RETIREMENT PLAN FOR SALARIED EMPLOYEES OF LONG BEACH PUBLIC TRANSPORTATION COMPANY

Actuarial Valuation as of July 1, 2017

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November 2017

November 9, 2017

Pension Committee
Retirement Plan for Salaried Employees of
Long Beach Public Transportation Company

Dear Pension Committee:

We are pleased to present our actuarial valuation report for the Retirement Plan for Salaried Employees of Long Beach Public Transportation Company as of July 1, 2017. The information in this report provides the means by which we determine the funding requirements for the Plan. The actuarial report serves three main purposes:

- Determine the annual funding levels under the Plan's adopted funding policy and alternative funding levels.
- Determine how the required funding changed from the prior year using what is called an "experience analysis."
- Determine other information pertinent to understanding the Plan's funded status.

Compared to the prior year, the Plan's funding cost for the Plan Year commencing July 1, 2017 decreased from 29.846% of pay to 27.093% of pay as follows:

• July 1, 2016 funding cost	29.846%
• Plan experience	(1.307%)
• Supplemental Contributions	(3.005%)
• Change in Expense Assumption	1.559%
• July 1, 2017 funding cost	27.093%

We look forward to discussing our report with you.

Very truly yours,

David W. Venuti
President

SECTION 1

Valuation Results

SECTION 2

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Supplemental Information

Summary Information

The following presents some of the important results of the actuarial valuation and compares this information with the prior year.

	July 1, 2017	July 1, 2016	Change
Number of Participants			
Actives			
Vested	92	99	(7)
Non-Vested	0	0	0
Total	92	99	(7)
Inactive Vested	11	12	(1)
In pay status			
Retirees	25	28	(3)
Disabled	4	4	0
Beneficiaries	4	6	(2)
Total	33	38	(5)
Total Participants	136	149	(13)

Summary Information (continued)

	July 1, 2017	July 1, 2016	Change
Normal Cost for all benefits for fiscal year	$1,194,255	$1,385,038	($190,783)
Contribution for the fiscal year under the Company's Funding policy (assuming it is paid uniformly throughout the year)			
Annual amount	$1,405,306	$1,797,648	($392,342)
Percent of covered compensation	27.093%	29.846%	(2.753%)
Expected employee contributions [1]	$259,344	$301,156	($41,812)
Expected employer contributions [1]	$1,145,962	$1,496,492	($350,530)
Entry Age Normal Accrued Liability	$29,527,880	$29,966,438	($438,558)
Funded Percentage	85.45%	76.01%	9.44%
Market Value of Plan Assets	$25,232,880	$22,777,566	$2,455,314
Frozen Initial Liability Remaining Unfunded [2]	$1,230,708	$2,816,346	($1,585,638)

[1] 2017 employee contribution is 5.00% of compensation. 2017 employer contribution is 22.093% of compensation. Total change in expected employer contributions from 2016 is a decrease of $350,530 $258,303

[2] The frozen initial liability remaining unfunded is due to the interest rate assumption change from 7.50% to 6.00% as of July 1, 2016.

Annual Funding

The Plan sponsor has adopted the frozen initial liability method as its actuarial cost method, with costs allocated as a level percentage of future compensation. This funding method is described below.

Each year the present value of future benefits is determined by projecting the expected benefit payments in all future years for current employees and participants in pay status as of the valuation date. This projection is done by applying the actuarial assumptions to the current plan population. The current value of those future expected benefit payments is calculated using the assumed discount rate to arrive at the present value of future benefits (PVFB).

A portion of the PVFB has already been funded through previous contributions and investment return, reduced by previous benefit payments and expenses. This represents the current value of assets held by the Plan.

The portion of the PVFB not currently covered by Plan assets must come from future employer and employee contributions (offset by future plan investment and operational expenses). The total plan contributions are determined through the combination of an actuarial cost method and a funding policy. The funding policy is to contribute each year the normal cost, plus an amount sufficient to amortize the unfunded liability as of July 1, 2007 over a period of 30 years.

