

**ATU LOCAL 1596 PENSION FUND
MINUTES OF MEETING HELD
October 27, 2016**

Board Members Present:

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

Others Present:

Scott Baur & Pat Holt, Plan Administrator (Resource Centers)
Pedro Herrera, Counsel (Sugarman & Susskind)
Tom Zehnder & Kim Heally (King, Blackwell, Zehnder & Wermuth)
Lisa Smith, Court Reporter
Brian Anderson, HR Department

Agenda Item	Discussion	Decision	Status	Follow-up
1.	Chair Ron Morgan called the meeting to order at 9:23 AM in the Second Floor Board Room at Lynx Central Station, 455 N. Garland Avenue, Orlando, FL 32801. The Board acknowledged that the meeting was properly noticed to the LYNX website, the Plan website, and the bulletin board in the main lobby at Central Station.			
2.	Chair Ronald Morgan welcomed Bert Francis, Chief Financial Officer, back to the Board. He then recognized and thanked Tangee Mobley for her service.		Closed	None
3.	Counsel Tom Zehnder provided a memo that reviewed the progress for each cure meeting to date and the issues addressed and cured. The memo by counsel documented the cure actions completed by the Board chronologically, while the Administrator arranged such items for cure purposes topically. Mr. Zehnder stated that the Board might address the majority of remaining items for cure at this meeting and the next meeting of the Board. Mr. Zehnder explained that the court reporter was present at the advice of cure counsel to provide additional documentation that cure items were properly addressed. The Board has multiple records of the meetings, including the transcript produced by the court reporter, audio records, and the Board minutes.	The Board has additional meetings scheduled for November 18 and December 6, 2016. The November 18 Meeting Agenda will include both New Business and Cure items for the actuary.	Closed	None
4.	No members of the public had any comment.		Closed	None

5a.	<p>The Board previously approved Amendment 4 unanimously at the meeting of May 19, 2016 , incorporating language for voting parity and modifying indemnification provisions in the Plan Document. Pedro Herrera reviewed the markup copy of the Amendment language, which removed indemnification to service providers and therefore limited indemnification by the Plan solely to Trustees, officers, directors, and employees of the Trust.</p> <p>Voting parity defines a quorum of the Board as two Management Trustees and two Union Trustees. In the event that either one Management or one Union Trustee is not present at a properly noticed and scheduled meeting, then the votes of the two Trustees will count as three votes on any given motion.</p>	<p>Bert Francis considered whether the Trust should also indemnify staff of the authority. He then made a motion to accept the language of Amendment 4 modifying Section 18.03 of the Plan as amended.</p> <p>Pedro Herrera reviewed again the final language for Amendment 4. The adoption of the revised Amendment completes the cure of the original Amendment 1 to the Plan Document. The Board previously considered, and considered once again, the naming of the Amendment to properly distinguish the Amendment from the original Amendment 1. As the Board had previously decided to call the new amendment "Amendment 4", Bert Francis accepted a modification to his motion to adopt Amendment 4. After further discussion, Bert Francis restated his motion altogether.</p> <p>Bert Francis made a motion to adopt Amendment 4 modifying the indemnification provisions of Section 18.03 and adding voting parity to Section 2.05 of the Plan Document. Blanche Sherman seconded the motion, approved by the Trustees 6-0.</p>	Closed	None
7.	<p>The Chair moved Section 7 on the Agenda to recognize Alisa Train, reviewing the audits for 2012, 2013, and 2014 on behalf of Cherry Bekaert & Holland.</p> <p>Ms. Train reported that the Plan received unmodified opinions for 2012-14, with no material weaknesses and no significant deficiencies. She noted that the Board implemented GASB 67 in 2014, representing a change to the accounting procedures for the statements. She then reviewed financial reports for the three years, noting a decrease in contributions for the period and an increase in overall assets from \$81,129,883 in 2012 to \$122,212,958 as of September 30, 2016.</p>	<p>The Board considered whether the Trustees should authorize the management representation letter. Mr. Francis stated that the execution of the letter falls under the audit engagement.</p> <p>The Board received the actual audits, the engagement letters, and the management representation letters in advance of the meeting. No changes were made to the documents originally received, nor were any modifications required. While the Board previously made motions at the meetings of October 9, 2014 and June 23, 2015 to execute management representation letters, the Board determined that such approval was not necessary.</p>	Open	CBH (Auditor)

