sugarman further explained that he negotiated the settlement with the objective to resolve the pending lawsuit on behalf of Mr. Ruiz. Even though Mr. Ruiz attended the meeting, counsel cannot address him directly since he is also represented by counsel. The settlement offers Mr. Ruiz a benefit, but Mr. Ruiz must dismiss the lawsuit to receive the proposed benefit. The proposed settlement does not address the dispute over the disability provisions of the disputed Amendment 1 to the Plan Document in any way.</p>	<p>settlement agreement until later on the Agenda to allow the Trustees more time for review. Frank Luna seconded the motion. After Mr. Sugarman indicated that he planned to review the proposed agreement line by line, Ismael Rivera withdrew his motion. The Board approved and signed the settlement agreement later in the meeting.</p> <p>Blanche Sherman made a motion to approve the proposed settlement agreement, with no admission of wrongdoing on the part of the Board and each party to pay their own attorney's fees and costs. Ismael Rivera made a motion to defer the matter to follow Item 7 (Plan Amendments) appearing on the Agenda. The motion was ruled out of order, with a motion already on the floor. Ismael Rivera then made a motion to table, seconded by Frank Luna. The motion to table passed on a roll call vote, with Blanche Sherman and Donna Tefertiller dissenting.</p>		
5.	<p>Mr. Sugarman requested two shade meetings. The first shade meeting will address the pending suit between the Union and the Board, in the case that the proposed settlement does not pass. The second shade meeting will address the lawsuit authorized by the Board for the Lynx Authority on April 14 in the event that the Authority files such a suit, or any other lawsuit that may be brought against the Board in 2016. Mr. Sugarman explained the parameters for the requested shade meetings.</p>		Open	Counsel
6a & 7a.	<p>Mr. Sugarman provided a brief history of the 2012-15 collective bargaining agreement closing the plan to new members. The implementation date for the closure, however, was delayed. Mr. Sugarman advised that the language in the collective bargaining agreement and the plan document should agree, though he specifically offered no opinion on the closure of the plan itself. He therefore provided a simple amendment to update the language in the plan document. A disagreement subsequently developed whether the language in the collective bargaining agreement correctly reflected the</p>	<p>Blanche Sherman stated the Authority position that, based on the collective bargaining agreement, the plan is already amended. If so, then Mr. Sugarman advised that both the collective bargaining agreement and the plan document should have consistent language. Blanche Sherman made a motion to table Agenda Items 6a &amp; 7a (Closure of Plan in Collective Bargaining &amp; 2012 Plan Closure Language) to the next meeting to allow further clarification whether the Board must</p>	Open	All

	understanding reached by parties in the bargaining process. Disagreements also arose regarding provisions of the collective bargaining agreement that require Lynx to pay the costs associated with the plan closure. Even though the collective bargaining agreement took effect on January 2, 2013, new members continued to enter the plan until March 1, 2014. The Authority contends that the collective bargaining agreement provisions take precedence over the plan document in any case, but only the Trustees can amend the Plan.	amend the plan document. Frank Luna seconded the motion to table. The motion passed on a roll call vote, with Ron Morgan and Ismael Rivera dissenting.		
3.	Linda Burtchett, Account Representative for the fiduciary liability policies with broker Public Risk Insurance Agency, joined the meeting by phone to explain the renewal process for the policies. She explained that Travelers did not renew the policy held by the Board in 2009, so the policy then went to Hudson (which transferred to Euclid) from 2009-12. The policy transferred from Euclid to State National, and Ulico then started using Alterra as the insurer starting in 2014. Ulico now uses Markel. Ms. Burtchett explained that the Board obtained very competitive renewals compared to market except for the changes to the insurer by Ulico. Since the renewals were in fact competitive, PRIA (the Agency) does not automatically go to market unless specifically directed to do so.	Tom Zehnder advised the Board should discuss and consider the policies motion by motion. Blanche Sherman made a motion to approve the 2013 fiduciary liability insurance renewal, seconded by Frank Luna, and passed by the Trustees 6-0. Blanche Sherman made a motion to approve the 2014 fiduciary liability insurance renewal, seconded by Ismael Rivera, and passed by the Trustees 6-0. Blanche Sherman made a motion to approve the 2015 fiduciary liability insurance renewal, seconded by Tangee Mobley, and passed by the Trustees 6-0.	Closed	None
6b.	The Board reviewed the potential need to discuss and cure additional motions related to the plan closure to include the cost studies by the actuary. Mr. Sugarman recommended that that Board adopt a general procedure for deadlocks by the Trustees, to give the Trustees guidelines to manage the arbitrations resulting from the eventual deadlocked votes. The Trustees then considered the original action to authorize use of the plan actuary to inform the parties in collective bargaining of issues.	The Board discussed the exact nature of the studies produced by Gabriel Roeder Smith, the plan actuary, at length. The Trustees had authorized studies to explore the costs associated with closure of the plan. The Trustees deferred any action on the actuarial studies to a meeting that Jeff Amrose from GRS attends.	Open	Board
4.	The Board discussed the original Amendment 1 to the plan document, now invalid due to lack of proper notice for the public meeting. With Amendment 1 now void, counsel addressed the desire by parties to pay Mr. Ruiz a benefit without further consideration given to the specific provisions of the void Amendment. Pedro Hererra advised that all parties to the suit must approve the proposed settlement, including the Board, Local 1596, and Trustees	Blanche Sherman made a motion, based upon the recommendation of lawyers for the Board, Sugarman & Susskind, to approve the settlement agreement and authorize the chairman to sign it on behalf of the pension plan. Tangee Mobley seconded the motion, passed by the Trustees 6-0.	Closed	Counsel

	named individually in the case.			
7b-2.	Mr. Sugarman asked to move consideration of the disability provisions for the original Amendment 1 on the Agenda. Fritz Wermuth advised that any decision made by the Board at an improperly noticed meeting regarding Amendment 1 was void ab initio. As such, Mr. Sugarman recommended that the Board refer specific questions regarding the disability provisions of the plan to parties to resolve in collective bargaining. The parties should clarify what are the disability provisions of the plan and when do those provisions take effect. The Board directed the administrator to place the matter back on the Agenda for consideration once the parties resolved the benefit issues in bargaining.	The Trustees agreed by consensus to refer the disability provisions in the plan back to the parties for clarification in bargaining.	Open	PRC
7b-1.	Mr. Sugarman explained the proposed amendments for voting parity, which do not affect the requirements for a quorum of the Board. The Trustees previously eliminated interest on member contributions as well.	The Trustees considered whether parties should address interest on contributions in bargaining; however, the plan already paid refunds without additional interest based on the now-void amendment. Ron Morgan noted that most similar plans no longer pay interest on member contributions. Mr. Sugarman recommended that the Trustees request both parties waive bargaining or consent to the Board amendment to eliminate additional interest on member contributions.	Closed	None
7b-3.	Mr. Sugarman addressed the indemnification provisions in the Plan Document, previously eliminated by the Trustees by an amendment to the Plan. He noted that the voting parity and indemnification provisions in the Plan Document do not involve benefits and are therefore not the subject of bargaining.	Blanche Sherman made a motion to adopt the voting parity and indemnification provisions to the plan previously addressed by the Board on May 14, 2013. Frank Luna seconded the motion, passed by the Trustees 6-0	Closed	None
	The Board set the next Special Meeting for 9 AM on June 8, 2016. The Chair adjourned the meeting at 4:00 PM.		Closed	None

Respectfully submitted,

Secretary