As of July 1, 2007, the Plan's actuary determined what the Plan's assets would have been if (1) the Plan benefits had always been the same as they were then, (2) the Plan's actuarial assumptions had always been met, and (3) contributions had always been an amount sufficient to fund the Plan benefits as a level percent of compensation from each employee's Plan entry date. This amount is known as the entry age normal accrued liability, and it was established as the frozen initial liability. The difference between the frozen initial liability as of July 1, 2007 and the Plan assets as of July 1, 2007 was established as the unfunded liability as of July 1, 2007. The funding policy adopted was to amortize this unfunded liability over a period of 30 years. Effective June 30, 2013, the original frozen initial liability was fully amortized. Changes in assumptions or the terms of the Plan are amortized over a period of 30 years beginning at the effective date of the change.

To reflect expected future asset returns the interest rate assumption was lowered from 8.00% to 7.50% effective July 1, 2007.

The additional liability created by the change in actuarial assumptions effective July 1, 2013 was fully amortized by supplemental contributions effective June 30, 2015.

Based on a reassessment of future returns, effective July 1, 2016 the interest rate assumption was lowered from 7.50% to 6.00% which lead to $2,816,346 in additional liability. The amortization period for additional liability due to assumption or plan changes was changed from 30 years to 10 years.

Effective July 1, 2017, the administrative expense assumption changed from $125,000 per year to actual administrative expenses for the prior year. For 2017, the assumed administrative expense amount is $203,559. As a result, the annual contribution increased by $80,881

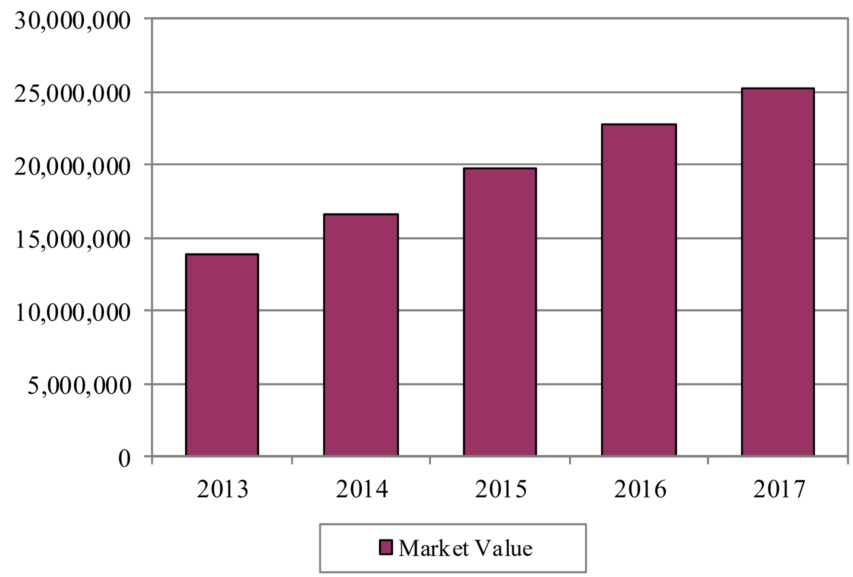
Annual Funding (continued)

Assets

Assets at June 30, 2017

Equity Mutual Funds	$ 17,367,004
Bond Mutual Funds	2,156,854
Corporate Bonds	4,178,052
Government Bonds	751,634
Real Estate Equity Funds	11,280
Cash	689,280
Contributions Receivable	78,776
Asset Transfer Receivable	0
Assets at Market Value	**$25,232,880**

Asset Values (June 30)

