Metropolitan Transit Authority Non-Union Pension Plan

January 1, 2024 Actuarial Valuation

Prepared by:

James Tumlinson, Jr.

EA, MAAA

Abby Hirshkowitz

EA, MAAA

Milliman, Inc.
1415 Louisiana Street, Suite 500
Houston, TX 77002

Tel +1 713 658 8451

milliman.com

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January 1, 2024 Actuarial Valuation of the Metropolitan Transit Authority Non-Union Pension Plan

As part of our engagement with Metropolitan Transit Authority of Harris County, Texas (the "Plan Sponsor"), we performed an actuarial valuation of the Metropolitan Transit Authority of Harris County, Texas (METRO) Non-Union Pension Plan (the "Plan") as of January 1, 2024, for the Plan Year ending December 31, 2024. Our findings are set forth in this actuary's report. The valuation results contained in this report are based on the actuarial assumptions and methodology (Appendix A) and principal plan provisions (Appendix B) summarized in the appendices. In addition, Appendix C contains information about the Plan's risks.

Purpose of the Valuation

The main purposes of this report are:

- to provide the Actuarially Determined Contribution for the fiscal year ending September 30, 2024,
- to review the experience under the plan for the valuation year ending December 31, 2024; and
- to assess the funded position of the plan.

Actuarial computations presented in this report are for the purposes of determining the recommended funding amounts for the Plan. The calculations in the enclosed report have been made on a basis consistent with our understanding of the Plan's funding policy. The calculations in this report have been made on a basis consistent with our understanding of the plan provisions described in Appendix B of this report. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

There is substantial uncertainty regarding the impact of the COVID-19 pandemic on projected plan costs. Therefore, for purposes of this report, we have chosen not to make any adjustments to these costs. However, please be aware that the COVID-19 pandemic could have a material cost impact in future valuations.

Funding Objective

The Plan's funding objective is to receive each year the actuarially determined contribution from the Plan Sponsor. Employees do not contribute to the Plan. This funding will allow the Plan to accumulate sufficient assets, generally over the employees' working career, to pay retirement benefits.

Annual contributions from the Plan Sponsor will change due to actuarial assumptions, investment returns and census changes being different from expected.

Meeting the Funding Objective

The Plan is meeting its funding objective as it continues to receive the actuarially determined annual contribution from the Plan sponsor. The Plan Sponsor has made annual contributions amounts that have matched or exceeded the actuarially determined contribution for at least each of the prior 10 plan years. Any decreases in year to year funded status were the result of experience losses and/or changes in assumptions. The funded status of the Plan for the last five years is as follows:

Plan Year	2020	2021	2022	2023	2024
Funded Status	60.5%	62.9%	64.5%	61.1%	62.1%

Actuarial Assumptions

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and the actuarial cost methods were adopted by the Committee and Plan Sponsor on April 8, 2020 as part of the Experience Study and Actuarial Assumptions Review. The Administrative Committee is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been adopted and are described in Appendix A of this report. The Plan is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Plan and are expected to have no significant bias.

Variability of Results

This valuation report is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, 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 modifications to contribution calculations based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements. The Committee and Plan Sponsor have the final decision regarding the selection of the assumptions and actuarial cost methods, and the Committee and Plan Sponsor have adopted them as indicated in Appendix A.

Reliance

In preparing the funding policy report, we relied, without audit, on information (some oral and some in writing) supplied by the Plan Sponsor and the Plan's Trustees. This information includes, but is not limited to, plan documents and provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information inaccurate or incomplete, our results may be different and our calculations may need to be revised.

Limited Distribution

Milliman's work is prepared solely for the use and benefit of the Plan Sponsor. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third-party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third-party signing a release, subject to the following exceptions:

- The Plan Sponsor may provide a copy of Milliman’s work, in its entirety, to the Plan Sponsor's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman’s work for any purpose other than to benefit the Plan.
- The Plan Sponsor may provide a copy of Milliman's work, in its entirety to other governmental entities, as required by law.

No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

Models

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

Qualifications and Certification

The consultants who worked on this assignment are actuaries. Milliman’s advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

We would like to express our appreciation to Metropolitan Transit Authority of Harris County, Texas, and to the members of the staff, who gave substantial assistance in supplying the data on which this report is based.

We respectfully submit this report, and we look forward to discussing it with you.

James Tumlinson, Jr.
Principal and Consulting Actuary
Member, American Academy of Actuaries

Abby Hirshkowitz
Actuary
Member, American Academy of Actuaries

June 7, 2024
Date

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Executive Summary

A. Summary of Key Valuation Results

	Actuarial Valuation for Plan Year Beginning	
	January 1, 2023	January 1, 2024
Participant Data		
Number of Participants		
Active participants	319	298
Terminated vested participants	74	75
Retired participants	333	338
Beneficiaries	65	64
Total Participants	791	775
Total annual prior year compensation	$32,764,850	$33,483,428
Average annual prior year compensation (1)	$102,711	$112,360
Assets		
Fair Value	$177,050,322	$192,913,885
Investment yield in prior year	(14.1%)	9.6%
Actuarial Value	$197,842,214	$207,788,932
Investment yield in prior year	3.7%	5.5%
Actuarial Present Values		
Present Value of Benefits	$342,007,347	$351,650,723
Actuarial Value of Assets	197,842,214	207,788,932
Unfunded Present Value of Benefits	144,165,133	143,861,791
Actuarial Accrued Liability	323,631,602	334,395,643
Actuarial Value of Assets	197,842,214	207,788,932
Unfunded Actuarial Accrued Liability	$125,789,388	$126,606,711
Costs and Contributions		
Normal Cost	$3,426,644	$3,355,116
Past Service Contribution	10,532,244 (2)	10,888,821 (3)
Interest on Contribution	872,431	890,246
Actuarially Determined Contribution as of end of year	$14,831,319	$15,134,183

(1) Includes two suspended active participants not currently earning additional benefits under the Non-Union Pension Plan.

(2) 20 year amortization for 2023.

(3) 19 year amortization for 2024.

B. Purpose of this Report

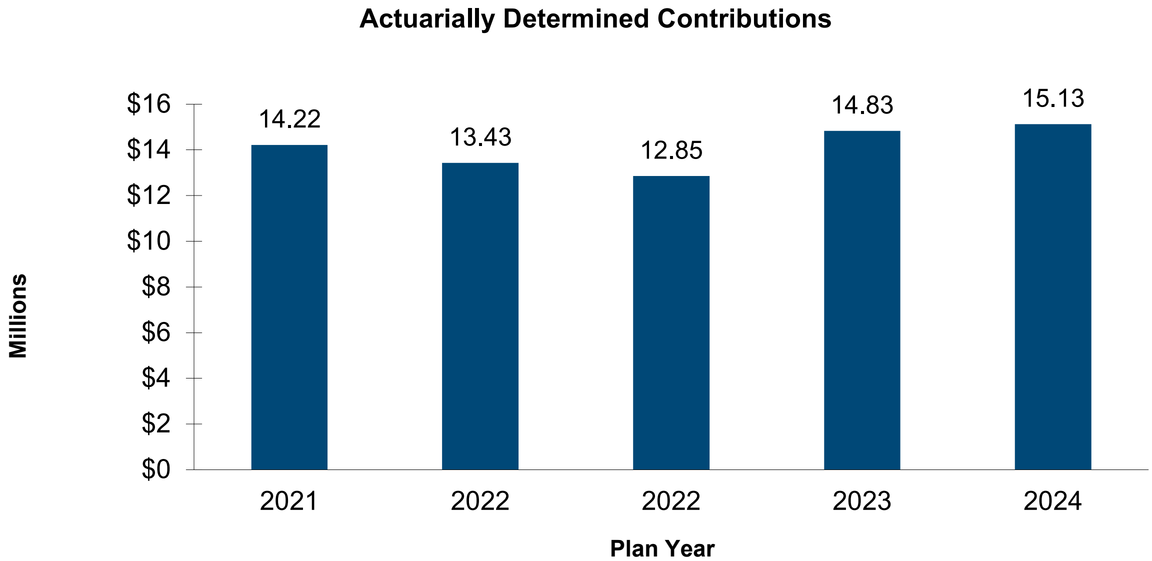
This funding policy report has been prepared for the Metropolitan Transit Authority Non-Union Pension Plan as of January 1, 2024 to:

- Calculate the Actuarially Determined Contribution for the plan year beginning January 1, 2024.
- Review the experience for the plan year ending December 31, 2023. ("Experience" encompasses the performance of the Plan's assets during the year and changes in the Plan's participant demographics that impact liabilities.) A complete experience study was last performed on April 8, 2020. In addition, we completed a review of lump sum experience.
- Review the Plan's funded status.

C. Actuarially Determined Contribution for the 2024 Plan Year

The Actuarially Determined Contribution as of January 1, 2024 is $15,134,183.

