Milliman

LANE TRANSIT DISTRICT SALARIED EMPLOYEES' RETIREMENT PLAN

July 1, 2021 Actuarial Valuation

Prepared by:

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December 7, 2021

Trustees
Lane Transit District Salaried Employees' Retirement Plan

Dear Trustees:

As requested, we have completed an actuarial valuation of the Lane Transit District Salaried Employees' Retirement Plan as of July 1, 2021 for determining contributions for the fiscal years ending June 30, 2023 and June 30, 2024. The figures herein will also provide the basis for later financial reporting under Government Accounting Standards Board (GASB) Statements No's 67 and 68. Our findings are set forth in this valuation report. This report reflects the benefit provisions in effect as of July 1, 2021.

In preparing our report we relied, without audit, on information (some oral and some in writing) supplied by Kernutt Stokes, LLP and the District. This information includes, but is not limited to, plan provisions, employee data, and unaudited 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 is inaccurate or incomplete our results may be different and our calculations may need to be revised.

All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which, taking into account the experience of the Plan and reasonable expectations, are reasonable both individually and in combination. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions.

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 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); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. The Board of Trustees has the final decision regarding the appropriateness of the assumptions.

The July 1, 2021 valuation results were developed using models that employ standard actuarial techniques for pension valuations.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for Lane Transit District Salaried Employees' Retirement Plan. Actuarial computations for purposes of fulfilling financial accounting requirements under GASB Statements

No. 67 and 68 are issued in a separate report. The calculations in the enclosed report have been made on a basis consistent with our understanding of the District's funding requirements and goals. 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.

Milliman's work is prepared solely for the internal business use of the Lane Transit District Salaried Employees' Retirement Plan. 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 exception(s):

(a) The Plan may provide a copy of Milliman's work, in its entirety, to the Plan'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.

(b) The Plan 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.

The consultants who worked on this assignment are retirement 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 respectfully submit the following report, and we look forward to discussing it with you.

Sincerely,

Scott Preppernau, FSA, EA, MAAA
Principal and Consulting Actuary

Lacey R. Engle, FSA, EA, MAAA
Consulting Actuary

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LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

ACTUARIAL VALUATION
AS OF JULY 1, 2021

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LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

SECTION 1

SUMMARY OF THE FINDINGS

Purpose

This report presents the results of the actuarial valuation of the Lane Transit District Salaried Employees' Retirement Plan as of July 1, 2021. The purpose of this report is to:

- determine the funded status of the Plan as of July 1, 2021,
- calculate a recommended contribution to fund the Plan's benefits for the fiscal years beginning July 1, 2022, and July 1, 2023.

Section 1 of this report summarizes the important figures developed in this valuation. Section 2 discusses the actuarial concepts and methods upon which the findings are based.

Actuarial Assumptions and Methods

All of the calculations in this report are based on certain assumptions regarding the future experience of the Plan. These assumptions are summarized in Appendix A of this valuation report, along with a description of the actuarial methods used to determine the Plan's costs. The following assumptions and methods were changed for the July 1, 2021 Actuarial Valuation.

- The future investment earnings assumption was decreased from 5.50% to 5.00%.
- The mortality assumption was updated to reflect the MP-2020 mortality improvement projection scale.
- The assumed amount of administrative expenses was increased from $75,000 to $80,000.

Plan Benefits Valued

The results of this report are based on the 2015 Restated Lane Transit District Salaried Employees' Retirement Plan as amended by Amendment No.1.