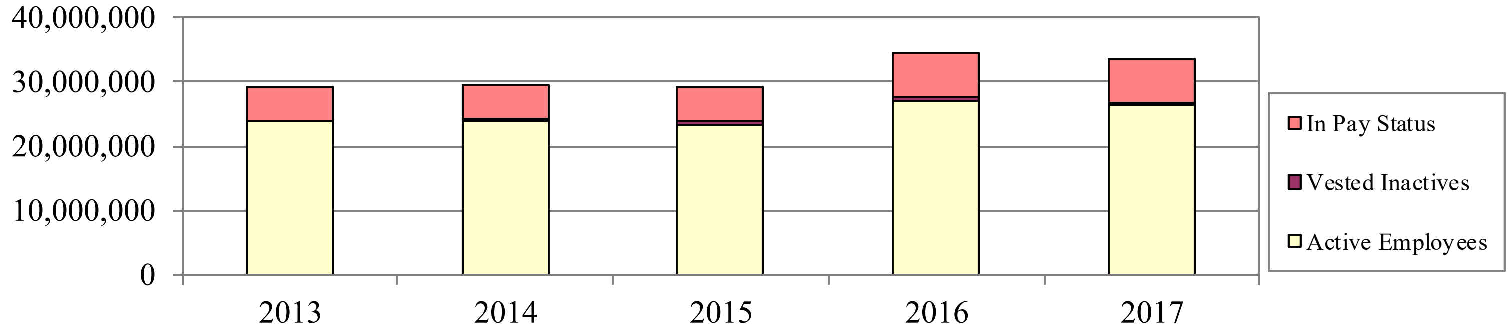


Annual Funding (continued)

Present Value of Future Benefits

In Pay Status[1]	$6,589,817
Vested Inactives	580,127
Active Employees	26,264,715
Present Value of Future Benefits[2]	$33,434,659

Present Value of Future Benefits



[1] Retirees, disabled retirees and beneficiaries currently receiving payments.
[2] Decreased $1.15M from 2016 due to plan experience.

Frozen Initial Accrued Liability Remaining Unfunded at July 1, 2017

1. Frozen Initial Liability remaining unfunded July 1, 2016	$2,816,346
2. Normal Cost as of July 1, 2016	1,385,038
3. Interest on (1) and (2) to June 30, 2017 at 6.0%	252,083
4. Employer contributions for the 2016/2017 Plan year	2,790,134
5. Interest on (4) to June 30, 2017 at 6.0%	82,485
6. Employee contributions for the 2016/2017 Plan year	340,086
7. Interest on (6) to June 30, 2017 at 6.0%	10,054
8. Increase due to assumption changes	0
9. Total FIL remaining unfunded as of July 1, 2017, = (1) + (2) + (3) – (4) – (5) – (6) – (7), not less than $0 + (8)	1,230,708

Determination of Total Normal Cost

1. Present Value of Future Benefits	
A. Active Participants	$26,264,715
B. Terminated participants with Deferred Vested Benefits	580,127
C. In Pay Status	6,589,817
D. Total	$33,434,659
2. Plan Assets	25,232,880
3. Frozen initial accrued liability remaining unfunded	1,230,708
4. Present value of future normal costs = (1) - (2) - (3)	6,971,071
5. Present value of future salaries	36,505,649
6. Normal cost accrual rate = (4) / (5)	19.10%
7. Valuation compensation	5,186,888
8. Preliminary normal cost = (6) x (7)	990,696
9. Aministrative Expenses	203,559
10. Total normal cost = (8) + (9)	$1,194,255
11. Total normal cost accrual rate = (10) / (7)	23.02%

Determination of Contribution

Funding Policy

We understand that it is the Company's policy to fund the normal cost plus an amount sufficient to amortize the unfunded accrued liability over 30 years from July 1, 2007. Effective July 1, 2016, changes in unfunded accrued liability are amortized over 10 years. The contribution is made uniformly throughout the year.

	Funding Policy
1 Total normal cost for Plan year	$1,194,255
2 Amortization of unfunded accrued liability:	
A. Initial unfunded remaining	0
B. Amortization period remaining (in years)	0
C. Amortization amount	0
D. Additional unfunded from interest rate change	1,230,708
E. Amortization period	9
F. Amortization amount	170,699
3 Interest required for monthly contributions	$40,352
4 Total annual contribution payable monthly = (1) + (2C) + (2F) + (3)	$1,405,306
5 Contribution as a percentage of compensation	27.093%

The contributions shown are the total required to meet the Company's Funding Policy.

Actuarial Experience

A plan's actuarial liability is simply an estimate of the amount of funds required to pay benefits as they come due in the future. This estimate is based on assumptions about future events that impact the plan's funded status; events such as investment earnings on plan assets, how long retirees live, and the probability of an active member remaining in covered employment, among others. Each year the plan's funded status changes due to actual experience different from that anticipated by the actuarial assumptions. This difference is referred to as "actuarial experience."