The graph below illustrates the Actuarially Determined Contribution for the current and preceding four plan years.

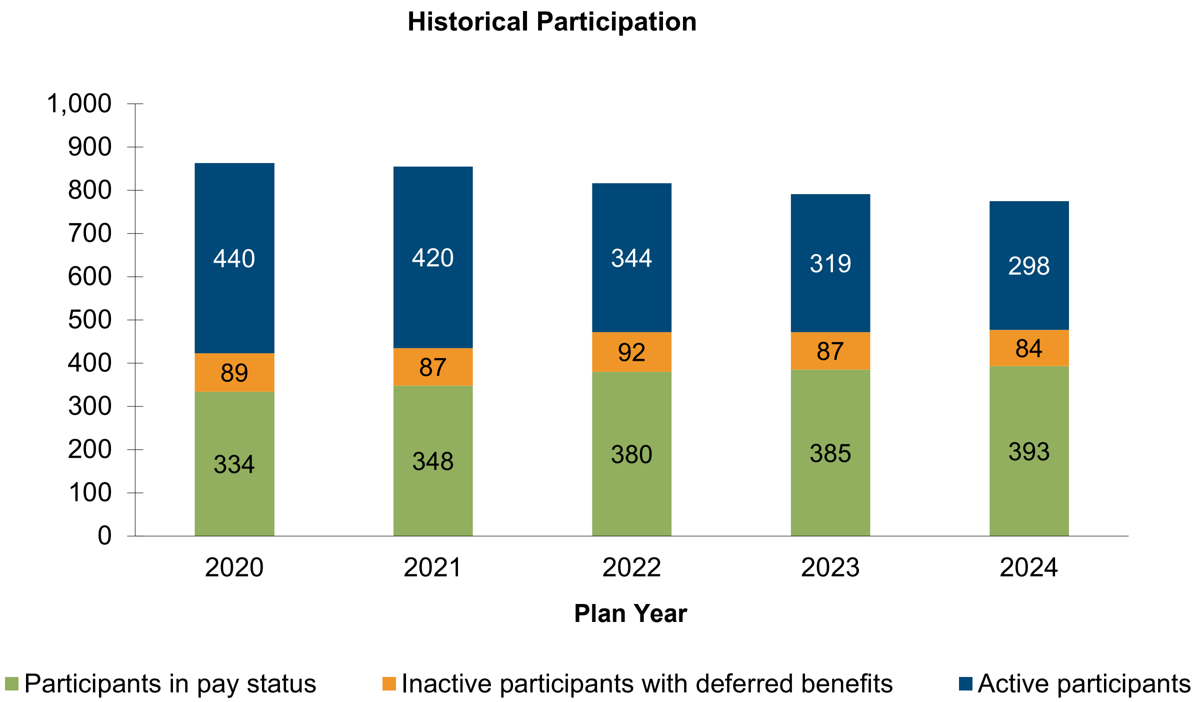


D. Plan Experience

Change in Demographics

From January 1, 2023 to January 1, 2024, the number of active participants in the Plan decreased by 6.6% from 319 to 298; while the total number of participants decreased by 2.0% from 791 to 775. From 2023 to 2024, total annual compensation increased by 2.2% from $32,764,850 to $33,483,428 and average annual compensation per active participant increased by 9.4% from $102,711 to $112,360.

The following graph illustrates the count of participants, by category, as of the valuation date for the current and preceding four plan years.



Actuarial Accrued Liability

Under the Entry Age Normal actuarial cost method, and prior to reflecting any plan, method or assumption changes, liability experience for the 2023 plan year was less favorable than expected, generating a net actuarial loss as follows:

- Demographic experience different from that assumed and minor data corrections, which resulted in an actuarial loss of approximately $3.2 million.

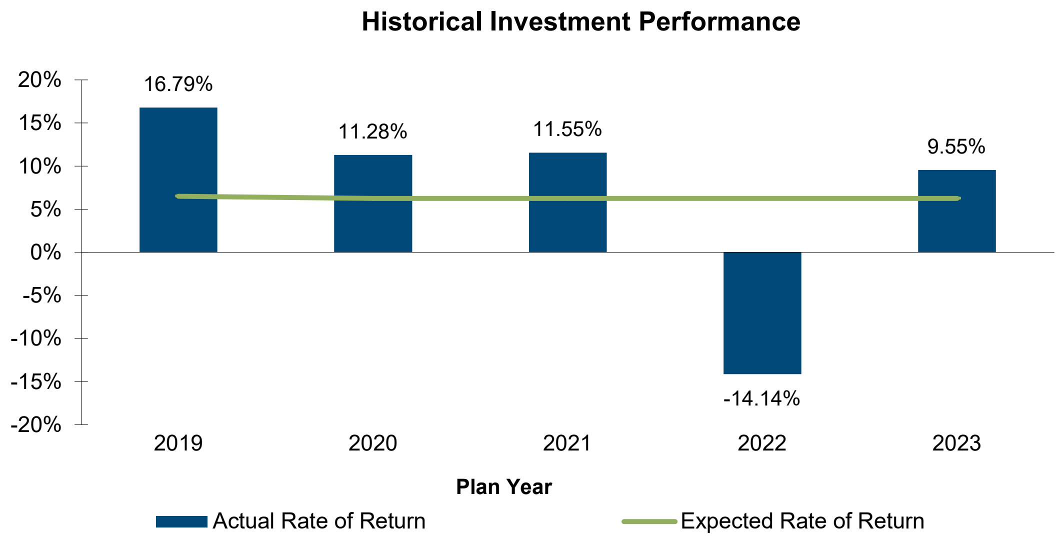
The actuarial assumption change to inflation had an immaterial impact to the Plan's liabilities.

Change in Assets

Asset experience for the 2023 plan year was more favorable than expected. The return on the actuarial value of assets for 2023 plan year was more than assumed, generating a net actuarial gain.

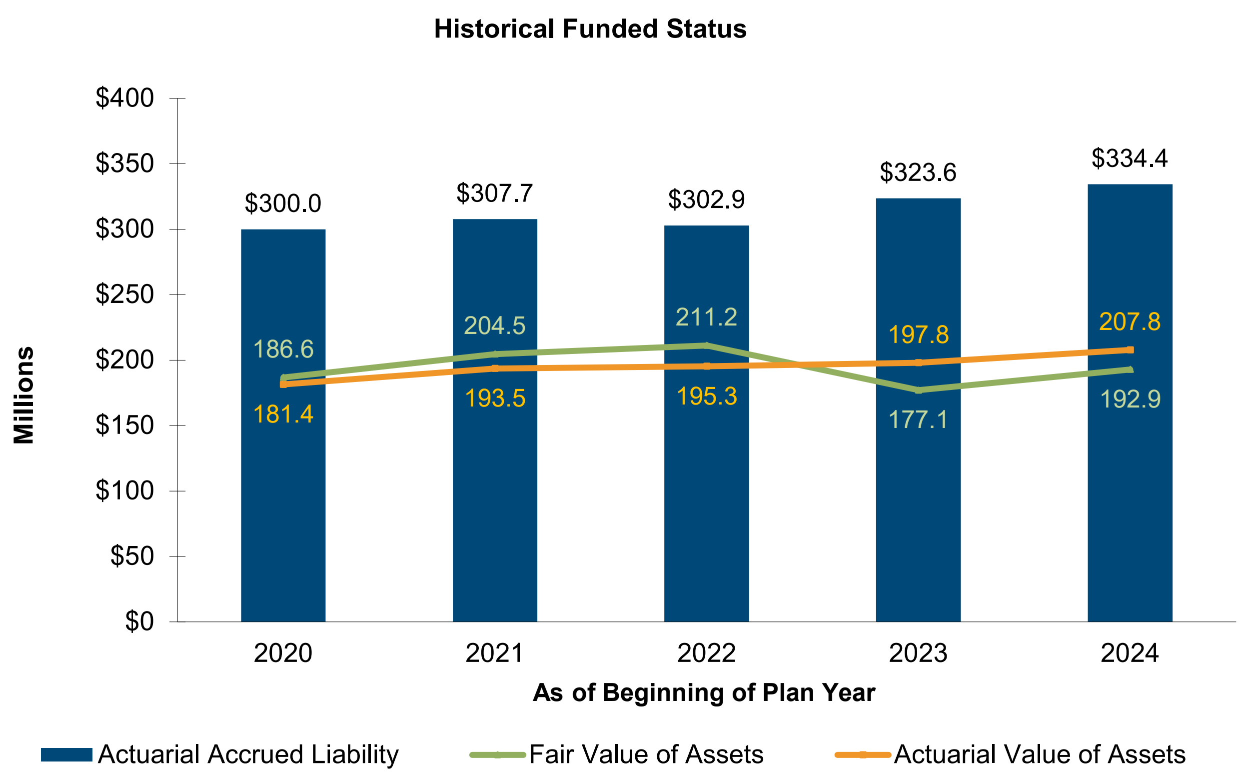
- The rate of return on the fair value of plan assets for 2023 was 9.55%, which was more than the assumed rate of 6.25%, resulting in an investment gain of approximately $5.8 million.

