

**ATU LOCAL 1596 PENSION FUND  
MINUTES OF QUARTERLY MEETING (MORNING SESSION)  
May 23, 2017**

**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 Teffertiller – LYNX Appointee

**Others Present:**

Margie Adcock & Tom Lapins, Plan Administrator (Resource Centers)  
Bob Sugarman, Counsel (Sugarman & Susskind)  
Frank Wan & Mitchel Brennan, Consultant (Burgess Chambers & Assoc.)  
Jeff Amrose, Actuary (Gabriel Roeder Smith) (via Phone)

<b>Agenda Item</b>	<b>Discussion</b>	<b>Decision</b>	<b>Status</b>	<b>Follow-up</b>
1.	Chair Ron Morgan called the meeting to order at 9:12 AM in the Second Floor Board Room at Lynx Central Station, 455 N. Garland Avenue, Orlando, FL 32801.		Closed	None
2.	<b>Public Notice of Meeting:</b>  Confirmation was given that the Meeting had been properly noticed to the public.		Closed	None
3.	<b>Agenda Items:</b>  The Trustees reviewed the Agenda for the Meeting.	Bert Francis made a motion to accept the Agenda as presented. Donna Teffertiller seconded the motion. Motion passed 6 – 0.	Closed	None
4.	<b>Public Comments</b>  Members of the Plan addressed the Board during the public comment. Maurice Nix stated that he entered the DROP in September, but he had not yet received a statement. It was explained to Mr. Nix that he had not completed his options form and returned it to PRC. Once PRC received his options form, PRC would process his selections, and his DROP would appear on the website.	Ismael Rivera expressed concern regarding some of the ongoing issues expressed by members related to processing of benefits.	Open	PRC
5.	<b>Minutes:</b>  December 6, 2016 December 15, 2016 February 28, 2017	The Board reviewed the December 6, 2016, December 15, 2016, and February 28, 2017 minutes. The Trustees indicated they wanted	Open	PRC (for August Agenda)

		<p>both redline and clean copies of the minutes to review for the next meeting. The Board tabled approval of the February 28, 2017 minutes.</p> <p>The Trustees indicated how they wished to receive materials in advance of meetings::</p> <p>Blanche – paper and email copy; Ismael – email, DROP box copy; Frank – paper and DROP box copy; Bert – email copy; Donna – email and DROP box copy; Ron – email copy.</p>	<p>Closed</p> <p>Closed</p> <p>Open</p> <p>Open</p>	
	<p>Discussion on Arbitrator's ruling that paying arbitration attorneys shall be adopted by the Board.</p> <p>Discussion (Bert) on why the Board needed two attorneys from the law firm: King, Blackwell, Zender, &amp; Wermuth during the CURE.</p>	<p>To be placed on the next agenda.</p>		
6.	<b>Reports:</b>			
6 a.	<p>Financial Consultant Report: Frank Wan and Mitchel Brennon (Burgess Chambers and Associates):</p> <p>Frank Wan reviewed the market overview for the quarter ending March 31, 2017. He also noted that the JP Morgan withdrawal took place on March 31, 2017. Mitchell Brennan reported that the assets held by the Pension Fund all performed well for the year, with the portfolio gaining 11.8% compared to 10.3% for the benchmark. For the quarter ending March 31, the portfolio gained 4.5% compared to 4.0% for the benchmark. The Plan had total assets of \$135,536,111 as of March 31, 2017.</p>	<p>The Board considered procedures to rebalance the asset back to Policy targets. The Trustees directed BCA to monitor and rebalance assets to target ranges in the Policy unless a reason exists to deviate from those targets. BCA will report on a procedure to rebalance assets as needed. The consultant was also given authority to invite managers to the meeting.</p>	<p>Open</p>	BCA
6b.	<p>Actuary Report,;Jeff Amrose (Gabriel Roeder Smith):</p> <p>Jeff Amrose reported that the Plan remains strong and well-funded. He reviewed the draft Valuation and summary, pending receipt of the total payroll from LYNX and final peer review. LYNX has a funding credit balance of \$1.56 million as of 10/01/16. Mr. Amrose stated that the preliminary contributions for the employer would increase</p>	<p>The Board discussed the information from LYNX needed to complete the Valuation, already requested by the plan administrator in advance of the meeting presentation by the actuary. Blanche Sherman said her office would provide the defined contribution payroll</p>	<p>Open</p>	<p>LYNX (Finance)</p> <p>GRS</p>