There are two types of actuarial experience. "Actuarial gains" are generated when experience is more favorable than expected. Actuarial gains serve to improve the funded status of the plan. "Actuarial losses" occur when experience is less favorable than expected. Actuarial losses serve to lessen the funded status of the plan.

Actuarial experience is measured by performing an experience analysis. This analysis is important for two reasons. First, it tells the Plan Sponsor how and why the funded status changed from the prior year. Second, it allows the actuary to monitor whether the assumptions continue to be appropriate for valuing plan liabilities. Differences in actual experience compared to assumed are expected. However, a recurring trend of gains or losses from a particular assumption could indicate that the assumption should be modified.

We have noted that actual administrative expenses have exceeded the assumption. Effective July 1, 2017, the administrative expense assumption was changed from $125,000 per year to the actual administrative expenses from the prior year.

Certification

This is to certify that our valuation of the Plan as of July 1, 2017 has been performed in accordance with generally accepted actuarial principles and practices. In preparing this report, we have relied on financial information contained in unaudited financial statements and on participant census information supplied by the Plan sponsor. We did not audit the participant census information. However, we reviewed the data for reasonableness and internal consistency and found no reason to doubt its substantial accuracy.

To the best of our knowledge, the information supplied in this report is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In our opinion each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer our best estimate of anticipated experience under the plan.

We understand that the actuarial assumptions are selected by the Plan sponsor, Long Beach Public Transportation Company. During the last ten plan years, historical rates of return have averaged 3.64% while rates of return averaged 5.70% over the last five plan years. Effective July 1, 2016 the investment return assumption has been lowered from 7.50% per annum to 6.00% per annum to better reflect past experience as well as future expected returns and the amortization period for additional liability due to assumption or plan changes was changed from 30 years to 10 years.

To better reflect actual and expected administrative expenses, the assumption for administrative expenses was changed from $125,000 per year to the actual administrative expenses for the prior year.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan’s funded status); and changes in Plan provisions or applicable law. Due to the nature of this assignment, we did not perform an analysis of the potential range of such measurements.

SECTION 2: COMMENTS AND CERTIFICATION

Certification (continued)

This report has been prepared exclusively for the Retirement Plan for Salaried Employees of Long Beach Public Transportation Company for the purposes stated herein.

To the best of our knowledge, the information supplied in this report is complete and accurate.

We, Nancy Teague Lee and David W. Venuti, are members of the American Academy of Actuaries and meet the Qualifications of the American Academy of Actuaries to render the actuarial opinions contained herein.

Nancy Teague Lee

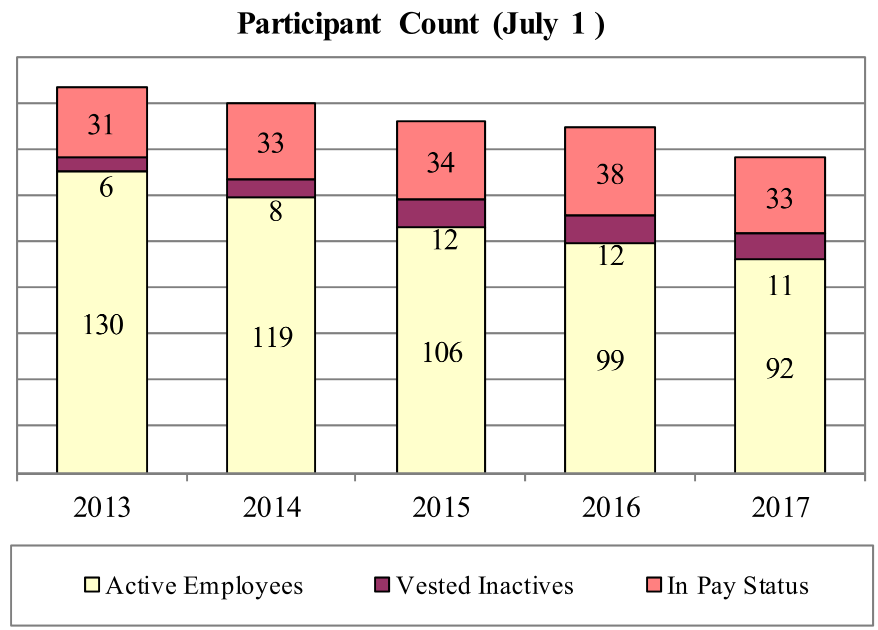
____________________________ A.C.A., M.A.A.A
Nancy Teague Lee
Consulting Actuary
Enrolled Actuary No. 17-07500