The following graph illustrates the investment performance on a fair value basis for the preceding five plan years.



E. Funded Status

The graph below illustrates the funded status on both a fair value and actuarial value basis for the current and preceding four years.



F. Actuarial Methods and Assumptions

The actuarial methods and assumptions used in this valuation are the same as those used in the prior valuation except as follows:

- The expense load to the Normal Cost has been changed from $278,324 for the 2023 plan year to $306,556 for the 2024 plan year and is based on the prior plan year's expenses, excluding investment management fees.
- The inflation assumption has been changed from 2.33% to 2.30% per year (IRC Section 415(b) benefit limit) based on Milliman's capital market expectations as of January 1, 2024.

These changes were made to better reflect anticipated plan experience.

Please see Appendix A for a summary of the actuarial methods and assumptions used in this valuation.

G. Plan Provisions

The valuation reflects the plan provisions in effect on January 1, 2024, including the following:

- An increase to the Internal Revenue Code (IRC) Section 401(a)(17) compensation limit from $330,000 to $345,000.
- An increase to the IRC Section 415(b) annual benefit limit from $265,000 to $275,000.

These changes had an immaterial impact on the Plan's liabilities. Please see Appendix B for a summary of plan provisions.

Exhibits

Exhibit 1

Change in Participation

The change in participation from January 1, 2023 to January 1, 2024 is shown below.

	Active Participants	Inactive Participants with Deferred Benefits*	Participants in Pay Status	Total
Participants as of January 1, 2023	319	87	385	791
Terminated non-vested	0	0	0	0
Terminated vested	(3)	3	0	0
Died without beneficiary	(1)	0	(8)	(9)
Died with beneficiary	(1)	0	(3)	(4)
Retired	(11)	(4)	15	0
Received lump sum distribution	(5)	(2)	0	(7)
Certain period expired	0	0	0	0
New Beneficiaries	0	0	4	4
New Alternate Payees	0	0	0	0
Rehired	0	0	0	0
Net data adjustments	0	0	0	0
Participants as of December 31, 2023	298	84	393	775
New participants as of January 1, 2024	0	0	0	0
Participants as of January 1, 2024	298	84	393	775

For January 1, 2023, the above participant counts include 2 active particpants suspended without pay, 12 alternate payees receiving benefits and 7 alternate payees entitled to future benefits under Qualified Domestic Relations Orders, and 6 beneficiaries with deferred benefits.

For January 1, 2024, the above participant counts include 2 active participants suspended without pay, 14 alternate payees receiving benefits and 3 alternate payees entitled to future benefits under Qualified Domestic Relations Orders, and 6 beneficiaries with deferred benefits.

* Includes deferred beneficiaries and deferred alternate payees.

Exhibit 2

Summary of Active Participants by Age and Service

Number of Participants by Age and Service Groups

	Years of Vesting Service										
Age	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40&Up	Total
0-24	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	6	-	-	-	-	-	6
40-44	-	-	-	-	15	7	-	-	-	-	22
45-49	-	-	-	1	17	8	6	-	-	-	32
50-54	-	-	-	-	16	21	7	15	-	-	59
55-59	-	-	-	-	10	21	12	19	4	-	66
60-64	-	-	-	-	14	17	6	14	9	2	62
65-69	-	-	-	-	4	9	3	5	9	6	36
70&Up	-	-	-	-	4	5	-	1	4	1	15
Total	-	-	-	1	86	88	34	54	26	9	298

Average Compensation by Age and Service Groups

	Years of Vesting Service										
Age	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40&Up	Average
0-24	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	*	-	-	-	-	-	*
40-44	-	-	-	-	*	*	-	-	-	-	84,835
45-49	-	-	-	*	*	*	*	-	-	-	94,006
50-54	-	-	-	-	*	114,173	*	*	-	-	109,253
55-59	-	-	-	-	*	108,093	*	*	*	-	112,660
60-64	-	-	-	-	*	*	*	*	*	*	123,069
65-69	-	-	-	-	*	*	*	*	*	*	139,003
70&Up	-	-	-	-	*	*	-	*	*	*	*
Average	-	-	-	*	107,441	112,645	107,577	121,470	116,497	*	112,360

* If there are fewer than 20 participants in a cell, the average compensation is not reported.

Exhibit 3

Inactive Participants

Terminated Vested Participants

Age	Number of Participants	Average Annual Benefit
< 30	-	$0
30 - 34	-	0
35 - 39	2	9,064
40 - 44	1	11,833
45 - 49	15	19,693
50 - 54	16	19,094
55 - 59	15	22,543
60 - 64	15	15,588
65 & Up	11	17,664
Total	75	$18,628

Retirees, Beneficiaries, and Disabled Participants

Age	Number of Participants	Average Annual Benefit
< 55	6	$16,815
55 - 59	20	32,606
60 - 64	37	47,354
65 - 69	101	33,496
70 - 74	120	37,226
75 - 79	58	31,533
80 - 84	43	22,176
85 - 89	9	22,548
90 & Up	8	7,146
Total	402	$33,328

Exhibit 4

Summary of Plan Assets

The summary of plan assets on a Fair Value basis as of December 31, 2023 is shown below.

1.	Assets	
	a. Receivable income	$45,751
	b. Interest bearing cash	6,148,499
	c. Corporate debt - other	51,739,591
	d. Corporate stocks - common	111,957,122
	e. Real Estate	23,169,434
	f. Total	193,060,397
2.	Liabilities	
	a. Other liabilities	146,512
	b. Total	146,512
3.	Total [(1f) - (2b)]	$192,913,885

Exhibit 5

Summary of Income and Disbursements

The change in the Fair Value of Assets from December 31, 2022 to December 31, 2023 is shown below.

1.	Fair Value of Assets as of December 31, 2022	$177,050,322
2.	Income	
	a. Employer contributions for plan year	14,849,952
	b. Realized gain / (loss)	16,094,346
	c. Other income	1,254,943
	d. Total	32,199,241
3.	Disbursements	
	a. Benefit payments to participants	15,536,121
	b. Investment management fees	493,001
	c. Trustees fees/expenses	155,196
	d. Other expenses	151,360
	e. Total	16,335,678
4.	Net increase / (decrease) [(2d) - (3e)]	15,863,563
5.	Fair Value of Assets as of December 31, 2023 [(1) + (4)]	$192,913,885

Exhibit 6

Actuarial Value of Assets

The Actuarial Value of Assets is the Fair Value of Assets less a weighted average of asset gains / (losses) over a four-year period (five-year smoothing), but not less than 80% nor more than 120% of the Fair Value of Assets. The Actuarial Value of Assets as of January 1, 2024 is determined below.

1.	Fair Value of Assets as of December 31, 2023			$192,913,885
2.	Unrecognized asset gains / (losses) for the plan years ending			
	Plan Year Ending	Gain / (Loss) for Year	Percent Unrecognized	Amount Unrecognized
a.	December 31, 2023	5,821,195	80%	4,656,956
b.	December 31, 2022	(42,597,587)	60%	(25,558,552)
c.	December 31, 2021	10,411,517	40%	4,164,607
d.	December 31, 2020	9,309,710	20%	1,861,942
e.	Total			(14,875,047)
3.	Preliminary Actuarial Value of Assets as of January 1, 2024 [(1) - (2e)]			207,788,932
4.	Actuarial Value of Assets as of January 1, 2024 [(3), but not less than 80% × (1), nor more than 120% × (1)]			$207,788,932

Exhibit 7

Estimated Investment Return on Actuarial Value of Assets

The estimated investment return on the Actuarial Value of Assets is determined using a simplified formula. It assumes all cash flows of contributions, benefit payments, and administrative expenses are paid at mid-year. The estimated investment return on the Actuarial Value of Assets for the plan year ending December 31, 2023 is determined below.

1.	Actuarial Value of Assets as of January 1, 2023	$197,842,214
2.	Actuarial Value of Assets as of January 1, 2024	207,788,932
3.	Net non-investment cash flows for plan year ending December 31, 2023	(992,725)
4.	Investment income for plan year ending December 31, 2023 [(2) - (1) - (3)]	$10,939,443
5.	Estimated investment return on Actuarial Value of Assets [{2 × (4)} ÷ {(1) + (2) - (4)}]	5.54%

Exhibit 8

Estimated Investment Return on Fair Value of Assets

The estimated investment return on the Fair Value of Assets for the plan year ending December 31, 2023, assuming all cash flows of contributions, benefit payments, and administrative expenses are paid at mid-year, is determined below.