Participant Statistics

Appendix C contains a summary of the participant data upon which this valuation is based. The data was provided by the District and was accepted for valuation purposes without audit. It should be noted that if the data is inaccurate or incomplete, the valuation results may need to be revised. A comparison of participants valued this year versus last year follows:

PARTICIPANT STATISTICS

	July 1, 2021	July 1, 2019
Retirees and Beneficiaries	98	82
Average Monthly Benefit Paid from Trust	$1,484	$1,590
Vested Terminated Participants	31	40
Average Accrued Monthly Benefit	$509	$569
Hourly Plan Transfers	1	0
Average Accrued Monthly Benefit	$1,571	$0
Active Participants with a Frozen Benefit	1	1
Average Accrued Monthly Benefit	$267	$267
Active Participants Eligible for Additional Accruals	24	35
Average Anticipated Salary	$89,387	$77,638
Average Age	54.5	54.3
Average Vesting Service	18.8	17.6
Total Participants	155	158

Financial Information

The Plan's financial information was taken from an unaudited trial balance as of June 30, 2021 provided by Kernutt Stokes, LLP. The Plan's investment return for the two-year period ending June 30, 2021 is shown below:

Plan Year	Market Value Rate of Return	Actuarial Value Rate of Return
2019-2020	2.7%	4.8%
2020-2021	28.2%	11.7%
Annualized Return	14.8%	8.2%

The annualized return of 8.2% on the Actuarial Value of Assets was smaller than the 14.8% return on the Market Value of Assets. Compared with the 5.50% investment return assumption, the Plan's investment return during 2019-2021 was $1.1 million greater than expected using the actuarial value of assets.

Funded Status

FUNDED STATUS

	July 1, 2021	July 1, 2019
Actuarial Accrued Liability	$ 31,865,226	$ 29,966,836
Actuarial Value of Assets	$ 22,751,268	$ 20,121,054
Market Value of Assets	$ 25,620,759	$ 20,109,626
Unfunded Actuarial Accrued Liability*	$ 9,113,958	$ 9,845,782
Funded Percentage based on Actuarial Value of Assets	71%	67%
Funded Percentage based on Market Value of Assets	80%	67%

** Based on Actuarial Value of Assets and used in developing the recommended contribution rate*

The assumption changes listed above increased the Plan's Unfunded Actuarial Accrued Liability (UAAL) by approximately $1.4 million but were offset by the investment gain of $1.1 million (relative to the 5.50% investment return assumption) and a $0.1 million gain on demographic experience.

Recommended Contribution

The Plan's recommended contribution is the contribution to keep the Plan funded on a sound actuarial basis in the future based on the methods and assumptions described in this report. The recommended contribution consists of the Normal Cost Contribution Rate (to pay for the annual cost of ongoing benefits being earned) and the Employer Level Dollar Payment (to cover administrative expenses and the amortization of the Plan's Unfunded Actuarial Accrued Liability).

The Plan's recommended contribution for fiscal years ending June 30, 2023 and June 30, 2024 is shown below along with comparable figures from the prior valuation report:

ANNUAL RECOMMENDED CONTRIBUTION

	July 1, 2021	July 1, 2019
Normal Cost Contribution Rate	19.5%	16.9%
Employer Level Dollar Payment	$ 1,150,115	$ 1,132,334
Amortization Period	10 years	12 years
Total Recommended Contribution	19.5% of Covered Pay plus $1,150,115	16.9% of Covered Pay plus $1,132,334
For Fiscal Years Ending	2023 and 2024	2021 and 2022

The Plan's recommended contribution has increased in this valuation. The increase is primarily attributable to the decrease in the discount rate.

The current contribution formula is expected to remain stable over the next 10 years, so long as:

(1) Experience remains reasonably close to that expected according to the actuarial assumptions;

(2) Current eligibility and benefit provisions remain unchanged; and

(3) Contributions are made at the recommended rates.

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

SECTION 2

DISCUSSION OF THE VALUATION

A fundamental principle in financing the liabilities of a retirement program is that the cost of its benefits should be related to when those benefits are earned, rather than to when they are paid. There are a number of methods in use for making such a determination.

The method used for this valuation is technically referred to as the Entry Age Normal method. This method produces a recommended contribution equal to the Normal Cost expressed as a percentage of payroll plus a level dollar payment to cover the amortization of the Unfunded Actuarial Accrued Liability and ongoing administrative expenses. The method is described in detail in Appendix A of this report.

ACTUARIAL VALUE OF ASSETS

Table 1 shows the Plan's Market Value of Assets as of July 1, 2021. This information was provided by Kernutt Stokes, LLP and the District.

