



Date of Memo: January 05, 2024  
Current Meeting: January 18, 2024  
Board Meeting: January 25, 2024

**BOARD MEMORANDUM**

**TO:** Indianapolis Public Transportation Corporation (IPTC) Board of Directors  
**THROUGH:** Interim President/CEO Jennifer Pyrz  
**FROM:** Deputy Chief Legal Officer Sean Wooding  
**SUBJECT:** Consideration and Approval of Successor Pension Plan and 401A Plan Agreement with the Amalgamated Transit Union, Local 1070.

---

**ACTION ITEM A – 5**

**RECOMMENDATION:**

We, the IPTC staff, request that the Board authorize the Interim President/CEO to enter a five-year agreement with the Amalgamated Transit Union, Local 1070 (“ATU, Local 1070”) for a successor pension plan and 401A plan agreement for the period of January 1, 2024, through December 31, 2028, which includes an annual funding contribution of \$225,000 and other funding mechanisms.

**BACKGROUND:**

By way of background, in April 2023, IPTC exercised the option to initiate negotiations with ATU, Local 1070, representing all employees covered under the pension plan and 401A plan agreement. On April 27, 2023, the parties held their first negotiating session and since that first session, over a dozen bargaining sessions were held between the parties. At the first session, the parties agreed to negotiating ground rules which set forth obligations for both parties to bargain in good faith, memorialize tentative agreements, and exercise decorum at negotiations. Over the course of the negotiations, both parties submitted proposals. On December 20, 2023, the parties submitted the agreed upon proposal to the Pension Committee where it was approved. The Pension Plan have been in effect since January 1998, and has regularly been updated and amended. In 2020 an agreement was unable to be met and the parties went to arbitration. This is an amendment and extension of that arbitration award.

**DISCUSSION:**

ATU, Local 1070 represents over approximately five hundred (500) employees, both Union and non-union. IPTC and the ATU, Local 1070 negotiated and reached a resolution on funding and plan language for a successor pension plan agreement for the period of January 1, 2024, through December 31, 2028. Below are the agreed upon changes submitted for authorization:

- Effective 7/1/2024, and going forward, if the Pension Plan’s Funded Ratio on the prior January 1 valuation date meets or exceeds 110%, then effective July 1, all retirement benefits shall be increased by an amount that would result in a Funded Ratio of 100% as of the prior January 1 valuation date. All calculations shall be performed by the Pension Plan’s actuary. An increase to the retirement benefits will occur each July 1 after the Pension Plan’s Funded Ratio meets or exceeds 110% on a January 1 valuation date. If retirement benefits are restored to 100%, then there will be no additional increases.
- Effective 7/1/2024, if the Pension Plan’s Funded Ratio in any year is less than 90%, then the Employer Contribution made on behalf of all Union Employees in the 401A Plan will be reduced by 0.5% as of the July 1 following the date that the Pension Plan’s actuarial valuation indicates a Funded Ratio of less than 90% and the 0.5% will be restored if the Funded Ratio in any year meets or exceeds 110%.

- No later than 7/1/2023, and each July 1 thereafter through 2028, the Corporation shall make additional annual contributions to the Pension Plan of \$225,000.
- The Pension Plan and the 401A Plan shall be effective until 12/31/2028.

**ALTERNATIVES:**

The Board could choose to reject the agreement with ATU, Local 1070 which would require the parties to return to the negotiations or invoke arbitration, which is an arduous and costly exercise.

**FISCAL IMPACT:**

The total cost of funding the successor pension plan agreement with ATU, Local 1070 is projected to be approximately \$225,000 per year, as well as other minimal economic costs.

**DBE/XBE DECLARATION:**

Not applicable.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

This action will be reviewed by the Finance Committee on January 18, 2024 and is recommended to be placed on the Regular Agenda.