1.	Fair Value of Assets as of December 31, 2022	$177,050,322
2.	Fair Value of Assets as of December 31, 2023	192,913,885
3.	Net non-investment cash flows for plan year ending December 31, 2023	(992,725)
4.	Investment income for plan year ending December 31, 2023 [(2) - (1) - (3)]	16,856,288
5.	Estimated investment return on Fair Value of Assets [{2 × (4)} ÷ {(1) + (2) - (4)}]	9.55%
6.	Expected rate of return on Fair Value of Assets	6.25%
7.	Investment gain/(loss) for plan year ending December 31, 2023	$5,821,195

Exhibit 9

Employer Contributions for Prior Plan Year

The employer contributions for the plan year ending December 31, 2023 were paid or are payable on the dates and in the amounts shown below.

Date of Contribution	Amount
January 4, 2023	$1,072,625
February 6, 2023	1,072,625
March 3, 2023	1,072,626
April 4, 2023	1,072,626
May 2, 2023	1,072,626
June 2, 2023	1,072,626
July 5, 2023	1,072,626
August 4, 2023	1,072,626
September 6, 2023	2,556,458
October 3, 2023	1,237,496
November 3, 2023	1,237,496
December 5, 2023	1,237,496
Total	$14,849,952

Exhibit 10

Unfunded Actuarial Accrued Liability

The Actuarial Accrued Liability represents that portion of the Present Value of Benefits that is allocated to service before the current plan year. The Unfunded Actuarial Accrued Liability is the excess (deficiency) of the Actuarial Accrued Liability over the Actuarial Value of Assets. The Unfunded Actuarial Accrued Liability as of January 1, 2024 is determined below.

1. Actuarial Accrued Liability	
a. Active participants	$182,129,100
b. Terminated vested participants	10,070,539
c. Beneficiaries	9,651,094
d. Retired participants	132,544,910
e. Total	334,395,643
2. Actuarial Value of Assets	207,788,932
3. Reserve for expenses	0
4. Unfunded Actuarial Accrued Liability [(1e) - (2) + (3)]	126,606,711
5. Amortization period as of January 1, 2024	19 years
6. Past Service Contribution (level dollar amortization of Unfunded Actuarial Accrued Liability as of January 1, 2024)	$10,888,821
7. Interest rate assumption	6.25%

Exhibit 11

Actuarial (Gain) / Loss for Prior Plan Year

The Actuarial (Gain) / Loss for the prior plan year is the difference between the expected and actual Unfunded Actuarial Accrued Liability as of the beginning of the current plan year. The Actuarial (Gain) / Loss for the plan year ending December 31, 2023 is determined below.

1.	Unfunded Actuarial Accrued Liability as of January 1, 2023	$125,789,388
2.	Normal Cost as of January 1, 2023	3,148,320
3.	Interest on (1) and (2) to end of plan year	8,058,607
4.	Subtotal [(1) + (2) + (3)]	136,996,315
5.	Employer contributions for plan year	14,849,952
6.	Administrative expenses	(306,556)
7.	Interest on [(5) + (6)] to end of plan year	447,593
8.	Subtotal [(5) + (6) + (7)]	14,990,989
9.	Changes in Actuarial Accrued Liability	
	a. Plan amendments	0
	b. Changes in actuarial assumptions	(2,248)
	c. Changes in cost method	0
	d. Total	(2,248)
10.	Expected Unfunded Actuarial Accrued Liability as of January 1, 2024 [(4) - (8) + (9d)]	122,003,078
11.	Actual Unfunded Actuarial Accrued Liability as of January 1, 2024	126,606,711
12.	Actuarial (Gain) / Loss for prior plan year (excluding assumption changes) [(11) - (10)]	4,603,633
13.	Demographic experience (Gain)/Loss for prior plan year	3,215,849
14.	Actuarial Value of Assets (Gain)/Loss for prior plan year [(12) - (13)]	$1,387,785

Exhibit 12

Normal Cost and Actuarially Determined Contribution

The Normal Cost is the amount allocated to the current plan year under the plan's actuarial cost method. The employer Normal Cost as of January 1, 2024 is determined below. The Actuarially Determined Contribution is also shown with interest to December 31, 2024.

1.	Normal Cost for benefits	
	a. Withdrawal	$633,299
	b. Retirement	2,389,114
	c. Death	26,147
	d. Disability	0
	e. Total	3,048,560
2.	Loading for expenses	306,556
3.	Total Employer Normal Cost [(1e) + (2)]	3,355,116
4.	Past Service Contribution [from Exhibit 10]	10,888,821
5.	Interest rate assumption	6.25%
6.	Interest on contribution to end of year [{(3) + (4)} * (5)]	890,246
7.	Actuarially Determined Contribution as of end of year [(3) + (4) + (6)]	$15,134,183

Exhibit 13

Present Value of Accumulated Plan Benefits

Accumulated Plan Benefits are benefits earned to date, based on pay history and service rendered to date, expected to be paid in the future to retired, terminated vested, and active participants, and beneficiaries of active or former participants. The Present Value of Accumulated Plan Benefits (determined on a plan continuation basis) as of January 1, 2024 is shown below.

	January 1, 2023	January 1, 2024
1. Present Value of vested Accumulated Plan Benefits		
a. Retired participants	$127,677,649	$132,544,910
b. Terminated vested participants	7,892,825	10,070,539
c. Beneficiaries	8,785,537	9,651,094
d. Active participants	121,378,024	127,674,414
e. Total	265,734,035	279,940,957
2. Present Value of non-vested Accumulated Plan Benefits	6,071,936	6,357,617
3. Present Value of all Accumulated Plan Benefits [(1e) + (2)]	271,805,971	286,298,574
4. Fair Value of Assets	$177,050,322	$192,913,885
5. Funded ratio		
a. Vested benefits [(4) ÷ (1e)]	66.63%	68.91%
b. All benefits [(4) ÷ (3)]	65.14%	67.38%
6. Interest rate assumption	6.25%	6.25%

Exhibit 14

Change in Present Value of Accumulated Plan Benefits

The change in the Present Value of Accumulated Plan Benefits (determined on a plan continuation basis) from January 1, 2023 to January 1, 2024 is shown below.

1.	Present Value of all Accumulated Plan Benefits as of January 1, 2023	$271,805,971
2.	Changes	
	a. Reduction in discount period	16,509,727
	b. Benefits accumulated	13,886,908
	c. Benefit payments	15,536,121
	d. Plan amendments	0
	e. Change in assumptions	0
	f. Actuarial (gain) / loss	(367,911)
	g. Total [(a) + (b) - (c) + (d) + (e) + (f)]	14,492,603
3.	Present Value of all Accumulated Plan Benefits as of January 1, 2024 [(1) + (2g)]	$286,298,574

Exhibit 15

Schedule of Retirants and Beneficiaries
Added and Removed from Rolls

The following exhibit outlines the flow of retirants and beneficiaries.

	Added to Rolls		Removed from Rolls		Rolls-End of Year			
Year Ended December 31,	Count	Annual Benefits	Count	Annual Benefits	Count	Annual Benefits	% Increase in Monthly Allowance	Average Annual Allowance
2023	20	813,089	(12)	(202,158)	393	12,731,640	5.04%	32,396
2022	18	651,152	(12)	(204,105)	385	12,120,709	3.83%	31,482
2021	48	2,399,391	(17)	(354,879)	379	11,673,662	21.23%	30,801
2020	17	891,144	(3)	(69,561)	348	9,629,150	9.33%	27,670
2019	31	740,252	(9)	(115,168)	334	8,807,568	7.64%	26,370
2018	24	791,734	(10)	(145,693)	312	8,182,485	8.57%	26,226
2017	23	823,221	(2)	(28,092)	298	7,536,444	11.79%	25,290
2016	19	328,498	(6)	(109,136)	277	6,741,314	3.36%	24,337
2015	17	536,340	(2)	(13,156)	264	6,521,952	8.72%	24,704
2014	24	782,595	(2)	(26,743)	249	5,998,768	14.42%	24,091
2013	20	379,103	(36)	(773,752)	227	5,242,915	-7.00%	23,097
2012	14	295,535	(4)	(83,999)	243	5,637,564	3.90%	23,200
2011	67	2,414,196	-	-	233	5,426,028	80.16%	23,288
2010	18	661,352	(4)	(33,596)	166	3,011,832	26.33%	18,144
2009	26	574,355	(1)	(22,727)	152	2,384,076	30.10%	15,685
2008					127	1,832,448		