Table 2 shows the derivation of the Actuarial Value of Assets based on three-year smoothing.

ACTUARIAL BALANCE SHEET

Table 3 contains the actuarial balance sheet as of July 1, 2021 based on our procedures and assumptions. The Resources equal the Requirements and can be thought of as the amount of funds resulting from:

(1) the Plan's Actuarial Value of Assets which are available for employer-provided benefits, plus

(2) the Actuarial Present Value of Future Normal Costs to be made by the District in the future, plus

(3) the Actuarial Present Value of Future Payments to amortize the Unfunded Actuarial Accrued Liability.

The Actuarial Present Value of Benefits is the estimated single sum required on July 1, 2021 which, together with future interest earnings, would accumulate to provide all benefits due under the Plan in the future. The Actuarial Accrued Liability is the Actuarial Present Value of Benefits minus the Actuarial Present Value of Future Normal Costs.

Table 4 shows the development and reconciliation of the Plan's Unfunded Actuarial Accrued Liability as of July 1, 2021.

NORMAL COST

Table 5 shows the development of the Plan's Normal Cost as of July 1, 2021. The Normal Cost can be thought of as the cost of benefits accruing during the Plan Year that will be paid in the future as retirement, termination, or death benefits.

AMORTIZATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

Effective with the July 1, 2011 valuation, the amortization of the Plan's Unfunded Actuarial Accrued Liability was reset to a 20-year amortization period with a level dollar payment. As of July 1, 2021, 10 years remain in the closed period. The calculation of the amortization payment is shown on *Table 6*.

RECOMMENDED CONTRIBUTION SCHEDULE

Table 7 shows the recommended employer contribution schedule. The schedule consists of a normal cost rate to cover the ongoing costs of accruing benefits plus a level dollar contribution to cover the amortization of the unfunded liability and payment of administrative expenses. This schedule is required effective July 1, 2021 and thereafter to keep the Plan on a sound actuarial basis, according to the procedures and assumptions chosen for this valuation and described in Appendix A of this report.

The current contribution formula recommended in this report is expected to remain stable over the next 10 years, so long as:

(1) Experience remains reasonably close to that expected according to the actuarial assumptions;

(2) Current eligibility and benefit provisions remain unchanged; and

(3) Contributions are made at the recommended rates.

ACCOUNTING STANDARDS

Financial Reporting information under Government Accounting Standards Board (GASB) Statements No. 67 and 68 is issued in a separate report.

ACTUAL AND ESTIMATED PAYOUT OF RETIREMENT BENEFITS

Table 8 contains the actual amounts paid out to participants and beneficiaries in prior years as well as estimated amounts for projected years based on the valuation as of July 1, 2021. *Table 9* contains the actual cash flows from the prior ten years as well as estimated amounts for the next ten years based on the valuation as of July 1, 2021.

APPENDICES

All of the calculations of the valuation were carried out using certain assumptions as to the future experience of the Plan in matters affecting the actuarial cost. Appendix A summarizes these assumptions and describes the actuarial procedures used to calculate costs.

Appendix B outlines the benefit and contribution provisions of the Plan.

The membership data that was supplied to us is summarized in Appendix C.

The purpose of Appendix D is to identify, assess, and provide illustrations of risk that are significant to the Plan and, in some cases, to the Plan's participants. Historical data is also included in this section.

Table 1

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

MARKET VALUE OF ASSETS
(July 1, 2021)

Assets		
Bank of America	$ 467,393	
US Bank	22,810,135	
Northern Trust LSV	2,343,231	
Total		$ 25,620,759
Liabilities		
Total		0
Assets Available for Plan Benefits		$ 25,620,759

Source: Unaudited trial balance as of June 30, 2021 provided by Kernutt Stokes, LLP.

