

**ATU LOCAL 1596 PENSION FUND
MINUTES OF SPECIAL MEETING
July 11, 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 Tefertiller – LYNX Appointee

Others Present:

Scott Baur & Tom Lapins, Plan Administrator (Resource Centers)
Pedro Herrera, Counsel (Sugarman & Susskind)
Jean Gilbert, Plan Member
Eric Lindstrom, Egan Lev Lindstrom & Siwica PA
Jeff Amrose, GRS (By Phone)

Agenda Item	Discussion	Decision	Status	Follow-up
1.	Chair Ron Morgan called the meeting to order at 9:25 AM in the Second Floor Board Room at Lynx Central Station, 455 N. Garland Avenue, Orlando, FL 32801.		Closed	None
2.	Public Notice of Meeting: Confirmation was given that the Meeting had been properly noticed to the public.	The Trustees asked the Administrator to provide a copy again of the Policy for posting notice of public meetings.	Closed	PRC
3.	Approval of Agenda: The Trustees reviewed the Agenda for the Meeting. Noting that the Minutes for May 23 were not available sufficiently in advance of the meeting for approval, but provided by the administrator in draft form as a reference, Donna Tefertiller suggested the "Item 8. Approval of Minutes" be changed to "Item 8. Minutes for Reference". Since Jeff Amrose from GRS will join the meeting by phone, Chair Morgan moved the 2016 Valuation report on the Agenda. He noted that the Board had not received the draft Audit for the meeting, removing that item from the Agenda.	Bert Francis made a motion to approve the Agenda as modified. Blanche Sherman seconded the motion, passed by the Trustees 6-0.	Closed	None
4.	Public Comments Jean Gilbert, with LYNX for 32 years and on the Agenda for a preliminary disability pension hearing, addressed the Board.	Ms. Gilbert expressed that she hoped to get some closure regarding her Application for a disability pension.	Closed	None

5.	<p>2016 Valuation:</p> <p>Jeff Amrose joined the meeting by phone.</p> <p>Mr. Amrose reviewed the updated draft 2016 Valuation report based on total payroll including members in the defined contribution plan. He stated the base member and employer contribution rates changed by 0.01% from his prior draft report, 6.07% employees and 12.31% employer as of October 1, 2017. LYNX has a credit balance of \$1,561,989 as of 10/01/16. He recommended that LYNX maintain a minimum credit balance of \$1,500,000 in case contributions come in lower during the year than expected. Ultimately the actuary expects the dollar contribution amount for the closed plan to decrease while the amount as a percent of covered payroll increases.</p>	<p>Ron Morgan asked about the 5.7% maximum contribution rate established in bargaining. Jeff Amrose explained that the current contribution requirement of 5.66% came under the 5.7% maximum, so the Board previously discussed but did not resolve the issue. The discussion from the February minutes indicates that the Board concluded that a 5.7% maximum rate applies, in which case Jeff Amrose stated that 0.37% of the contribution rate would simply shift from the members to the employer. The management Trustees contended that the 5.7% maximum simply marked a reference to the contribution rates in effect at the time of the bargaining contract.</p> <p>Blanche Sherman made a motion to obtain clarification regarding the contribution limits before approving the 2016 Valuation report, seconded by Bert Francis. Ron Morgan noted that the contribution requirements assume that the old Amendment 1 disability provisions still apply, representing a potential additional cost of about 0.51% of pay. This pre-Amendment 1 disability provisions would therefore increase employer contributions by about 40 bp and member contributions about 20 bp. Blanche Sherman explained that the Authority and the Union agreed to remove the Amendment 1 disability provisions in collective bargaining at the same time as closure of the Plan, but the Board had no documentation of this agreement for review. The Trustees considered whether a vote by the Board to pass the old Amendment 1, void ab initio as the result of an improperly noticed meeting, changed the Plan if the parties agreed to such a change in bargaining. The Board passed the motion to defer approval of the 2016 Valuation report 6-0.</p>	Open	Board
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6.	<p>Disability Hearing: Jean Gilbert</p> <p>The Trustees approved a disability benefit for Jean Gilbert at the meeting of May 23, 2017, but did not determine the amount of the benefit due. Both the Authority and the Union agreed to waive bargaining to treat the benefit for Jean Gilbert like Aldaberto Ruiz as a specific situation. Ron Morgan read the following “Waiver of Collective Bargaining” into the record:</p> <p style="text-align: center;"><u>WAIVER OF COLLECTIVE BARGAINING</u></p> <p>The Central Florida Regional Transportation Authority and ATU Local 1596, through undersigned counsel, without waiving rights to collectively bargain any issues in the future, hereby waive collective bargaining over the payment of disability pension benefits to Jen Gilbert by the ATU 1596 Pension Plan.</p> <p>Eric Lindstrom addressed the Board regarding the position of the Union with respect to the waiver. Pedro Herrera clarified that the Board must now decide whether to pay a pre-Amendment 1 or post-Amendment 1 disability benefit. Both parties retain the right to bargain disability benefits in the future, since the waiver specifically applies only to the benefit for Jean Gilbert.</p>	<p>Blanche Sherman made a motion, based on the waiver of collective bargaining between the Authority and Local 1596 for Jean Gilbert, to apply the waiver for Jean Gilbert in the same manner as the waiver for Aldaberto Ruiz applied in Case 2016-CA-003370-0 dated May 10, 2016, and calculate the benefit for Jean Gilbert in the same way as the benefit for Aldaberto Ruiz was calculated. The Board considered the commencement date for the benefit. Pedro Herrera clarified that the benefit should commence on April 1, 2017 based on the March 22, 2017 application date by Jean Gilbert per Section 10.02 of the Plan Document. Trustee Frank Luna asked to amend the motion to indicate that the benefit for Jean Gilbert should be calculated based on the provisions of the 2011 Plan Document Restatement, rejected by the makers of the motion. The Board passed the motion on a 5-1 roll call vote with Frank Luna voting against the motion.</p>	Closed	None

7.	Other Business: The Board had no other business for consideration at the Special Meeting.		Closed	None
8.	The Trustees previously set the next quarterly Meeting for Tuesday, August 22, 2017 at 9:00 AM.		Closed	None
9.	The Special Meeting adjourned at 11:55 AM.		Closed	None

Respectfully Submitted,

Secretary