Exhibit 16

Solvency Test

	Actuarial Accrued Liability (AAL)					Portion of AAL Covered by Assets			
	1	2	3	4	5	1	2	3	4
Valuation Date January 1	Active Member Contribution	Retirees and Beneficiaries	Active and Inactive Members (ER Financed Portion)	Total	Actuarial Value of Assets				
2024	-	141,128,531	193,267,112	334,395,643	207,788,932	N/A	100%	34.5%	62.1%
2023	-	135,042,539	188,589,063	323,631,602	197,842,214	N/A	100%	33.3%	61.1%
2022	-	128,871,197	174,032,379	302,903,576	195,283,822	N/A	100%	38.2%	64.5%
2021	-	105,473,703	202,231,164	307,704,867	193,513,120	N/A	100%	43.5%	62.9%
2020	-	100,704,721	199,254,443	299,959,164	181,431,446	N/A	100%	40.5%	60.5%
2019	-	92,240,206	191,870,323	284,110,529	175,443,638	N/A	100%	43.4%	61.7%
2018	-	82,963,830	178,795,590	261,759,420	171,626,913	N/A	100%	49.6%	65.6%
2017	-	74,738,626	180,196,993	254,935,619	162,634,498	N/A	100%	48.8%	63.8%
2016	-	70,778,581	173,024,707	243,803,288	152,638,016	N/A	100%	47.3%	62.6%
2015	-	68,939,930	144,310,347	213,250,277	142,619,248	N/A	100%	51.1%	66.9%
2014	-	49,749,704	111,648,730	161,398,434	129,398,834	N/A	100%	71.3%	80.2%
2013	-	52,937,702	97,571,229	150,508,931	113,144,758	N/A	100%	61.7%	75.2%
2012	-	51,130,839	90,920,928	142,051,767	110,276,187	N/A	100%	65.1%	77.6%
2011	-	26,905,274	124,686,424	151,591,698	114,082,428	N/A	100%	69.9%	75.3%
2010	132,417	20,519,641	123,588,975	144,241,033	110,433,818	100%	100%	72.6%	76.6%

Exhibit 17

Retired Members by Type of Benefit

Monthly Benefit Payment	Number of Retired Members	Type of Retirement 1	2	3	4
$1 - $500	**34**	11	10	-	13
501 - 1,000	**43**	17	12	-	14
1,001 - 1,500	**43**	14	16	-	13
1,501 - 2,000	**64**	23	34	-	7
2,001 - 2,500	**34**	10	22	-	2
2,501 - 3,000	**29**	9	20	-	-
Over 3,000	**146**	54	86	-	6
	393	138	200	-	55

1 Normal and late retirement for age and service
2 Early retirement
3 Disability retirement
4 Beneficiary

Monthly Benefit Payment	Number of Retired Members	Option Selected 1	2	3	4	5	6	7	8
$1 - $500	**34**	27	-	-	-	-	1	5	1
501 - 1,000	**43**	25	-	1	1	2	5	8	1
1,001 - 1,500	**43**	26	1	1	3	1	6	5	-
1,501 - 2,000	**64**	29	-	2	-	3	17	13	-
2,001 - 2,500	**34**	13	-	-	1	2	9	8	1
2,501 - 3,000	**29**	11	-	-	1	2	9	6	-
Over 3,000	**146**	56	5	2	8	12	43	19	1
	393	187	6	6	14	22	90	64	4

Option 1 - Life only
Option 2 - 5 year certain and life
Option 3 - 10 year certain and life
Option 4 - 15 year certain and life
Option 5 - 20 year certain and life
Option 6 - Joint and 50% survivor
Option 7 - Joint and 100% survivor
Option 8 - Certain only

Exhibit 18

Schedule of Benefit Payments by Type

	2023	2022	2021	2020	2019	2018	2017	2016
Service	11,978,900	11,420,958	10,977,724	9,081,819	8,398,440	7,806,518	7,172,158	6,382,845
Disabled	-	-	-	-	-	-	-	-
Beneficiary	752,740	699,750	695,938	547,332	409,128	375,966	364,286	358,469
Lump Sum / Miscellaneous	2,804,481	5,474,411	17,506,289	7,270,191	6,527,626	4,552,742	5,643,227	3,633,268
Total	**15,536,121**	**17,595,120**	**29,179,951**	**16,899,341**	**15,335,194**	**12,735,226**	**13,179,671**	**10,374,582**

Exhibit 19

Funding Policy Accounting Information

Please note that the Schedule of Funding Progress was required by GASB Statement No 27 through 2014. For fiscal years 2015 and beyond, the information below outlines the funding policy. The actuarial assumptions and methods employed are detailed in Appendix A.

Schedule of Funding Progress (in $1,000's)						
	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (2) - (1)	Funded Ratio (1) / (2)	Covered Payroll	UAAL as a % of Covered Payroll (3) / (5)
01/01/00	68,517	59,818	-8,699	114.5%	49,567	-17.5%
01/01/01	69,201	70,646	1,445	98.0%	52,044	2.8%
01/01/02	65,951	79,230	13,279	83.2%	56,585	23.5%
01/01/03	72,093	86,761	14,668	83.1%	58,953	24.9%
01/01/04	80,024	99,354	19,330	80.5%	61,962	31.2%
01/01/05	85,188	108,439	23,251	78.6%	62,869	37.0%
01/01/06	88,141	111,898	23,757	78.8%	58,554	40.6%
01/01/07	92,588	113,708	21,120	81.4%	64,349	32.8%
01/01/08	104,824	120,407	15,583	87.1%	62,930	24.8%
01/01/09	87,155	139,380	52,226	62.5%	63,625	82.1%
01/01/10	110,434	144,241	33,807	76.6%	56,962	59.4%
01/01/11	114,082	151,592	37,510	75.3%	57,702	65.0%
01/01/12	110,276	142,052	31,776	77.6%	47,185	67.3%
01/01/13	113,145	150,509	37,364	75.2%	44,389	84.2%
01/01/14	129,399	161,398	31,999	80.2%	45,602	70.2%
01/01/15	142,619	213,250	70,631	66.9%	44,838	157.5%
01/01/16	152,638	243,803	91,165	62.6%	47,098	193.6%
01/01/17	162,634	254,936	92,302	63.8%	43,480	212.3%
01/01/18	171,627	261,759	90,132	65.6%	41,770	215.8%
01/01/19	175,434	284,111	108,677	61.7%	40,747	266.7%
01/01/20	181,431	299,959	118,528	60.5%	39,027	303.7%
01/01/21	193,513	307,705	114,192	62.9%	38,043	300.2%
01/01/22	195,284	302,904	107,620	64.5%	32,168	334.6%
01/01/23	197,842	323,632	125,790	61.1%	32,765	383.9%
01/01/24	207,789	334,396	126,607	62.1%	33,483	378.1%

The calculation of the actuarially determined contribution is based on level dollar amortization.

Exhibit 19

Funding Policy Accounting Information

The following exhibit provides information for the calculation of the Funding Policy.

Fiscal Year Ending	Covered Payroll at Reporting Date	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed	Investment Return	Equivalent Single Amortization Period
09/30/00		3,113,636	4,125,446	132.5%	8.0%	30 years
09/30/01		5,549,302	4,298,839	77.5%	8.0%	30 years
09/30/02		7,519,533	6,338,145	84.3%	8.0%	30 years
09/30/03		7,948,648	7,948,648	100.0%	8.0%	30 years
09/30/04		8,849,850	8,849,850	100.0%	8.0%	30 years
09/30/05		9,627,759	11,827,759	122.9%	8.0%	30 years
09/30/06		9,151,972	9,751,968	106.6%	8.0%	30 years
09/30/07		9,503,253	13,503,253	142.1%	8.0%	30 years
09/30/08		8,948,287	8,948,287	100.0%	8.0%	30 years
09/30/09		12,652,728	12,652,728	100.0%	8.0%	30 years
09/30/10		10,833,143	11,143,438	102.9%	8.0%	30 years
09/30/11		10,689,258	10,689,264	100.0%	8.0%	30 years
09/30/12		8,215,493	8,215,493	100.0%	8.0%	30 years
09/30/13		8,847,436	8,847,436	100.0%	8.0%	30 years
09/30/14		9,006,301	9,006,301	100.0%	8.0%	29 years
09/30/15		8,911,253	11,248,671	126.2%	6.75%	28 years
09/30/16		11,181,136	11,181,136	100.0%	6.75%	27 years
09/30/17		11,307,275	11,307,275	100.0%	6.75%	26 years
09/30/18		11,060,833	11,073,255	100.1%	6.75%	25 years
09/30/19		12,628,619	12,647,252	100.1%	6.50%	24 years
09/30/20		14,217,959	14,236,592	100.1%	6.25%	23 years
09/30/21		13,429,326	13,447,958	100.1%	6.25%	22 years
09/30/22	40,062,815	12,852,876	13,308,196	103.5%	6.25%	21 years
09/30/23	35,434,804	14,831,319	14,849,952	100.1%	6.25%	20 years

The calculation of the actuarially determined contribution is based on level dollar amortization.