6c.	<p>to 12.32% for the fiscal year ending September 30, 2018 from 11.13% for the current fiscal year, while member contributions would increase to 6.06%, 8.56% for the Tier 1 enhanced multiplier, and 11.06% for the Tire 2 enhanced multiplier. The Plan has a 97.7% funded ratio, which will vary slightly from year to year.</p> <p>Attorney Report: Bob Sugarman (Sugarman and Susskind):</p> <p>The Board moved the Report moved to afternoon</p>	<p>to the actuary by the end of the week. The Board then considered the time required to implement the new contribution rates for members in advance of the October 1, 2017 effective date. HR reported that staff required only 2 weeks to implement the new contributions for payroll.</p> <p>The Trustees considered and affirmed the current assumptions, which are not overly aggressive. Mr. Amrose recommended that the Board begin to shorten the amortization for experience gains and losses by one year for each of the next five years, due to the closed plan status. The Board decided to consider the final Valuation at the Special Meeting on July 11, 2017.</p>		
8.	<p><b>Benefit Approvals:</b></p> <p>Attorney Bob Sugarman advised the Trustees regarding the options to grant a disability benefit to Jean Gilbert. He explained that the Board could grant a disability benefit based on the Social Security award. He then reviewed the history of the Amendment 1 provisions. The Board did not cure all of the provisions of the original Amendment 1, which included modifications to the disability provisions in the 2011 Restatement. The Board instead passed Amendment 1A, leaving the disability provisions in the 2011 Restatement intact. Ms. Gilbert appears to have met the requirements set forth in the Plan document for a disability pension.</p>	<p>The Board considered the settlement agreement reach for Ernesto Ruiz, which applied only to his benefit and no other situation. The Board also considered the amendment to eliminate the 5% interest on refunds of contributions paid to members, also referred back to collective bargaining. The Board then considered the mandates affecting the Plan through bargaining, including the Plan closure. The Trustees disagreed whether the parties reached an agreement in bargaining on the disability provisions. The Trustees reviewed the Plan document and history of changes related to the disability benefits. Mr. Sugarman advised that he must receive all the relevant documents related to any potential agreement in bargaining with sufficient time to allow for review to properly advise the Board. To date he has not received any such documents for</p>	Open	LYNX Union Counsel

		<p>review.</p> <p>Ismael Rivera made a motion to approve the disability benefit for Jean Gilbert, seconded by Frank Luna. After further discussion, the Board determined to allow the parties the opportunity to resolve the disability provisions in effect for the Plan at the time Ms. Gilbert became disabled through bargaining. The amount of the benefit remains in question. Ismael Rivera withdrew his motion.</p> <p>Blanche Sherman made a motion to find that Jean Gilbert is eligible for a disability benefit. The Trustees approved the motion 6-0. Blanche Sherman made a motion, seconded by Frank Luna, to determine the amount of Ms. Gilbert's disability benefit when it is determined which plan is in effect. The motion passed 6-0.</p> <p>LYNX and the union will provide any relevant documents to Mr. Sugarman for review.</p>		
7.	<p><b>Plan Financials:</b></p> <p>The Board reviewed the Warrant dated May 23, 2017. The Board questioned the continuity of invoices by Mr. Sugarman. The plan administrator previously reconciled invoices for counsel, reviewed by Blanche Sherman.</p>	<p>Blanche Sherman made a motion to approve the Warrant dated May 23, 2017, seconded by Frank Luna. The Trustees approved the motion 6-0.</p> <p>The Board directed the administrator to put the outstanding invoice for Ellen Schaffer on the next quarterly meeting agenda for consideration.</p>	Open	PRC
6c.	<p><b>Attorney Report:</b></p> <p>Mr. Sugarman reminded the Trustees to file the Annual Form 1 financial disclosure by July 1.</p> <p>Mr. Sugarman then provided an update for the Board regarding the recently ended legislative session. He reviewed procedures for posting notice of public meetings to the Lobby bulletin board and LYNX website calendar.</p>	<p>Mr. Sugarman recommended the Trustees provide a copy of the receipt of filing to the administrator to include with the Plan records.</p>	Closed	

	<p>Mr. Sugarman reviewed recent written opinions he provided to the Board. The Trustees considered various scenarios where a terminated member can take a Share Account withdrawal following separation and rehire by LYNX.</p> <p>The Board considered opinions regarding eligibility for benefits for part-time and full-time members.</p> <p>The Board reviewed eligibility for vested members to take a refund of contributions.</p> <p>Mr. Sugarman then reviewed a QDRO for a recently divorced member.</p>	<p>He stated that a vested deferred member cannot take a withdrawal until eligible to collect a pension. A non-vested member can take withdraw funds following a bona-fide separation.</p> <p>Part-time and full-time service both count for eligibility.</p> <p>The Plan does not allow vested members to take a refund of contributions.</p> <p>The Board cannot honor the QDRO as submitted by the member. Mr. Sugarman will attempt to notify counsel for the member that the Plan can only honor an income deduction order.</p> <p>The Board provided updates on Trustees attending the Annual FPPTA Conference.</p>		
8.	<p><b>Benefit Approvals:</b></p> <p>The Board reviewed the Refunds of Contributions pending approval.</p>	<p>Blanche Sherman made a motion to approved the Refunds of Contributions. Ishmael Rivera seconded the motion, approved by the Trustees 6-0.</p>	Closed	
9.	<p><b>Other Business:</b></p> <p>The Board considered the 5% interest paid on refunds of contributions to non-vested members, discontinued in 2013 when the Board originally passed Amendment 1 at an improperly noticed meeting. Amendment 1A, subsequently passed by the Board in 2016, did not include the interest provisions as the Board referred the matter back to collective bargaining.</p>	<p>The Board considered reenacting the provisions of the original Amendment 1 to discontinue crediting interest to member contributions retroactive to the original March 31, 2013 effective date. The Board deferred action on the matter to the next meeting agenda.</p> <p>The Board deferred all Other Business on the Agenda for discussion to the next regularly scheduled meeting.</p>	Open	Board

10.	The Trustees previously set the next quarterly Meeting for Tuesday, August 22, 2017 at 9:00 AM.		Closed	None
11.	The Quarterly Meeting adjourned at 4:30 PM.		Closed	None

Respectfully Submitted,

Secretary