

**PALM TRAN ATU LOCAL 1577 PENSION PLAN  
MINUTES OF QUARTERLY MEETING HELD SEPTEMBER 2, 2021**

Chair Dwight Mattingly called the meeting to order at 8:32 AM at 100 N Congress Avenue, Delray Beach, FL. The meeting was also held by communications media technology using the following information: <https://us06web.zoom.us/j/84438243414?pwd=cDJKV0FacVpIQnJnYWZmaVB5U3FRQT09>  
[\[us06web.zoom.us\]](https://us06web.zoom.us)

Phone: +1(301) 715-8592, Meeting ID 844 3824 3414, Access Code: 031425.

Those persons present included:

TRUSTEES

Dwight Mattingly, Chair  
Marcos Rodriguez  
Lisa Master

OTHERS PRESENT

Robert Sugarman, Sugarman & Susskind  
Bonni Jensen, Klausner, Kaufman, Jensen & Levinson, via CMT  
Frank Wan, Burgess Chambers & Associates  
Chad Little, Freiman Little Actuaries, via CMT  
Mary Shah, Strategic Benefits Advisors, via CMT  
Stephanie Atli, Strategic Benefits Advisors, via CMT  
Magdala St. Fleur, Palm Tran HR  
Betty Garrett, Palm Tran HR  
Masimba Mutamba, Assistant Palm Beach County Attorney, via CMT

APPROVAL OF THE AGENDA

**Mr. Rodriguez made a motion to approve the Agenda. The motion was seconded by Ms. Master and approved by the Trustees 3-0.**

PUBLIC COMMENT

There was no public comment.

APPROVAL OF THE MINUTES

**Mr. Rodriguez made a motion to approve the Minutes for the Special Meeting of May 24, 2021. Ms. Master seconded the motion, and it was approved by the Trustees 3-0.**

Mr. Mattingly requested a change to the Minutes for the Quarterly Meeting of June 3, 2021. He requested that the last bullet on page 4 be reviewed and updated to reflect the correct amounts from the actuarial valuation report.

**Ms. Master made a motion to approve the Minutes for the Quarterly Meeting of June 3, 2021, as amended. Mr. Rodriguez seconded the motion, and it was approved by the Trustees 3-0.**

**Mr. Rodriguez made a motion to approve the Minutes for the Special Meeting of June 3, 2021. Ms. Master seconded the motion, and it was approved by the Trustees 3-0.**

INVESTMENT CONSULTANT: FRANK WAN (BURGESS CHAMBERS & ASSOC. (BCA))

Mr. Wan presented to the Board the Investment Summary for the period ending June 30, 2021. He focused his presentation on the portfolio's fixed income investment manager Garcia Hamilton & Associates (GHA). GHA has not performed well on the Investment Policy Review scorecard; however, BCA is not recommending any action be taken against GHA at this point in time. BCA is in agreement

**PALM TRAN ATU LOCAL 1577 PENSION PLAN  
MINUTES OF QUARTERLY MEETING HELD SEPTEMBER 2, 2021**

with GHA's positioning in three out of four areas and expects GHA's performance to rebound significantly.

Mr. Mattingly asked if the plan's investment policy limits the quality of bonds it can buy. Mr. Wan did not believe so and stated that there is no limit by state law. Mr. Mattingly asked if the attorneys had any input. The attorneys had nothing additional.

**Ms. Master made a motion to accept the Investment Consultant's report and recommendation on GHA as informational, seconded by Mr. Rodriguez, approved by the Trustees 3-0.**

Mr. Wan then presented on the portfolio's real estate position. BCA recommends that the Board consider decreasing its investment in Barings Core Property Fund and investing in Intercontinental or TA Realty Core Property Fund. BCA believes it will take too long for Barings to reach the investment guideline's target allocation. Decreasing the investment in Barings and investing in Intercontinental or TA Realty would be the fastest way to move the plan's real estate position closer to the guideline's target allocation.

BCA recommends selling \$2 million in stocks and bonds as part of their rebalancing of the Pension Fund to purchase TA Realty and to complete the paperwork as soon as possible.

**Ms. Master made a motion to sell \$2 million in stocks and bonds as part of the BCA's rebalancing of the Pension Fund in order to purchase \$2 million in TA Realty, seconded by Mr. Rodriguez, approved by the Trustees 3-0.**

Mr. Wan requested a fee increase for BCA. There has been no fee increase for BCA since 2015 and the market value of the pension plan's portfolio has increased from \$86 million to \$152 million from July 2015 to July 2021. The proposed increase is \$2,000 per quarter.

**Ms. Master made a motion to approve the proposed fee increase for BCA, seconded by Mr. Rodriguez, approved by the Trustees 3-0.**

Sugarman & Susskind will update the BCA contract to reflect the fee increase.