Exhibit 20

Covered Persons Pay Inflation Comparison

Actuarial Valuation Date	(1) Active Count	(2) Adjusted Active Count*	(3) Annual Payroll	(4) Average Payroll (3) / (2)	(5) Average Payroll % Increase	(6) Inflation Increase % (CPI-U)
01/01/09	994	994	63,625,252	64,009	N/A	0.1%
01/01/10	927	927	56,962,295	61,448	(4.0%)	2.7%
01/01/11	902	902	57,702,434	63,972	4.1%	1.5%
01/01/12	730	730	47,184,896	64,637	1.0%	3.0%
01/01/13	694	694	44,388,906	63,961	(1.0%)	1.7%
01/01/14	657	657	45,601,509	69,409	8.5%	1.5%
01/01/15	621	620	44,837,816	72,319	4.2%	0.8%
01/01/16	585	581	47,098,356	81,064	12.1%	0.7%
01/01/17	551	548	43,479,995	79,343	(2.1%)	2.1%
01/01/18	514	512	41,769,919	81,582	2.8%	2.1%
01/01/19	481	479	40,747,394	85,068	4.3%	1.9%
01/01/20	440	438	39,026,869	89,102	4.7%	2.3%
01/01/21	420	420	38,043,136	90,579	1.7%	1.4%
01/01/22	344	344	32,168,284	93,512	3.2%	7.0%
01/01/23	319	319	32,764,850	102,711	9.8%	6.5%
01/01/24	298	298	33,483,428**	112,360	9.4%	3.4%

*Adjusted for active participants suspended without pay, if missing compensation amounts.
**Includes one active participant on leave with no compensation.

Exhibit 21

Schedule of Participants by Status

Below is the schedule of participants by status as of December 31 for the last ten years.

December 31	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Active	298	319	344	420	440	481	514	551	585	620
Terminated and vested	75	74	79	74	77	79	84	89	87	87
Retired	338	333	326	297	286	268	254	234	225	210
Disabled	-	-	-	-	-	-	-	-	-	-
Beneficiaries	64	65	67	64	60	51	48	48	43	44
Total Participants	**775**	**791**	**816**	**855**	**863**	**879**	**900**	**922**	**940**	**961**

Appendix A

Summary of Actuarial Assumptions and Methods

Plan Sponsor

Metropolitan Transit Authority of Harris County, Texas

The true cost of a pension plan will ultimately be determined by the excess of benefits actually paid and the expenses incurred in its administration over investment income earned on monies set aside for its funding. Thus, the ultimate cost of a plan cannot be known until the last payment has been made to its last participant. The actuarial cost method is the technique adopted by the actuary for establishing the amount and incidence of annual actuarial costs. The actuarial cost method determines the portion of the ultimate cost of a pension plan which should be allocated to each plan year (known as the normal cost). The cost method is thus a budgeting tool which helps to ensure that the pension plan will be adequately and systematically funded.

The annual costs for a pension plan can be determined using any one of several actuarial cost methods. The methods differ in how much of the ultimate cost of the plan is assigned to each prior year, the current year and to each future year. Although the ultimate cost for a pension plan will be determined not by the cost method, but by the benefits and expenses which become payable and the earnings which are obtained on the investments of the plan, the pattern of annual contributions from year to year and the rate of funding for the benefits will vary with the choice of actuarial cost method. In addition, the choice of actuarial assumptions for a given actuarial cost method will affect the current level of contributions and pattern of future contributions.

Annual contributions are also affected by the “asset valuation method” (as well as the plan provisions, actuarial assumptions, and actual plan demographic and investment experience each year).

Actuarial Cost Method

The actuarial cost method used in the valuation of this Plan is known as the entry age normal cost method. Under this method a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. The normal cost for each participant is computed as the level percentage of pay which, if paid from each participant's date of employment by the employer or any predecessor employer (thus, entry age) to the participant’s assumed retirement date, would accumulate with interest at the rate assumed in the valuation to an amount sufficient to fund the participant’s projected retirement benefit. The normal cost for the plan is the total of the individually computed normal costs for all participants including the costs for any death or disability benefits under the plan.

The accrued liability at any point in time for an active participant is the theoretical fund that would have been accumulated on the participant’s behalf from the participant’s normal cost payments and the earnings thereon for all prior years if the plan had always been in effect. For persons receiving benefits or entitled to a deferred vested retirement income, the accrued liability cost is equal to the present value of their future benefit payments. The accrued liability for the plan is the total of the individually computed accrued liability for all participants. The unfunded accrued liability for the plan is the excess of the accrued liability over the assets which have been accumulated for the plan. The Plan utilizes a 30-year closed amortization with the initial year of 2013. The 2024 unfunded accrued liability is amortized on a level dollar basis over a 19-year period as a component of the 2024 annual contribution.

It should be noted that the accrued liability as of any date is not the actuarially computed present value of accrued or accumulated plan benefits as of that date. The accrued liability is the portion of the ultimate cost assigned to prior years by the cost method being used. The actuarially computed present value of accrued or accumulated plan benefits is the present value of retirement benefits which have been accrued or earned to date based only upon service and earnings to date.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc., which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

Asset Valuation Method

For purposes of applying the actuarial cost method, the assets valuation method is a ***five year smoothed fair value*** method. The actuarial value of assets as of the end of a plan year is equal to the fair value of assets minus a gain/loss adjustment factor. This factor is calculated as follows:

1. $^4/_5$ of the gain/(loss) during the year just ended; plus
2. $^3/_5$ of the gain/(loss) during the prior year; plus
3. $^2/_5$ of the gain/(loss) two years prior; plus
4. $^1/_5$ of the gain/(loss) three years prior.

The actuarial value of assets is in no case greater than 120% of fair value and in no case less than 80% of fair value.

Interest Rate

6.25% per annum (Plan Sponsor prescribed assumption adopted December 31, 2019). We believe that the assumption is reasonable based on our review of the distribution of long-term expected returns generated by the Milliman Expected Return Model with a 30-year horizon.

Earnings Progression

8.617% for 2023 and 3.00% thereafter (adopted December 31, 2022).

Inflation / Cost of Living Increases

2.30% per year (IRC Section 415(b) benefit limit). It is based on Milliman's capital market expectations as of January 1, 2024.

Explicit Provision for Expenses

Normal Cost (as of the beginning of the plan year) is loaded by the prior plan year's expenses, excluding investment management fees. The normal cost load for the 2024 plan year is $306,556.

Demographic Assumptions

Except where noted, all demographic assumptions are based on Milliman's Demographic Assumptions Study dated April 8, 2020 and on the actuary's judgement and continual review of experience.

Mortality Rates

The mortality assumption is updated to Pub-2010 General Employee/Healthy Retiree Mortality Tables for M/F projected forward (fully generational) with MP-2021 with separate tables for contingent survivors and disabled participants. This reflects the most current mortality experience published by the Society of Actuaries for public plans. This assumption includes a margin for future improvements in longevity.

Disability Rates

None assumed.

Withdrawal Rates

Withdrawal rates as follows:

Service	Withdrawal
<7	10.00%
7	10.00%
8-13	5.00%
14	7.50%
15-16	5.00%
17-19	4.00%
20-27	3.00%
28+	2.00%

Retirement Rates

Participants are assumed to retire according to the following rates:

Age	Retirement Rates	
	Male	Female
55	7.50%	10.00%
56-58	7.50%	7.50%
59	7.50%	15.00%
60-61	10.00%	7.50%
62	20.00%	10.00%
63	20.00%	20.00%
64	25.00%	15.00%
65	30.00%	30.00%
66	25.00%	25.00%
67	40.00%	40.00%
68	40.00%	50.00%
69	40.00%	40.00%
70+	100.00%	100.00%

Marriage Rates

a. Percentage married: Males - 100%; Females – 100%

b. Age difference: Males are assumed to be 3 years older than their spouse.

Optional Form Election

The optional Payment form assumption was updated as per 2019 METRO Experience Study to the following rates:

Active participants	Immediate Lump Sum	Single Life	50% Joint & Survivor Annuity	100% Joint & Survivor Annuity	20 Year Certain and Life Annuity
Early Retirement Decrement*	50.00%	20.00%	20.00%	5.00%	5.00%
Normal Retirement Decrement*	20.00%	40.00%	25.00%	10.00%	5.00%
Termination Decrement**	50.00%	40.00%	5.00%	5.00%	0.00%

* Annuity options are immediate.

** Annuity options are deferred to normal retirement (age 65).

Changes in Actuarial Assumptions

Inflation: The inflation assumption is changed from 2.33% to 2.30% per year (IRC Section 415(b) benefit limit) based on Milliman's capital market expectations as of January 1, 2024.

Changes in Actuarial Methods

None.

Appendix B

Summary of Plan Provisions

This summary of plan provisions is intended to only describe the essential features of the plan. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself.

Accrued Benefit

The Accrued Benefit for each Participant is determined using the same formula which is used to compute such Participant's Normal Retirement Benefit multiplied by a fraction for which the numerator is the total number of Years of Benefit Service as of any given date and the denominator is the potential number of Years of Benefit Service to the Normal Retirement Date.