Table 2

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

ACTUARIAL VALUE OF ASSETS
(July 1, 2021)

Asset Reconciliation

Plan Year	(1) Market Value of Assets July 1	(2) Employer Contributions	(3) Benefit Payments	(4) Administration Expenses	(5) Cash Flow (2)-(3)-(4)	(6) Actual Investment Income	(7) Market Value of Assets End of Plan Year (1)+(5)+(6)
2020-2021	$20,478,594	$1,470,780	$1,920,835	$100,559	$(550,614)	$5,692,779	$25,620,759
2019-2020	20,109,626	1,483,553	1,580,862	80,147	(177,456)	546,424	20,478,594

Source: Unaudited trial balances as of June 30, 2020 and June 30, 2021 provided by Kernutt Stokes, LLP.

Actuarial Value of Assets

Plan Year	Actual Investment Rate of Return [1]	Actual Investment Return	Expected 5.50% Investment Return [2]	Difference between Actual and Expected
2020-2021	28.18%	$5,692,779	$1,111,181	$4,581,598
2019-2020	2.73%	546,424	1,101,149	(554,725)

[1] *Based on market value.*

[2] *Using simple interest and assuming contributions, benefit payments and expenses occur at mid-year.*

Market Value of Assets on July 1, 2021	$ 25,620,759
Subtract 2/3 of $4,581,598 gain	(3,054,399)
Add 1/3 of $554,725 loss	184,908
Preliminary Actuarial Value of Assets on July 1, 2021	$ 22,751,268
Final Actuarial Value of Assets as of July 1, 2021 (not less than 80% or greater than 120% of Market Value)	22,751,268
Actuarial Value as a Percentage of Market Value	89%

Table 3

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

ACTUARIAL BALANCE SHEET AND ACCRUED LIABILITY
(July 1, 2021)

REQUIREMENTS

Actuarial Present Value of Benefits		
Retirees and Beneficiaries		$ 21,278,970
Terminated Vested Participants		2,068,396
Hourly Plan Transfers		325,133
Active Participants		
Retirement Benefits	$ 10,884,704	
Death Benefits	74,279	
Termination Benefits	86,055	11,045,038
Total Requirements		$ 34,717,537

RESOURCES

Actuarial Value of Assets	$ 22,751,268
Unfunded Actuarial Accrued Liability	9,113,958
Actuarial Present Value of Future Normal Costs	2,852,311
Total Resources	$ 34,717,537

ACTUARIAL ACCRUED LIABILITY

Actuarial Present Value of Benefits	$ 34,717,537
Actuarial Present Value of Future Normal Costs	(2,852,311)
Actuarial Accrued Liability	$ 31,865,226

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

DEVELOPMENT AND RECONCILIATION OF
UNFUNDED ACTUARIAL ACCRUED LIABILITY
(July 1, 2021)

UNFUNDED ACTUARIAL ACCRUED LIABILITY

Actuarial Accrued Liability	$ 31,865,226
Actuarial Value of Assets	22,751,268
Unfunded Actuarial Accrued Liability	$ 9,113,958

RECONCILIATION TO PRIOR VALUATION

Unfunded Actuarial Accrued Liability July 1, 2019		$ 9,845,782
Changes from July 1, 2019 through June 30, 2021		
Normal Costs	$ 1,003,014	
Contributions	(2,954,333)	
Interest	1,033,157	
Total		(918,162)
Expected Unfunded Actuarial Accrued Liability as of June 30, 2021		$ 8,927,620
Investment (Gain)/Loss		(1,114,152)
Expense (Gain)/Loss		27,603
Other Actuarial (Gain)/Loss		(149,816)
Plan Amendments		0
Method Change		0
Assumption Changes		1,422,703
Unfunded Actuarial Accrued Liability July 1, 2021		$ 9,113,958

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

NORMAL COST
(July 1, 2021)

Retirement Benefits	$	373,650
Death Benefits		4,164
Termination Benefits		31,089
Entry Age Normal Cost	$	408,903

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of July 1, 2021	$ 9,113,958
(2)	Normal Cost as of July 1, 2021	408,903
(3)	Projected 2021-2022 Contributions*	1,494,887
(4)	Interest at 5.00% to July 1, 2022	439,227
(5)	Projected UAAL as of July 1, 2022 [(1) + (2) – (3) + (4)]	$ 8,467,201
(6)	10-Year Amortization Factor (Level Dollar; 5.00% interest rate)	8.10782
(7)	10-Year Level Dollar Amortization Payment [(5) ÷ (6)]	$ 1,044,325