ACTUARY REPORT: CHAD LITTLE

Mr. Little presented the Beneficiary Change Policy which was adopted by the Board at the June meeting pending final review by Ms. Jensen. Mr. Mattingly requested that this policy be put into plain language in a format that makes sense for participants and discussed potentially adding it to the 2022 Summary Plan Description. Mr. Little stated that the current SPD does not address the changing of beneficiary. There was discussion about the difference between a joint/contingent annuitant and a designated beneficiary. There was consensus among the Board that the information in this policy should be made available to participants in an easily understandable way. Mr. Mattingly informed the Board and the plan's professionals that one of the most common questions he receives is "What will happen to my pension if I die?" There was consensus among the Committee that the message to plan participants should be, "Anytime you have a life change you should review and update your beneficiary designations." Ms. Garrett proposed potentially including a reminder with open enrollment materials.

**PALM TRAN ATU LOCAL 1577 PENSION PLAN  
MINUTES OF QUARTERLY MEETING HELD SEPTEMBER 2, 2021**

Mr. Mattingly brought up participant pension statements and suggested adding a caveat on the statement about the limits on overtime pay. He also suggested a statement to clarify that the refund of contributions that retirees are entitled to only includes contributions through 12/31/2011.

ATTORNEY REPORT: BONNI JENSEN AND ROBERT SUGARMAN

Ms. Jensen presented the "Statement of Policy Regarding Contractual Provisions for Investment Managers" which the Board had reviewed at its June meeting and requested changes to include the AFL CIO proxy voting. Ms. Jensen incorporated the requested changes.

**Ms. Master made a motion to adopt the revised Statement of Policy Regarding Contractual Provisions for Investment Managers, seconded by Mr. Rodriguez, approved by the Trustees 3-0.**

Mr. Mattingly suggested that the investment managers be required to report regularly on proxy voting. Ms. Jensen reported that this is very difficult to monitor and that she will review the plan's investment agreements for which managers should be reporting to the plan.

Ms. Jensen presented two cases of rehired employees to the Board and explained how each employee was treated for pension purposes. Employee #1 was employed with Palm Tran for 9 years, terminated, took a refund of contributions, and was rehired 5 months later. Ms. Jensen reported that since this employee took a refund of contributions and did not repay the contributions the two periods of service should not be combined and the employee's second term of service will be under Tier 4. Employee #2 was employed with Palm Tran for 22 years, terminated, did not take a refund of contributions, and was rehired 4 years later. Ms. Jensen reported that this employee's two periods of service should be combined under Tier 1 because the employee did not take a refund of contributions upon termination and did not have a permanent break in service.

Mr. Mattingly asked Ms. St. Fleur if Employee #1 was offered the opportunity to repay their refund of contributions upon being rehired. Ms. St. Fleur reported that Employee #1 was provided that information upon rehire and that she does talk with employees in general about repaying contributions when they get rehired.

**Ms. Master made a motion to accept the recommendation of the plan's attorney Ms. Jensen regarding the treatment of these two employees for pension purposes, seconded by Mr. Rodriguez, approved by the Trustees 3-0.**

Ms. Jensen reported that she reached out to the local congressional representative regarding the 2018 IRS reporting issue affecting everyone who was a retiree in both 2017 and 2018 (300+ total) but that she has not heard back from the representative beyond an initial acknowledgement of her request.

Ms. Shah reported that she had recently spoken with an attorney from the IRS who reached out to SBA to confirm the information provided in SBA's October letter to participants. The IRS attorney explained that matters are escalated to her once they file some sort of petition with the court. The petition costs around \$60 and no one should be required to appear in court in person. She emphasized that it is very important for participants to continue responding to the IRS but she could not provide SBA any additional information about the process in general.

**PALM TRAN ATU LOCAL 1577 PENSION PLAN  
MINUTES OF QUARTERLY MEETING HELD SEPTEMBER 2, 2021**

There was discussion around options for resolving this issue for the affected retirees.

**Ms. Master made a motion to authorize Ms. Jensen and her law firm to use their discretion to resolve the 2018 IRS reporting issue for all of the affected retirees either individually or collectively with a starting budget of \$25,000, seconded by Mr. Rodriguez, approved by the Trustees 3-0.**

Mr. Mattingly requested Ms. Jensen report back to the Board at their December meeting regarding progress on this issue.

**Ms. Master made a motion to reimburse participants immediately upon providing documentation of direct expenses incurred related to this issue, seconded by Mr. Rodriguez, approved by the Trustees 3-0.**

Mr. Sugarman recommended that the Board not sign the engagement letter with auditor Cherry Bekaert until he and Ms. Jensen are able to negotiate better terms.