Actuarial Equivalent

Actuarial Equivalent means a form of benefit differing in time, period and/or manner of payment from another form of benefit but having the same value when computed based upon the following interest and mortality assumptions:

Interest:	7.0% per annum, compounded annually
Mortality:	1971 Group Annuity Mortality Table for Females

Average Monthly Compensation

A Participant's Average Monthly Compensation, as of a given date, is determined by averaging the total Compensation the participant received during the last 36 months of participation for which the participant received Compensation.

Compensation

Except where otherwise specifically provided in this Plan, Compensation means a Participant's total compensation from an Employer subject to reporting on Internal Revenue Service Form W-2 within a Plan Year, including elective deferrals under Code Section 401(k) and salary reduction contributions under Code Section 125.

Compensation in excess of the Statutory Compensation Limit will be disregarded. Statutory Compensation Limit means $345,000 as of January 1, 2024, as adjusted in accordance with Code Section 401(a)(17)(B).

The Compensation Period is the 12 month period which begins each January 1 and ends each December 31.

Effective Date

The Effective Date of the Plan is December 29, 1975.

The Plan was last amended effective October 22, 2020. The Plan was last restated effective January 1, 2014.

Employee Contributions

The Accrued Benefit from employee contributions is a monthly benefit payable at age 65 equal to the employee's contributions accumulated with 5% interest per annum until the employee's age 65, divided by an actuarial equivalent factor of 120.

Eligible Employee Classification

Any full-time employee of the Metropolitan Transit Authority hired before October 1, 2007 who is not represented by Union of America, Local 260, AFL-CIO, shall be immediately eligible to participate.

Limitation Year

The Limitation Year is the 12 month period beginning January 1 and ending December 31.

Normal Retirement Age

A Participant's Normal Retirement Age is age 65.

Normal Retirement Date
A Participant's Normal Retirement Date is the first day of the month which coincides with or next follows the date on which the Participant attains Normal Retirement Age.

One Year Break-in-Service
One Year Break-in-Service occurs in any 365-day period following a Participant's Date of Termination in which an Employee does not complete at least 500 Hours of Service.

Plan Sponsor
Metropolitan Transit Authority is the Plan Sponsor. The Plan Administrator is the Board of Directors.

Plan Year
The Plan Year is the 12 month period beginning January 1 and ending December 31.

Vested Accrued Benefit
A Participant's Vested Accrued Benefit as of a given date is equal to the product of the participant's Accrued Benefit multiplied by the participant's Vested Percentage as of that same date.

Vesting Schedule
A Participant's Vested Percentage will be 100% upon the completion of 5 Years of Vesting Service. A Year of Vesting Service is credited for each Vesting Computation Period during which 1,000 or more Hours of Service are credited. Prior to the completion of 5 Years of Vesting Service, a Participant's Vested Percentage is zero.

Year of Service

For Eligibility Purposes
Years of Service for purposes of eligibility to participate in the Plan are referred to as Years of Eligibility Service and are determined using the Hours of Service Method.

All of an Employee's Years of Eligibility Service are taken into account in determining the participant's eligibility to participate.

For Benefit Purposes
Years of Service for purposes of computing a Participant's Normal Retirement Benefit are referred to as Years of Benefit Service and are determined using the Hours of Service Method. A Year of Service is credited for each Accrual Computation Period during which 1,000 or more Hours of Service are credited, except fractional Years of Service are credited for the year of employment, rehire, or termination based on the number of months with at least one hour worked divided by 12.

All of a Participant's Years of Benefit Service are taken into account in determining the participant's monthly benefit except:

- Service for which the Employee was not entitled to receive Compensation; and
- Service while the Employee was not in an Eligible Employee Classification.

For Vesting Purposes
Years of Service for purposes of computing a Participant's Vested Percentage are referred to as Years of Vesting Service and are determined using the Hours of Service Method.

All of a Participant's Years of Vesting Service are taken into account in determining the participant's Vested Percentage.

Participation

An Employee will become a participant in the Plan immediately upon hire. Employees hired on or after October 1, 2007 are not eligible to participate in the Plan.

Normal Retirement

Each Participant who becomes eligible for a Normal Retirement Benefit under the plan will be entitled to receive a monthly retirement pension benefit beginning at the Participant's Normal Retirement Date and payable in the Normal Benefit Form.

(a) Normal Retirement Benefit

A Participant's Normal Retirement Benefit is a monthly pension benefit commencing on the participant's Normal Retirement Date payable in the Normal Benefit Form in an amount equal to:

$68.00 multiplied by the participant's Years of Benefit Service prior to October 1, 1978, plus 2.5% (3.25% for present participants who elected to continue employee contributions) of Final Average Compensation, multiplied by years of Credited Service after September 30, 1978. Effective October 1, 2025, Years of Benefit Service prior to October 1, 1978 will be multiplied by $70.00.

$300 minimum for participants who have 10 years of Credited Service.

(b) Normal Benefit Form

Lifetime Pension - Monthly pension benefit payable for the lifetime of the Participant with payments terminating upon the death of the Participant.

Early Retirement

(a) Early Retirement Date

A Participant's Early Retirement Date is the first day of the month so elected by the Participant which coincides with or next follows the date upon which the Participant satisfies the following requirements:

(1) Attainment of age 55; and

(2) Completion of 15 Years of Credited Service.

(b) Early Retirement Benefit

A Participant's Early Retirement Benefit is a monthly pension benefit, payable in the Normal Benefit Form in an amount equal to the Accrued Benefit determined as of the participant's Early Retirement Date, reduced by 2% for each year that benefits commence after age 60 but before Normal Retirement Date and 4% for each year that benefits commence before age 60.

Late Retirement

An active Participant who continues the participant's employment with the Employer beyond the participant's Normal Retirement Date may begin to receive the participant's Late Retirement Benefit to which the participant is entitled as of the participant's Late Retirement Date.

(a) Late Retirement Date

A Participant's Late Retirement Date is the first day of the month coincident with or next following the date the participant retires and requests the commencement of the participant's Late Retirement Benefit after the participant has continued in the employ of the Employer beyond the participant's Normal Retirement Date.

(b) Late Retirement Benefit

A Participant's Late Retirement Benefit is equal to the monthly benefit, which is based on the Normal Retirement Benefit formula using the Participant's Years of Benefit Service and Compensation through the participant's Late Retirement Date.

Disability Retirement

(a) Disability Retirement Date

A Participant's Disability Retirement Date is the first day of the month coincident with or next following the date of termination of the participant's employment due to disability provided such Participant has been found to be eligible for a Disability Retirement Benefit.

An Active Participant will be eligible for a Disability Retirement Benefit under the Plan upon the occurrence of permanent disability coincident with or following the date upon which the Participant incurs total and permanent disability at any age.

(b) Disability Retirement Benefit

Normal retirement benefit assuming participant continues earning benefit service and pay remains level from date of disability to normal retirement date. Benefits commence at normal retirement date.

Optional Benefit Forms

Optional Benefit Forms are available and equal to the Actuarial Equivalent of the Normal Benefit Form and may be in an amount more than or less than that provided by the Normal Benefit Form depending on the option selected. Such distribution may be in one or more of the following forms:

Certain and Life Option – monthly pension benefit, with spousal written consent, payable for the lifetime of the Participant with payments guaranteed for a specified number of months from 60 to 240.

Joint & 50% Contingent Survivor Pension – monthly pension benefit payable during the joint lifetime of the Participant and the Joint Annuitant; reduces to 50% of the original amount upon the death of the Participant.

Lump Sum – single sum payment in cash using Plan's definition of Actuarial Equivalence for lump sum conversion. No other payments will be made to the participant.

Pre-Retirement Death Benefit

In the event of the death of a vested Participant prior to the date that the participant begins to receive a monthly pension benefit under the Plan, the Participant's Surviving Spouse, if any, will be entitled to receive a monthly pension benefit equal to 50% of the monthly pension benefit which would have been payable had the Participant retired on the day before the participant's death and elected a Joint and 50% Contingent Survivor Pension. This benefit is payable to the spouse commencing on what would have been the Participant's earliest retirement date.

Termination Benefit

In the event of the termination of a Participant's employment for any reason other than death, disability or retirement, the Participant will become entitled to receive a monthly pension benefit commencing on the participant's Normal Retirement Date equal to the participant's Vested Accrued Benefit.

Changes in Plan Provisions since Prior Valuation

The valuation reflects the plan provisions in effect on January 1, 2024, including the following:

- An increase to the Internal Revenue Code (IRC) Section 401(a)(17) compensation limit from $330,000 to $345,000.
- An increase to the IRC Section 415(b) annual benefit limit from $265,000 to $270,000.

Appendix C

Risk Disclosures

The purpose of this appendix is to identify, assess, and provide illustrations of risks that are significant to the Plan, and in some cases to the Plan's participants. Historical data is included.

The results of the actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match the assumptions. As an example, investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these likely differences when making decisions that may affect the future financial health of the Plan, or of the Plan's participants.