* *Projected covered pay of $2,145,286 times contribution rate of 16.9%, plus $1,132,334.*

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

DETERMINATION OF RECOMMENDED CONTRIBUTION RATE
(For the Fiscal Years ending June 30, 2023 and June 30, 2024)

Considered Pay

(1)	Considered Pay throughout Fiscal Year	$	2,145,286

Development of Normal Cost Contribution Rate

(2)	Normal Cost at Beginning of Year	$	408,903
(3)	Normal Cost at Mid-year [(2) x 1.050 ^ (1/2)]		419,001
(4)	Normal Cost Rate [(3) ÷ (1)]		19.5%

Employer Level Dollar Payment

(5)	Allowance for Administrative Expense at Mid-year	$	80,000
(6)	Amortization Payment of the Unfunded Actuarial Accrued Liability (10-year payment period)	$	1,044,325
(7)	Expense and Amortization Payment at Mid-year [(5) + (6) x 1.050 ^ (1/2)]	$	1,150,115

Annual Recommended Contribution

Period	Recommended Contribution
July 1, 2020 – June 30, 2022 (from prior valuation report)	16.9% of Covered Pay, plus $1,132,334 per year
July 1, 2022 – June 30, 2024 [(4) + (7)]	19.5% of Covered Pay, plus $1,150,115 per year

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

ACTUAL AND ESTIMATED PAYOUT OF RETIREMENT BENEFITS
July 1, 2021

PLAN YEAR BEGINNING	BENEFIT PAYMENTS
2011	791,856
2012	690,418
2013	939,485
2014	1,182,843
2015	1,224,898
2016	1,332,068
2017	1,413,238
2018	1,504,188
2019	1,580,862
2020	1,920,835
2021	1,975,000
2022	1,991,000
2023	2,048,000
2024	2,079,000
2025	2,117,000
2026	2,150,000
2027	2,169,000
2028	2,192,000
2029	2,205,000
2030	2,211,000
2031	2,216,000
2032	2,223,000
2033	2,246,000
2034	2,236,000
2035	2,225,000
2036	2,217,000
2037	2,200,000
2038	2,170,000
2039	2,135,000
2040	2,114,000

The Plan was closed to new entrants as of January 1, 2012. This valuation and the projected benefit payments shown above reflect only participants in the Plan as of July 1, 2021.

Table 9

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

ACTUAL AND ESTIMATED PLAN CASH FLOWS
July 1, 2021

PLAN YEAR BEGINNING	BENEFIT PAYMENTS	CONTRIBUTIONS	EXPENSES	NET NON-INVESTMENT CASH FLOW
2011	791,856	1,026,587	78,821	155,910
2012	690,418	1,156,127	101,920	363,789
2013	939,485	1,161,609	87,860	134,264
2014	1,182,843	1,333,241	62,899	87,499
2015	1,224,898	1,174,309	105,822	(156,411)
2016	1,332,068	1,842,970	54,251	456,651
2017	1,413,238	1,577,474	84,998	79,238
2018	1,504,188	1,506,168	69,893	(67,913)
2019	1,580,862	1,483,553	80,147	(177,456)
2020	1,920,835	1,470,780	100,559	(550,614)
2021	1,975,000	1,495,000	80,000	(560,000)
2022	1,991,000	1,514,000	82,000	(559,000)
2023	2,048,000	1,464,000	84,000	(668,000)
2024	2,079,000	1,446,000	86,000	(719,000)
2025	2,117,000	1,426,000	88,000	(779,000)
2026	2,150,000	1,407,000	91,000	(834,000)
2027	2,169,000	1,397,000	93,000	(865,000)
2028	2,192,000	1,384,000	95,000	(903,000)
2029	2,205,000	1,364,000	97,000	(938,000)
2030	2,211,000	1,358,000	100,000	(953,000)

The Plan was closed to new entrants as of January 1, 2012. This valuation and the projected non-investment cash flows shown above reflect only participants in the Plan as of July 1, 2021. Contributions are based on projected covered pay for the closed active population and assuming the recommended contribution of 19.5% of covered pay plus $1,150,115 continues through the projection period. Expenses are assumed to increase in the future with the 2.50% inflation assumption.