____________________________ F.C.A., M.A.A.A
David W. Venuti
President and Actuary
Enrolled Actuary No. 17-03959

Supplemental Information

Participant Reconciliation

Active at June 30, 2016	99
Non-Vested Termination	0
Vested Termination	(1)
Retired Monthly	(1)
Transferred to Contract Plan	0
Transferred from Contract Plan	1
Occupational Disability	0
Lump Sum Distribution	(6)
Return of Employee Contributions	0
New Actives	0
Disabled Retirement	0
Died	0
Active at June 30, 2017	92
Vested Inactive June 30, 2016	12
Vested Terminations	1
Data Correction	1
Retired Monthly	0
Deceased	0
Lump Sum Distribution	(3)
Vested Inactive June 30, 2017	11
In Pay Status at June 30, 2016	38
New Retiree	1
New Beneficiary	0
New Occupational Disabled	0
Data Correction	(5)
Deceased	(1)
In Pay Status at June 30, 2017	33



Active Participant Data

Years of Credited Service

	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		Total	
Attained		Avg.		Avg.		Avg.		Avg.		Avg.		Avg.		Avg.		Avg.		Avg.
Age	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	6	60,937	1	72,210	0	0	0	0	0	0	0	0	7	62,548
35 to 39	0	0	0	0	1	57,587	3	60,899	2	70,044	0	0	0	0	0	0	6	63,396
40 to 44	0	0	0	0	1	77,145	7	54,587	3	72,215	4	69,908	0	0	0	0	15	63,702
45 to 49	0	0	0	0	0	0	4	59,456	5	53,709	3	50,405	2	64,394	0	0	14	56,170
50 to 54	0	0	0	0	3	68,239	1	77,733	5	92,631	5	77,325	3	68,130	1	76,596	18	78,512
55 to 59	0	0	0	0	4	68,378	4	63,508	1	140,951	2	85,390	1	65,167	3	76,372	15	75,571
60 to 64	0	0	0	0	3	61,614	2	89,106	2	77,458	3	81,403	2	50,465	0	0	12	71,926
65 to 69	0	0	0	0	1	70,493	0	0	1	166,591	1	45,513	0	0	0	0	3	94,199
70 & up	0	0	0	0	0	0	1	77,255	1	73,973	0	0	0	0	0	0	2	75,614
Total	0	0	0	0	19	64,943	23	63,568	20	81,243	18	70,999	8	62,409	4	76,428	92	69,607

Average Age: 50.58 years
Average Credited Service: 16.67 years

Vested Inactive Data

Monthly Accrued Benefit	Number
Under $100	0
100 to 199	1
200 to 299	0
300 to 399	0
400 to 499	1
500 to 599	0
600 to 699	4
700 to 799	0
800 to 899	1
900 to 999	1
1,000 to 1,099	0
1,100 to 1,199	0
1,200 to 1,299	1
1,300 to 1,399	1
1,400 to 1,499	1
1,500 to 1,599	0
1,600 to 1,699	0
1,700 or more	0
Total	11

Average Monthly Accrued Benefit $827.60

Age	Number
Under 30	0
30 to 34	0
35 to 39	2
40 to 44	1
45 to 49	3
50 to 54	1
55 to 59	3
60 to 64	1
65 or over	0
Total	11