In addition, as plans mature they accumulate larger pools of assets and liabilities. This increases the potential risk to plan funding and the finances of those who are responsible for plan funding. As an example, it is more difficult for a plan sponsor to deal with the effects of a 10% investment loss on a plan with $1 billion in assets and liabilities than if the same plan sponsor is responsible for a 10% investment loss on a plan with $1 million in assets and liabilities. Since pension plans make long-term promises and rely on long-term funding, it is important to consider how mature the Plan is today, and how mature it may become in the future.

Actuarial Standard of Practice No. 51 (ASOP 51) addresses these issues by providing actuaries with guidance for assessing and disclosing the risk associated with measuring pension liabilities and the determination of pension plan contributions. Specifically, it directs the actuary to:

- Identify risks that may be significant to the Plan.
- Assess the risks identified as significant to the Plan. The assessment does not need to include numerical calculations.
- Disclose plan maturity measures and historical information that are significant to understanding the Plan's risks.

ASOP 51 states that if in the actuary's professional judgment, a more detailed assessment would be significantly beneficial in helping the individuals responsible for the Plan to understand the risks identified by the actuary, then the actuary should recommend that such an assessment be performed.

This appendix uses the framework of ASOP 51 to communicate important information about: significant risks to the Plan, the Plan's maturity, and relevant historical plan data.

DEFINITION AND IDENTIFICATION LANGUAGE FOR EACH POTENTIAL RISK

Liquidity Risk

Definition: This is the potential that assets must be liquidated at a loss earlier than planned in order to pay for the Plan's benefits and operating costs. This risk is heightened for plans with negative cash flow, in which contributions do not exceed annual benefit payments plus expenses.

Identification: This Plan has high cash flow requirements because the sum of benefit payments plus expenses is significantly larger than contributions. The Plan also has a high allocation to illiquid assets such as real estate and private equity. As a result, there is a significant risk that assets may need to be liquidated at a loss before planned in order to pay benefits and expenses.

Inflation Risk

Definition: This is the potential of a pension to lose purchasing power over time due to inflation.

Identification: The participants of pension plans without fully inflation-indexed benefits are subject to the risk that their purchasing power will be reduced over time due to inflation.

Assessment: Participants in this Plan bear all of the inflation risk occurring after retirement since the benefits are calculated to replace a percent of pay at retirement and include no postretirement cost-of-living adjustments.

Maturity Risk

Definition: This is the potential for total plan liabilities to become more heavily weighted toward inactive liabilities over time.

Identification: The Plan is subject to maturity risk because as plan assets and liabilities continue to grow, the impact of any gains or losses on the assets or liabilities also becomes larger.

Assessment: Currently assets are equal to 13.0 times last year's contributions indicating a one-year asset loss of 10% would be equal to 1.30 times last year's contributions.

Retirement Risk

Definition: This is the potential for participants to retire and receive subsidized benefits more valuable than expected.

Identification: This Plan has valuable early retirement benefits. If participants retire at earlier ages than anticipated by the actuarial assumptions, it is expected that additional funding will be required.

Contribution Risk

Definition: This is the possibility that actual future contributions deviate from expected future contributions.

Identification: The Plan is subject to the contribution risk that the actuarially determined contributions will not be made. If contributions are deferred to the future, investment income is lost in the intervening period and the Plan becomes more expensive. The Plan Sponsor has paid the Actuarially Determined Contribution for the last ten years.

Investment Risk

Definition: The potential that investment returns will be different than expected.

Identification: To the extent that actual investment returns differ from the assumed investment return, the Plan's future assets, funding contributions, and funded status may differ significantly from those presented in this valuation.

The Actuarial Accrued Liability measurement represents an approximation of plan liabilities if the plan were invested in the 20 Year Tax-Exempt Municipal Bond Yield, a lower-default-risk portfolio. This is considered a "low-default-risk obligation" measure using the language of ASOP 4. The following table illustrates the impact of using lower interest rates on the plan's liabilities, contributions, and funded status, which could result from investing in a low-default risk portfolio. Investing in lower-returning asset classes should reduce future investment returns and therefore increase future contributions, but the lower risk levels would result in lower year-over-year volatility in employer contributions and might provide more benefit security for plan participants. Conversely, investing in higher-returning asset classes should increase future investment returns and therefore reduce future contributions, but would also increase the volatility of those contributions and potentially reduce benefit security for plan participants.

	20 Year Tax-Exempt Municipal Bond Yield	Expected Return on Assets
Effective Interest Rate	3.26%	6.25%
Actuarial Accrued Liability	$455,694,213	$334,395,643
Funded Percentage	45.60%	62.14%

Interest Rate Risk

Definition: The potential that interest rates will be different than expected.

Identification: The pension liabilities reported herein have been calculated by computing the present value of expected future benefit payments using the interest rate described in Appendix A. If interest rates in future valuations differ from this valuation, future pension liabilities, funding contributions, and funded status may differ significantly from those presented in this valuation. As a general rule, using a higher interest rate to compute the present value of future benefit payments will result in a lower pension liability, and vice versa. One aspect that can be used to estimate the impact of different interest rates is a plan's duration.

Assessment: If the interest rate changes by 1%, the estimated percentage change in pension liability is a plan's duration in years. The approximate duration of this Plan is 9.5 years. As such, if the interest rate changes by 1%, the estimated change in pension liability is 9.5%.

Demographic Risks

Definition: The potential that mortality or other demographic experience will be different than expected.

Identification: The pension liabilities reported herein have been calculated by assuming that participants will follow patterns of demographic experience (e.g., mortality, withdrawal, disability, retirement, form of payment election, etc.) as described in Appendix A. If actual demographic experience or future demographic assumptions are different from what is assumed to occur in this valuation, future pension liabilities, funding contributions, and funded status may differ significantly from those presented in this valuation.

Appendix D

Glossary

Glossary

Actuarial Assumptions - assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and national pension benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the actuarial value of assets; and other relevant items.

Actuarial Cost Method - a particular technique used to establish the amount and incidence of the annual actuarial cost of plan benefits.

Accrued Liability - that portion, as determined by a particular actuarial cost method, of the actuarial present value of plan benefits and expenses which is not provided by future normal costs. The accrued liability at any point in time for an active participant is the theoretical fund that would have been accumulated on the participant's behalf from the participant's normal cost payments and the earnings thereon for all prior years if the plan had always been in effect. For persons receiving benefits or entitled to a deferred vested retirement income, the accrued liability cost is equal to the present value of their future benefit payments. The accrued liability for the plan is the total of the individually computed accrued liability for all participants. Also referred to as Actuarial Accrued Liability.

Accumulated Plan Benefit - the amount of an individual's pension benefit (whether or not vested) which has been earned as of a specified date based upon service and compensation to that date. Also referred to as Accrued Benefit.

Actuarial Equivalent - of equal actuarial present value, determined as of a given date with each value based upon the same set of actuarial assumptions.

Actuarial Gain or Loss - a measure of the difference between actual experience and that which is expected based upon a set of actuarial assumptions, during the period between two actuarial valuation dates, as determined in accordance with a particular actuarial cost method.

Actuarial Value of Assets - the value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an actuarial valuation.

Amortization Payments - that portion of the pension plan contribution which is designated to pay interest on and to amortize the unfunded accrued liability or the unfunded frozen actuarial liability.

Funded Ratio - the ratio, as of a given date, of the fair value of plan assets to the present value of accumulated plan benefits. When the fair value of plan assets is equal to the present value of accumulated plan benefits, the funded ratio is equal to 100%.When the funded ratio is less than 100%, there may be sufficient assets to cover the vested accumulated plan benefits but not sufficient assets to cover all of the additional non-vested accumulated plan benefits. At the time that a retirement plan is adopted, the funded ratio is usually substantially less than 100% but usually exceeds 100% after the plan has been funded on an ongoing basis for a period of years (such as ten).The funded ratio may decline from one year to the next, however, as a result of benefit improvements or a relative decline in the amount of assets when measured against the usual increase in the value of accumulated plan benefits from year to year.

ERISA - the Employee Retirement Income Security Act of 1974.

Future Benefits - those pension plan benefit amounts which are expected to be paid at various future times under a particular set of actuarial assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits. Also referred to as Projected Benefits.

GASB - Governmental Accounting Standards Board.

Normal Cost - that portion of the present value of future pension plan benefits and expenses which is allocated to a valuation year by the actuarial cost method.

Present Value - the value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of actuarial assumptions. Also referred to as Actuarial Present Value.

Unfunded Accrued Liability - the excess of the accrued liability over the actuarial value of assets.

Vested Accumulated Plan Benefit - the portion of an individual's accumulated plan benefit which is vested. Also referred to as Vested Accrued Benefit.

Vested Funded Ratio - the ratio, as of a given date, of the fair value of the plan assets to the present value of vested accumulated plan benefits.