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

ACTUARIAL PROCEDURES AND ASSUMPTIONS

This section of the report describes the actuarial procedures and assumptions used in this valuation. These procedures and assumptions have been chosen on the basis of recent experience of the Plan, and current expectations as to future economic conditions.

The assumptions are intended to estimate the future experience of the members of the Plan and of the Plan itself in areas which affect the projected benefit flow and anticipated investment earnings. Demographic assumptions are based on ongoing participant experience and future expectations. Assumptions for which participant data are limited, such as retiree mortality, are also drawn from published actuarial tables. Any variations in future experience from that expected from these assumptions would result in corresponding changes in the estimated costs of the Plan's benefits.

1. ACTUARIAL COST METHOD (Adopted July 1, 2011)

Entry Age Normal Actuarial Cost Method

A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of the Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.

Under this method the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets is the Unfunded Actuarial Accrued Liability (Surplus).

Under this method the Actuarial Gains (Losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

The recommended contribution is equal to the Normal Cost as a level percentage of pay plus a level dollar payment to cover the amortization of the Unfunded Actuarial Accrued Liability and ongoing administrative expense in accordance with the District's funding policy.

Beginning July 1, 2011, the Unfunded Actuarial Accrued Liability was reset and amortized as a level dollar amount over a closed 20-year period. As of July 1, 2021, 10 years remain in the closed period.

2. RECORDS AND DATA

The data used in the valuation consist of financial information and records of age, service and income of contributing members. The data was supplied by the District and Kernutt Stokes, LLP, and was accepted for valuation purposes without audit.

3. ADMINISTRATIVE EXPENSE (Adopted July 1, 2021)

It is assumed that the amount required for administrative expenses will be $80,000 per year, payable throughout the Plan Year.

4. VALUATION OF ASSETS (Adopted July 1, 2003)

The Actuarial Value of Assets is a market-related asset value. Market returns are smoothed over three years without phase-in as described in Internal Revenue Procedure 98-10. The resulting Actuarial Value of Assets is constrained to be within 20% of the current Market Value of Assets.

Effective July 1, 2011, the Actuarial Value of Assets was reset to the Market Value of Assets. This reset coincided with the closing of the Plan to new entrants, and the switch to a level dollar amortization of the Unfunded Actuarial Accrued Liability.

5. INVESTMENT EARNINGS (Adopted July 1, 2021)

The future investment earnings of the assets of the Plan are assumed to accrue at an annual rate of 5.00%, compounded annually, net of investment expenses.

The investment earnings assumption was selected based on the Plan's target asset allocation as of the valuation date, combined with capital market assumptions from several sources, including published studies summarizing the expectations of various investment experts. This information was used to develop forward-looking long-term expected returns, producing a range of reasonable expectations according to industry experts. Based on the resulting range of potential assumptions, in our professional judgment the selected investment return assumption is reasonable and is not expected to have any significant bias.

6. FUTURE SALARIES (Adopted July 1, 2017)

Individual salaries are assumed to increase as follows:

Age	Annual Salary Increase
35 – 49	4.25%
50+	2.75%

7. GENERAL INFLATION

Inflation was assumed to be 2.50% per annum in future years. This assumption is used to develop other economic assumptions used for the valuation.

8. MORTALITY (Adopted July 1, 2021)

Active and Retired participants' mortality experience is expected to follow the Pri-2012 Mortality Tables with White Collar adjustment with generational projection using MP-2020 mortality improvement projection scales starting at the 2012 base year.

No deaths were assumed for vested terminated participants prior to retirement.