Average Age 50.68 years

SECTION 3: SUPPLEMENTAL INFORMATION

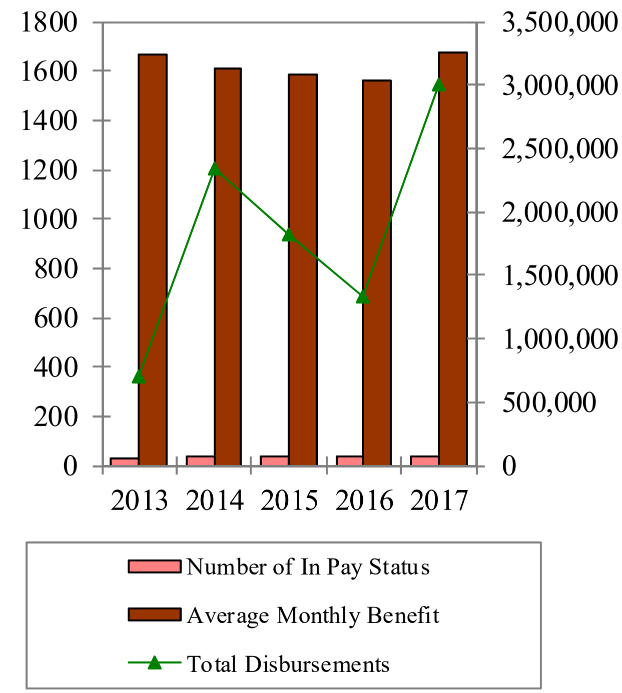
Retiree Data

Monthly Benefit [1]	Number
Under $100	0
100 to 199	0
200 to 299	0
300 to 399	0
400 to 499	0
500 to 599	3
600 to 699	2
700 to 799	3
800 to 899	2
900 to 999	0
1,000 to 1,099	3
1,100 to 1,199	2
1,200 to 1,299	0
1,300 to 1,399	2
1,400 to 1,499	0
1,500 to 1,599	0
1,600 to 1,699	0
1,700 to 1,799	2
1,800 to 1,899	1
1,900 to 1,999	1
2,000 or over	8
Total	29

Ave. Mo. Benefit: $1,673.70
New Retirees: $1,150.44

Age [1]	Number
Under 55	1
55 to 59	3
60 to 64	5
65 to 69	7
70 to 74	8
75 to 79	2
80 to 84	3
85 to 89	0
90 or over	0
Total	29

Average Age: 68.51 years
New Retirees: 71.46 years



[1] Data excludes 4 beneficiaries who are included in the plan's liabilities.

Asset Information

Market Value of Assets at July 1, 2016		**$22,777,566**
Employer Contributions		$2,790,134
Employee Contributions		$340,086
Net Investment Income		
Interest	$165,715	
Dividends	609,023	
Unrealized Gain (Loss)	1,288,951	
Realized Gain (Loss)	206,576	
Other investment revenue	7,272	
Net Investment Income		$2,277,537
Benefit Payments		($3,003,925)
Direct administrative costs		(61,873)
Other administrative costs		(141,686)
Net Asset Transfers Between Contract Plan		255,041
Market Value of Assets at June 30, 2017		**$25,232,880**

Present Value of Accumulated Plan Benefits

Reconciliation of Actuarial Present Value of Accumulated Plan Benefits

Actuarial Present Value of Accumulated Plan Benefits at June 30, 2016		$24,794,691
Benefits Accumulated and Actuarial Experience During the Year	$1,760,264	
Increase for interest	1,398,876	
Benefits Paid	(3,003,925)	
Change in assumptions	0	
Net Increase/(Decrease)		155,215
Actuarial Present Value of Accumulated Plan Benefits at June 30, 2017		$24,949,906

Actuarial Present Value of Vested and Non-Vested Accumulated Plan Benefits

Vested Benefits		
Participants Currently Receiving Benefits	$6,589,817	
Other participants	16,712,395	
Vested Benefits		$23,302,212
Non-Vested Benefits		1,647,694
Actuarial Present Value of Accumulated Plan Benefits at June 30, 2017		$24,949,906

(1) Value of benefits earned by current participants based on pay and service through the valuation date. Approximation of amount due to participants if the plan terminated as of July 1, 2017 and settled all obligations at 6.00%.

Summary of Plan Provisions

Plan Type: Public Pension Plan.

Plan Effective Date: June 30, 1979.

Plan Year: July 1 – June 30.

Participation: All full-time employees are eligible on their date of employment. The Plan is frozen to new hires and rehires as of April 1, 2011.

Average Monthly Final Earnings (AMFE): 36 month average of compensation out of the last 10 calendar years of employment.

Monthly Normal Retirement Benefit: Years of Service (not to exceed 40 years) times 1.70% of AMFE.

Years of Service: One year of service is granted for each 12 months of consecutive service in which an employee works at least one hour in each month.

Normal Form of Benefit: Lifetime payments to retiree.