	<p>Mr. Francis requested that future financial statements provide a comparative report whenever possible. Blanche Sherman noted that the original minutes for the Board incorrectly stated that the Board executed the "Management Representation Letter" when the Trustees actually approved the Engagement Letter. The Trustees then reviewed the Management Discussion & Analysis (MD&A) section of the 2014 Financial Statement, which includes comparative information. Another decrease in required contributions from 2013 to 2014 resulted from a combination of the plan closure and positive experience recognized on the prior valuation. While required contributions decreased, all required contributions to the Plan were made.</p>	<p>Bert Francis made a motion to accept the audited Financial Statement for 2012 as presented. Blanche Sherman seconded the motion, approved by the Trustees 6-0.</p> <p>Blanche Sherman made a motion, seconded by Bert Francis, to approve the engagement letter for Cherry Bekaert & Holland for the fiscal 2013 audit and accept the Financial Statement for 2013. Ismael Rivera noted the increase to administrative expenses from 2012 to 2013, primarily due to increased fees from the actuary and the attorney. Mr. Francis noted that the Financial Statement reports the financial activity for the Plan, but the Board received and considers items monthly including benefits, disbursements, and interim financial statements. Blanche Sherman then restated her motion, approved by the Trustees 6-0.</p> <p>Bert Francis requested that the footnotes report the required contributions to the new defined contribution plan for employees at LYNX. Blanche Sherman made a motion to approve the Engagement Letter for Cherry Bekaert & Holland to complete the fiscal 2014 audit and accept the 2014 Financial Statement as presented, seconded by Bert Francis. The Board recognized the error in the prior minutes, noting that the Trustees previously approved the engagement letter rather than the management letter. The original engagement letter also included a clarification that the auditor performed all work related to the audit in the United States. The Trustees considered the cure process, addressing Item 2 from the 10/09/14 meeting; Item 4 from the Meeting of 12/03/14; and Item 1 from the Meeting of 06/23/15. The Board approved the motion 6-0.</p> <p>Bert Francis made a motion, seconded by Frank Luna, to table discussion of the 2015 audit. The motion passed 6-0.</p>		
--	--	---	--	--

5b.	<p>Tom Zehnder distributed the current draft version of the Policy for Posting Notice of public meetings. He explained that the Policy established a procedure to post future Board meetings, as part of the process to address prior meetings that did not get properly posted. He reviewed each step in the proposed Policy, noting that the final Policy would not incorporate the research notes included in the draft version.</p> <p>Blanche Sherman inquired about requirements for additions or revisions to the Board Agenda, as well as discussion at a meeting that does not first appear on the published Agenda. Mr. Zehnder reviewed requirements in Florida Statute to properly allow for public comment. He recommended that the Board defer any action on controversial topics to a later meeting if the topic did not appear on the published meeting Agenda.</p> <p>Mr. Baur discussed receipt of materials in advance of meetings, since he often receives items from other service providers right up to the meeting itself. The Trustees considered the time frame to receive materials and backup documentation in advance of a meeting, differentiating between routine matters and non-routine issues.</p> <p>Mr. Zehnder then reviewed the parties responsible for compliance with the proposed Board Policy. Pedro Herrera clarified the Chair, the Secretary, or any two Trustees may call a meeting by providing notice to the entire Board.</p>	<p>Mr. Zehnder reviewed the duties for the Trustees, the Administrator, and the LYNX designee. The Trustees considered the various means to provide notice to the public. While the Policy establishes minimum requirements for notice, additional measures can always be taken to provide notice as well. Tom Zehnder recommended a checklist to confirm compliance with the proposed Policy. The Trustees also considered who might constitute the "public" when posting a scheduled meeting. Mr. Zehnder recommended that the Board maintain some simplicity in the Policy itself.</p> <p>Bert Francis suggested removal of names for specific individuals from the Policy to make the Policy easier to maintain. The Board discussed documentation that the administrator should maintain to confirm proper posting of a meeting. Bert Francis made a motion to table the Policy, seconded by Blanche Sherman, to the next meeting Agenda. The Trustees unanimously approved the motion to table.</p>	Open	Board
5c, 5d, 5e, & 5f.		The Board passed on further discussion of Agenda Item 5(c) Timing, Scheduling, and Meeting Materials; Item 5(d), Agenda Format; Item 5(e), Procedure for Approval of Disbursements; and Item 5(f), Payment of Legal Fees for Arbitration.	Closed	None
8.	The Board moved Item 8 on the Agenda to consider disbursements. Ms. Sherman, as the Board Secretary and designee, stated that she reviewed the invoices previously paid by the Board.	Ms. Sherman explained that the disbursements do not include any invoices not yet paid and in dispute by the Board. The unpaid invoices also include Check 2967 issued on December 1, 2015 to pay an invoice for programming to Ellen Schaffer. The Board also noted that the	Closed	None

