



RESOLUTION NO. 2020-07-15-044

ADOPTION OF THE REVISED LANE TRANSIT DISTRICT ("LTD") AMALGAMATED TRANSIT UNION ("ATU") LOCAL 757 PENSION FUNDING POLICY

WHEREAS, the ATU, Local No. 757 Pension Trust ("Trust") is a tax-exempt trust that holds assets and funds benefits under a single employer defined benefit plan of the same name;

WHEREAS, the assets of the Pension Plan ("Plan") are held for the exclusive benefit of participants and beneficiaries under the terms of the retirement plan established pursuant to collective bargaining agreements between LTD and Division 757 of the ATU (AFL-CIO) (ATU Division 757) and cannot be used to pay any benefits or expenses of any other retirement plan or trust;

WHEREAS, LTD's adopted Fiscal Year 2020-2021 ("FY21") Budget includes funding for the Trust, which the LTD Board of Directors ("Board") authorized;

WHEREAS, the FY2019-2020 budgeted Plan contribution rate was \$5.69 per hour worked;

WHEREAS, on May 13, 2020, Milliman provided a preliminary actuarial valuation for the Plan;

WHEREAS, the valuation recommended a contribution funding level of \$3.16 per hour plus an annual payment of \$1,927,006 for FY2020-2021 and \$3.25 plus an annual payment of \$1,984,816 for Fiscal Year 2021-2022, which assumes an investment return rate of 5.75%;

WHEREAS, the actuary's investment return assumption and associated contribution rate was passed unanimously by the pension plan trustees at the May 13, 2020, pension trustee meeting;

WHEREAS, the contribution rate that was passed by the trustees and included in the LTD Board adopted FY2020-2021 Budget, has an estimated increase to the LTD budgeted expenditures of \$407,606 for FY2020-2021;

WHEREAS, as of January 1, 2020, the Plan's liabilities exceed the Plan's assets by \$16.5 million, which is a 67.7% funded status;

WHEREAS, the actuarial value of the assets were \$31.9 million with a plan to be fully funded by fiscal year 2040;

WHEREAS, the CARES Act was approved on March 27, 2020, and provides \$25 billion in Federal assistance to support the transit industry;

WHEREAS, of the \$25 billion CARES Act, LTD is eligible for \$25 million;

WHEREAS, the CARES Act funding can be used for net operating expenses and revenue losses incurred as a result of COVID 19, including the operating cost to fund the additional \$407,606 increase in contribution to gain back a fraction of asset value lost as a result of the COVID 19 pandemic; and,

WHEREAS, the role of Chief Financial Officer has been replaced in the document with Executive Officer of the Pension Trust Committee.

NOW, THEREFORE, BE IT RESOLVED that the Lane Transit District Board of Directors, approves a resolution as follows:

- Approving the revised ATU Local 757 Pension Funding Policy.

ADOPTED BY THE LANE TRANSIT DISTRICT BOARD OF DIRECTORS ON THIS 15TH DAY OF JULY 2020.


Carl Yeh (Oct 1, 2020 08:58 PDT)

Board President, Carl Yeh

19-Resolution Revised LTD ATU Local 757 Pension Funding Policy 2

Final Audit Report

2020-10-01

Created:	2020-10-01
By:	Cheryl Munkus (cheryl.munkus@ltd.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAK8qxly4gwGFmyq0NwU7swAldEWo_nnlID

"19-Resolution Revised LTD ATU Local 757 Pension Funding Policy 2" History

 Document created by Cheryl Munkus (cheryl.munkus@ltd.org)

2020-10-01 - 3:12:42 PM GMT- IP address: 73.96.196.86

 Document emailed to Carl Yeh (carl.yeh@ltd.org) for signature

2020-10-01 - 3:13:09 PM GMT

 Email viewed by Carl Yeh (carl.yeh@ltd.org)

2020-10-01 - 3:57:33 PM GMT- IP address: 63.155.96.49

 Document e-signed by Carl Yeh (carl.yeh@ltd.org)

Signature Date: 2020-10-01 - 3:58:13 PM GMT - Time Source: server- IP address: 63.155.96.49

 Agreement completed.

2020-10-01 - 3:58:13 PM GMT



POWERED BY
Adobe Sign