Normal Retirement Age: Age 64 with 10 Years of Service.

Early Retirement Age: Age 54 with 10 Years of Service.

Early Retirement Benefit: Accrued benefit reduced 5.0% for each year preceding age 64 (prorated for partial years).

Late Retirement Benefit: A participant retiring after Normal Retirement Age is entitled to a benefit based on years of service and final average pay as of retirement.

70/80 Early Retirement Eligibility: Any age if sum of age and Years of Service is at least 70.

70/80 Early Retirement Benefit: Accrued benefit unreduced if age plus Years of Service is at least 80. If sum is greater than 70 but less than 80 the following reduction table applies:

Sum	Reduction
80 or more	1.000
79	0.937
78	0.879
77	0.825
76	0.776
75	0.730
74	0.688
73	0.648
72	0.612
71	0.578
70	0.546

In-Service Retirement: A participant who has attained Normal Retirement Age or whose sum of age and Years of Service is at least 90 may receive benefits while an active employee. No future benefits will be accrued.

Summary of Plan Provisions (continued)

Vesting: 5 Years of Service.

Break-in-Service: 12 consecutive month period during which an employee does not work at least one hour.

Permanent Break-in-Service: 5 consecutive 1-year breaks-in-service.

Disability Retirement Eligibility: Disabled while an active employee.

Monthly Occupational Disability Benefit: Years of Service at time of disability times 1.70% of AMFE. Minimum disability pension is 17% of AMFE. Benefit is payable immediately.

Total and Permanent Disability Retirement Benefit: Monthly Normal Retirement Benefit based on AMFE and Years of Service as of date of disability. Benefit is payable immediately without reduction for early commencement.

Monthly Pre-Retirement Death Eligibility: Vested or eligible for Early or Normal Retirement and married.

Pre-Retirement Death Benefit: Surviving spouse will receive an annuity equal to 50% of the amount the participant would have received under the 50% joint and survivor form of payment if he/she had terminated on the day before death and survived to early retirement age.

Post-Retirement Death Benefit: Survivor benefit, if any, based on the form of payment in effect at time of death.

Optional Forms of Benefit Payment: 50%, 75%, or 100% joint and survivor annuity, 25% lump sum/75% annuity, period certain installment payments, annuity purchase or lump sum.

Employee Contributions: All employees must contribute 5% of their pre-tax compensation to the Plan. Plan benefits are reduced if a participant chooses to receive a refund of their accumulated contributions.

Return of Employee Contributions: Non-vested participants are entitled to a return of their contributions upon termination from the plan.

Plan Provisions Excluded from Measurement: None.

Changes Since Prior Valuation: None.

Actuarial Method and Assumptions

Actuarial Cost Method: Frozen Initial Liability.

Actuarial Assumptions:

Interest Discount Rate: For funding: 6.00% compounded annually.

Investment Yield: 6.00% compounded annually.

Administrative Expenses: Actual administrative expenses for the prior year are added to the normal cost as of the beginning of the year. For 2017, the administrative expense assumption is $203,559.

Employee Contribution Interest Credit: 5.00% compounded annually.

Salary Increases: 3.00% per year.

Mortality: For funding:

Healthy: IRS 2007 Current Liability Combined table.

Disabled: IRS 2007 Current Liability Combined table.

Actuarial Method and Assumptions (continued)

Termination Before Retirement: Sample rates are shown below:

Age	Turnover Rate
20	7.94%
25	7.72
30	7.22
35	6.28
40	5.15
45	3.98
50	2.56
55	0.94

Retirement: The following rates apply for participants eligible for 70/80 Retirement:

Age	Retirement Rate
50-53	5%
54-55	10
56-57	20
58-59	40
60 and older	100

All other active participants, inactive vested participants, and future inactive vested participants are assumed to retire at age 64 after completion of 10 years of service.

Actuarial Method and Assumptions (continued)

Disability: Sample rates are shown below:

Age	Disability Rate
20	0.01%
25	0.02
30	0.03
35	0.04
40	0.05
45	0.18
50	0.34
55	0.60
60	0.89

Marital Status: 80% of non-retired participants are married. Female spouse is assumed to be three years younger than male spouse.