9. TERMINATIONS FROM EMPLOYMENT OTHER THAN DEATH (Adopted July 1, 2011)

Annual rates are shown below:

Years of Service	Rate of Termination
Less than 2	10%
2 - 3	8%
4 - 5	6%
6 – 14	3%
15 & Up	0%

10. RETIREMENT RATES (Adopted July 1, 2011)

Annual rates are shown below:

Age	Rates of Retirement	Age	Rates of Retirement
55	10%*	62	60%
56	10%*	63	25%
57	10%*	64	25%
58	15%	65	50%
59	15%	66	50%
60	25%	67	100%
61	10%		

** Only apply to participants with 30 or more Years of Service.*

11. CONSOLIDATED ANNUAL LEAVE (CAL) (Adopted July 1, 2011)

To estimate the effect of unused CAL and other compensation items, each active member's Final Average Salary is increased by 8% at retirement and 4% at termination from employment for reasons other than retirement.

12. CHANGES IN ACTUARIAL METHOD AND ASSUMPTIONS

- The future investment earnings assumption was decreased from 5.50% to 5.00%.
- The assumed amount of administrative expenses was increased from $75,000 to $80,000.
- The mortality assumption was updated to reflect the MP-2020 mortality improvement projection scale.

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

PLAN PROVISIONS

1. Name

Lane Transit District Salaried Employees' Retirement Plan

2. Effective Date

The Plan was effective July 1, 1975. The Plan was restated effective July 1, 2015 and was amended by Amendment No. 1.

3. Plan Year

Fiscal Year Ending June 30

4. Type of Plan

The Plan is a trusteed pension plan with a corporate trustee selected by the Employer. The Retirement Committee for the Salaried Plan is responsible for the administration and operation of the Plan.

5. Employers Included

Lane Transit District

6. Employees Included

All salaried employees of the District whose first paid hour of work as a salaried employee was performed on or before December 31, 2011.

7. Eligibility for Membership

Salaried employees are eligible for membership on the earlier of first day of July or the first day of January following the day in which the employee was hired by the District. A salaried employee who was otherwise employed by the employer prior to salaried employment and who has a currently effective year of service is eligible on the first day of the month after becoming a salaried employee. No employees may become members on or after January 1, 2012.

8. Credited Service

a. Benefit Credits

Benefit Credits for participants are based on all completed and partial Plan Years of employment while a salaried employee according to the following table:

Hours Worked or Compensated for in Plan Year	Benefit Credits
1,600 hours or more	1
1,200 to 1,600 hours	3/4
800 to 1,200 hours	1/2
400 to 800 hours	1/4

Participants not compensated on an hourly basis are credited with 45 hours per week of employment, regardless of the actual hours worked.

b. Vesting Credits

An Employee will receive one Vesting Credit for each Plan Year with the District in which they earn 1,000 or more hours of service. No Vesting Credit will be given for less than 1,000 hours in a Plan Year.

9. Normal Retirement

a. Eligibility

A participant is eligible for normal retirement on the first day of the month following their 62nd birthday.

A temporary expansion was made for participants age 56 with 30 Vesting Credits for benefit commencements from January 2010 through July 2011.

b. Benefit

The greater of (i) and (ii) below

(i) The amount of the monthly benefit payable for life is one-twelfth of 1.67% of Final Average Salary multiplied by the participant's Benefit Credits.

Final Average Salary is the average of the annual Compensation for a participant's three highest consecutive years of employment with the Employer, or all consecutive years if less than three. Such three consecutive years of employment shall be the 36 consecutive calendar months for which the Member's or Inactive Member's compensation was highest. Compensation includes base salary, bonus, overtime, and payments for accrued and unused Consolidated Annual Leave upon termination of employment.

(ii) The amount of the monthly benefit is one-twelfth of 3.00% of the participant's Final Average Salary multiplied by the participant's Benefit Credits up to a maximum of 25, minus the participant's expected Social Security benefit payable at age 62.

10. Early Retirement

a. Eligibility

A participant may retire at any time after attaining age 55 providing they have five or more Vesting Credits, or at any age with 30 or more vesting credits.

b. Benefit

The benefit is the Normal Retirement Benefit reduced by 1/4% for the first 24 months by which the early retirement date precedes age 60, and by 2/3% for each additional month by which the early retirement date precedes age 60. However, there will be no reduction in the Normal Retirement Benefit for any participant who retires subsequent to age 60, or subsequent to accruing 30 Vesting Credits.