		<p>Trustees tabled approval of invoices on November 27, 2012 until the May 14, 2013 meeting and should therefore get cured.</p> <p>Blanche Sherman made a motion to approve payments of invoices for November 27, 2012; May 18, 2013; August 20, 2013; November 19, 2013; February 18, 2014; May 20, 2014; August 19, 2014; December 3, 2014; February 17, 2015; June 23, 2015; September 15, 2015; and December 1, 2015, with the exception of the December 1, 2015 payment to Ellen Schaffer. Donna Tefertiller seconded the motion. The Trustees noted that the Administrator reconciled payments to Sugarman Susskind to address payment of the monthly retainer. Separate invoices to Sugarman Susskind related to collective bargaining and an invoice by GRS, the Board actuary, also remain unpaid. The audits and interim financial statements reflect payment of the invoices included in the motion for approval. The motion passed 6-0.</p>		
6a & 6b, 9.	<p>Tom Zehnder explained the cure of Minutes for meetings improperly noticed and no longer valid, yet the Minutes still exist as a record for discourse of the Board during the period in question. He recommended that the Board review and approve the Minutes as a record of what actually occurred, a "Record of Board Proceedings". The meetings still took place, even though actions taken at the meeting are <i>void ab initio</i>.</p>	<p>The Board acknowledged a desire to change the Agenda at item 9 to designate "Cure Minutes" as "Records of Board Proceedings". The Board moved the records for the meetings of December 1, 2015 and February 23, 2016 under Agenda Items 6(a) and 6(b) to the cure list of proceedings for cure meetings at Agenda items 9(w) and (x). Bert Francis made a motion to change the title of Agenda item 9 from "Cure Minutes" to "Records of Board Proceedings" and to remove the word "Minutes" from each entry under item 9 to "Proceedings." Blanche Sherman seconded the motion, approved by the Trustees 6-0.</p>	Closed	None
6h.	<p>The Board noted that Minutes for the March 29, 2016 Workshop of the Management Trustees were not yet available, but Donna Tefertiller indicated that she would provide Minutes for the August 11, 2016 Workshop.</p>		Open	Board

6c.	The Board noted minor corrections to the Minutes for March 30, 2016. Donna Tefertiller offered suggestions regarding the format. The Board considered the Request for Proposal for legal services, discussing the challenge by Pat Christiansen that Sugarman Susskind continued to serve as counsel to the Board. Even though the Board completed a service provider review at an improperly noticed meeting, the decision to retain Sugarman Susskind as counsel occurred prior to the cure period and therefore was not <i>void ab initio</i> .	The Board considered the appropriate level of detail for the Minutes and purpose of those details. Chair Ron Morgan noted that the Board did in fact approve the 100% Joint & Survivor death benefit for the late Felicia Hart at the March 30, 2016 meeting. Bert Francis made a motion to table the March 30, 2016 Minutes, seconded by Donna Tefertiller. The Board passed the motion to table 6-0.	Open	PRC
6d.	The Trustees reviewed the Minutes for the Special Meeting of April 15, 2016. Blanche Sherman noted that she acted on her own prior to the Meeting as a sub-committee designated by the Board to review and negotiate terms with King, Blackwell, Zehnder and Wermuth.	Bert Francis made a motion to approve the Minutes for the Special Meeting of April 15, 2016 as amended. Blanche Sherman seconded the motion, approved 6-0.	Closed	None
6e.	The Board considered the format to the Minutes for May 19, 2016.	Donna Tefertiller provided corrections to the Minutes to make the discussion of Item 4, the proposed Settlement Agreement for Aldaberto Ruiz, easier to follow. Blanche Sherman made a motion to table the Minutes for May 19, 2016. Bert Francis seconded the motion, approved by the Trustees 6-0 with Trustee Frank Luna not present in the room for the vote.	Open	PRC
6f.	The Trustees reviewed the Minutes for the Meeting of June 8, 2016. The Board discussed the actuarial assumptions addressed by the definition of equivalence for Amendment 3. Pedro Herrera explained that the impact statement included the 7.25% net investment return assumption, 25 year amortization experience gains and losses, and the RP 2000 mortality in the definition of equivalence.	The Board considered the valuations and assumptions in use by the Plan in detail. Blanche Sherman made a motion to table the Minutes for June 8, 2016, seconded by Frank Luna. The motion to table passed 6-0.	Open	Board
6g.	The Trustees reviewed the Minutes for July 15, 2016 and noted minor corrections.	Donna Tefertiller made a motion to approve the Minutes for July 15, 2016 as amended. Bert Francis seconded the motion, approved by the Trustees 6-0 with Trustee Blanche Sherman not present in the room for the vote.	Closed	None

10.	The Board reviewed the items tabled or not addressed at the Meeting. The Board considered timing for receipt of meeting materials, differentiating between routine and non-routine issues.	The Board noted that the opinion by counsel Bob Sugarman on "Payment of Legal Fees for Arbitration", appearing as Item 5(f) on the Agenda, should be continued for the next meeting Agenda as well.	Open	Board
-----	--	---	------	-------

Respectfully submitted,

Secretary