Mr. Sugarman reported that former plan participant Andrea Smith had requested more time to appeal the denial of her disability application. Mr. Sugarman recommended the Board allow her until 9/30/2021 to file an appeal.

**Ms. Master made a motion to extend the time for Ms. Smith's appeal to 9/30/2021 and to notify Ms. Smith immediately, seconded by Mr. Rodriguez, approved by the Trustees 3-0.**

Mr. Sugarman reported that the 2nd Circuit Court of Appeals in the Grupo case denied the writ of mandamus and that the motion of serve as lead plaintiff in the Credit Acceptance case was denied because another applicant had a larger monetary loss.

ADMINISTRATOR REPORT: MARY SHAH

Ms. Atli presented retirements in progress to the Board. Mr. Mattingly asked how long it takes for a retiree to receive their final benefit amount. Ms. Atli explained that the standard timing for an estimated payment is 4 to 6 weeks after someone's last day of work and that the final benefit amount is generally paid 3 to 6 months after last day of work depending on how long a retiree takes to return their benefit election form.

Ms. Atli reported to the Board on an issue that was raised at the June meeting, that of trying to identify people in advance of retirement who will need their employment history researched in order to calculate their pension benefit. Ms. Atli reported that SBA worked with Mr. Little on how to roughly identify this group of participants. SBA reviewed all active employees who had less than 1,000 hours in a calendar year and then reviewed the adjacent anniversary years for those people. This resulted in about 17 people who will need gaps in employment researched prior to a retirement calculation being able to be completed. Ms. Atli asked for how the Board would like to proceed on this issue. The Board recommended prioritizing this list in order of those participants closest to retirement and to provide the list to HR to begin researching these gaps in employment history.

Ms. Shah reported that the fiduciary liability insurance policy quote was lower than the current premium.

**PALM TRAN ATU LOCAL 1577 PENSION PLAN  
MINUTES OF QUARTERLY MEETING HELD SEPTEMBER 2, 2021**

**Ms. Master made a motion to approve the renewal of the fiduciary liability insurance policy, seconded by Mr. Rodriguez, approved by the Trustees 3-0.**

Ms. Shah informed the Board that the commercial crime insurance policy is renewed every 3 years and that the quote for the renewal is \$1,130 up from the current premium of \$1,099.

Ms. Shah reported that the general liability insurance policy had been renewed in the spring.

**Ms. Master made a motion to approve the renewal of the commercial crime insurance policy, seconded by Mr. Rodriguez, approved by the Trustees 3-0.**

Ms. Shah reported that Cherry Bekaert's audit services renewal is \$17,650 up from the current \$17,400.

**Ms. Master made a motion to authorize Chairman Mattingly to sign the engagement letter with Cherry Bekaert after the attorneys renegotiate the terms of the agreement, seconded by Mr. Rodriguez, approved by the Trustees 3-0.**

Ms. Shah presented the Salem Trust claims report which showed zero unique claims filed in Q2 2021. The Board requested that Ms. Shah ask Salem Trust to provide a report of proceeds from claims in addition to the number of claims filed.

PLAN FINANCIALS

**Ms. Master made a motion to receive and file the Interim Financials, Mr. Rodriguez seconded, approved by the Trustees 3-0.**

**Ms. Master made a motion to ratify the Warrants dated September 2, 2021, seconded by Mr. Rodriguez, approved by the Trustees 3-0.**

**Ms. Master made a motion to accept the Benefit Approvals dated September 2, 2021, seconded by Mr. Rodriguez, approved by the Trustees 3-0.**

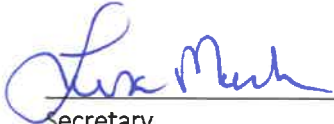
BOARD COMMENTS

Mr. Mattingly informed the Board that FPPTA is providing a live Fall Trustee School in October in Jacksonville and that there is potential for a virtual option as well. He shared that there will be an interesting presentation about educating policy makers about defined benefit plans. He encouraged everyone to keep up with their CPUs and reminded everyone that there are education options outside of FPPTA as well, for example the IFEBP conference in October in Colorado.

PALM TRAN ATU LOCAL 1577 PENSION PLAN  
MINUTES OF QUARTERLY MEETING HELD SEPTEMBER 2, 2021

ADJOURNMENT

There being no further business and the next Quarterly Meeting being scheduled for Thursday, December 2<sup>nd</sup>, Mr. Rodriguez made a motion to adjourn the Meeting at 11:39 AM, seconded by Ms. Master, and approved by the Trustees 3-0.

  
\_\_\_\_\_  
Secretary

12/2/2021  
\_\_\_\_\_  
Date