Form of Payment: 80% of active participants are assumed to elect the lump sum option. The remaining 20% of active participants are assumed to elect the single life annuity. Vested Terminated participants are assumed to elect the single life annuity.

Unknown Data: Participants with unreported data, such as missing birthdates, are assumed to have the same characteristics as similar participants. If not specified, participants are assumed to be male.

Asset Valuation Method: Market value.

Changes Since Prior Valuation: Effective July 1, 2017 the administrative expense assumption changed from $125,000 to per year to the actual administrative expenses for the prior year.

Six-Year Plan Overview

	Plan Year Beginning July 1					
	2017	**2016**	**2015**	**2014**	**2013**	**2012**
Funding Policy Contribution						
Percentage of Covered Compensation	27.093%	29.846%	24.551%	27.518%	28.464%	20.968%
Annual Amount Paid Monthly	$1,405,306	$1,797,648	$1,566,470	$1,905,522	$2,220,360	$1,594,167
Covered Compensation	5,186,888	6,023,124	6,380,468	6,924,729	7,800,712	7,602,881
Market Value of Assets	25,232,880	22,777,566	19,819,218	16,655,211	13,864,092	11,028,003
Present Value of Vested Benefits	23,302,212	22,999,037	19,067,832	19,011,701	18,156,937	13,501,164
Present Value of Accumulated Benefits	24,949,906	24,794,691	20,757,567	20,712,354	19,794,746	14,835,857
Number of Active Participants	92	99	106	119	130	133
Number of Vested Terms	11	12	12	8	6	8
Number of Retirees	33	38	34	33	31	29

Amounts are based on total employer plus employee contributions.

Determination of 2017 Total Normal Cost
Estimated Impact of Interest Rate Assumption Change

	Current 6.00% Interest	5.00% Interest	4.00% Interest
1 Present Value of Future Benefits			
A. Active Participants	26,264,715	28,606,694	31,413,416
B. Terminated participants with Deferred Vested Benefits	580,127	698,896	852,763
C. In Pay Status	6,589,817	7,167,160	7,840,673
D. Total	33,434,659	36,472,750	40,106,852
2 Plan Assets	25,232,880	25,232,880	25,232,880
3 Frozen initial accrued liability remaining unfunded	1,230,708	3,304,278	5,678,600
4 Present value of future normal costs = (1) - (2) - (3)	6,971,071	7,935,592	9,195,372
5 Present value of future salaries	36,505,649	38,395,085	40,495,576
6 Normal cost accrual rate = (4) / (5)	19.10%	20.67%	22.71%
7 Valuation compensation	5,186,888	5,186,888	5,186,888
8 Preliminary normal cost = (6) x (7)	990,696	1,072,130	1,177,942
9 Aministrative Expenses	203,559	203,559	203,559
10 Total normal cost = (8) + (9)	1,194,255	1,275,689	1,381,501
11 Total normal cost accrual rate = (10) / (7)	23.02%	24.59%	26.63%

Determination of 2017 Contribution Under Funding Policy
Estimated Impact of Interest Rate Assumption Change With 10 Year Amortization

	Current 6.00% Interest	5.00% Interest	4.00% Interest
1 Total normal cost for Plan year	1,194,255	1,275,689	1,381,501
2 Amortization of unfunded accrued liability:			
A. Initial unfunded remaining	0	0	0
B. Amortization period remaining (in years)	0	0	0
C. Amortization amount	0	0	0
D. Assumption change at July 1, 2016	1,230,708	1,230,708	1,230,708
E. Amortization period remaining	9	9	9
F. Amortization amount	170,699	164,903	159,155
G. Interest rate change	N/A	2,073,570	4,447,892
H. Amortization period	N/A	10	10
I. Amortization amount	N/A	255,749	527,293
3 Interest required for monthly contributions	40,352	41,891	40,953
4 Total annual contribution payable monthly = (1) + (2C) + (2F) + (2I) + (3)	1,405,306	1,738,232	2,108,902
A. Employer	1,145,962	1,478,888	1,849,558
B. Employee	259,344	259,344	259,344
5 Contribution as a percentage of payroll	27.093%	33.512%	40.658%
A. Employer	22.093%	28.512%	35.658%
B. Employee	5.000%	5.000%	5.000%