

**Date:** March 22, 2017  
**To:** Board of Directors  
**From:** Neil McFarlane 

**Subject: RESOLUTION 17-03-18 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) UPDATING TRUSTEES TO TRIMET'S RETIREMENT TRUST FOR MANAGEMENT AND STAFF EMPLOYEES**

**1. Purpose of Item**

This Resolution updates the membership of the Board of Trustees of the Successor Trust Agreement for TriMet's Retirement Trust for Management and Staff Employees (Management Retirement Trust) to reflect staffing changes.

**2. Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other: Resolution updating Trustees of TriMet's Successor Trust Agreement for TriMet's Management Retirement Trust

**3. Reason for Board Action**

The TriMet Board has the authority to appoint the Board of Trustees of the Management Retirement Trust. Due to staffing changes, it is necessary to amend the current Board of Trustees of the Management Retirement Trust.

**4. Type of Action**

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading
- Other \_\_\_\_\_

**5. Background**

The Management Retirement Trust contains assets of an employee retirement benefit plan held by TriMet in a trustee capacity. The plan covers all TriMet non-union employees hired before April 27, 2003. As of June 30, 2016, Total Retirement Trust assets were approximately \$114.9 million, and TriMet's FY2016 contribution to the Retirement Trust was approximately \$7.0 million, which meets the adopted pension funding policy in TriMet's Strategic Financial Plan (SFP) Guidelines.

The Management Retirement Trust Agreement provides for a Board of Trustees to oversee the Management Retirement Trust.

In 2011, the Board provided that those holding the positions of General Counsel and Executive Director of Finance and Administration shall automatically become members of the Management Retirement Trust Board of Trustees. In addition, Lori Baker, then TriMet's Director of Financial Services, and Dave Auxier, a retiree, were individually named as trustees.

Lori Baker has resigned from TriMet. This resolution will remove her as an individually named trustee and provide that the person serving in the position of Director of Financial Services shall automatically become a member of the Management Retirement Board of Trustees. There is no change to Mr. Auxier's status as an individually named trustee.

#### **6. Impact if Not Approved**

This resolution updates the Board of Trustees of the Management Retirement Trust. No other changes are made to the plan or the Trust Agreement. If these changes are not made, the governance of the Trust will not include the Director of Financial Services.

**RESOLUTION 17-03-18**

**RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) UPDATING TRUSTEES TO TRIMET'S RETIREMENT TRUST FOR MANAGEMENT AND STAFF EMPLOYEES**

**WHEREAS**, TriMet has established and maintains the TriMet Retirement Trust for Management and Staff Employees (Retirement Trust), and the Retirement Trust is currently documented in the Successor Trust Agreement dated December 1, 2010, as amended by Resolution 11-09-62; and

**WHEREAS**, the Retirement Trust is the funding vehicle for the TriMet Defined Benefit Retirement Plan for Management and Staff Employees, a qualified retirement plan under the Internal Revenue Code of 1986, as amended; and

**WHEREAS**, the Successor Trust Agreement provides for a Board of Trustees; and

**WHEREAS**, Section 3.1 of the Successor Trust Agreement as amended provides that the Board of Trustees shall consist of the General Counsel, Executive Director of Finance and Administration, and Trustees appointed by the TriMet Board of Directors (Board) from time to time; and

**WHEREAS**, the Board previously appointed Lori Baker and Dave Auxier to serve on the Board of Trustees; and

**WHEREAS**, Lori Baker tendered her resignation from TriMet effective November 3, 2016; and

**WHEREAS**, Dave Auxier remains as an appointed Trustee; and

**WHEREAS**, the Board determines it to be in the best interests of TriMet to amend the Successor Trust Agreement to provide that TriMet employee holding the positions of Director of Financial Services shall automatically become a member of the Board of Trustees;

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Successor Trust Agreement is amended as follows:
  - (a) Lori Baker's name is removed as a Trustee effective November 4, 2016, in the Successor Trust Agreement;
  - (b) Section 3.1 of the Successor Trust Agreement is replaced with the following, effective March 22, 2017: "The Board of Trustees shall consist of TriMet's General Counsel, TriMet's Executive Director of Finance and Administration, TriMet's Director of Financial Services, and such other Trustees as TriMet's Board of Directors may appoint from time to time."

2. That the General Manager is authorized to execute any and all documents necessary to carry out this Resolution.

Dated: March 22, 2017

\_\_\_\_\_  
Presiding Officer

Attest:

\_\_\_\_\_  
Recording Secretary

Approved as to Legal Sufficiency:

  
\_\_\_\_\_  
Legal Department