11. Delayed Retirement

a. Eligibility

A participant may elect to delay retirement after their Normal Retirement Date.

b. Benefit

The benefit is calculated in the same way as the Normal Retirement Benefit taking into account the age, service, and final average salary to actual date of retirement.

12. Disability

a. Eligibility

A participant with five or more Vesting Credits may receive a disability benefit at Normal Retirement if the following three conditions are met:

(1) The participant becomes totally and permanently disabled while in active employment;

(2) The participant is awarded a Social Security Disability benefit; and

(3) The participant has applied for a disability benefit under this Plan.

b. Benefit

The benefit shall be the Normal Retirement Benefit based upon the salary history to the date of disability and Benefit Credits to the Normal Retirement Date. This benefit is payable at the Normal Retirement Date.

13. Death Benefit

a. Prior to Retirement

The survivor benefit is payable for 120 months in an amount equal to the participant's vested monthly benefit payable at Normal Retirement at the time of the participant's death. This benefit is payable to a surviving spouse or domestic partner, or to a named individual beneficiary or surviving children under age 18.

Survivors of certain participants who die while eligible for early retirement may receive instead a 50% survivor annuity calculated as if the participant had retired on the date of death.

b. After Retirement

The benefit depends on the form of the retirement benefit elected by the participant.

14. Termination of Employment

a. Vesting

An Employee hired before January 1, 2000 will be 20% vested for each Vesting Credit up to a maximum of 100%. An employee hired after December 31, 1999 will be 0% vested until the employee has accrued five vesting credits, at which point the employee will become 100% vested.

Also, a participant is 100% vested when eligible for early or normal retirement.

b. Benefit

On the first of the month following the terminated participant's 62nd birthday, benefit payments will commence equal to the product of the Normal Retirement Benefit (based on service and salary at the time of termination) and their vested percentage. If the participant has five or more Vesting Credits, they may elect to receive an Early Retirement benefit at any time after attaining age 55.

15. Employer Contributions

The Employer will make contributions necessary to fund the Plan's Part 1 benefits on a sound actuarial basis. The Employer shall also contribute a total of 6% to fund the Plan's Part 2 benefits for Eligible Members.

16. Hourly Plan and Salaried Plan Benefit Coordination

If an employee is covered under the Lane Transit District and Amalgamated Transit Union Pension Plan (the Hourly Plan) and the Salaried Plan, their Vesting Service under one plan will be used to avoid a Break in Service under the other plan. Combined Credited Service earned under both plans will be used to vest under each plan.

The employee's total monthly retirement benefit will be the sum of the monthly benefit earned under the Hourly Plan (based on service under the Hourly Plan) and the monthly benefit under the Salaried Plan (based on service under the Salaried Plan). The portion of the benefit earned under each plan will be paid by the respective plan. This total benefit will not be less than the hourly benefit calculated by using the salaried service in addition to their hourly service. Any such increase in the total benefit will be paid by the Hourly Plan.

17. Plan Changes Since Last Valuation

Effective February 1, 2021, Amendment No. 1 allows benefits to be paid retroactively, without interest, to age 60 for specified members. The impact of the amendment was not material to this valuation.

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

PARTICIPANT INFORMATION

The following table shows the number of participants included in the current actuarial valuation.

	Current Valuation 7/1/21	Current Valuation 7/1/19
Active Participants		
Anticipated Annual Compensation	$ 2,145,286	$ 2,717,319
Average Age	53.9	53.9
Average Vesting Service	18.4	17.3
Fully Vested Participants	24	35
Non-Vested Participants	0	0
Active with Frozen Benefit	1	1
TOTAL ACTIVE	25	36
Inactive Participants		
Retirees and Beneficiaries	98	82
Vested Terminations	31	40
Hourly Transfers	1	0
TOTAL INACTIVE	130	122
TOTAL PARTICIPANTS	155	158

The total anticipated covered compensation of active members for contribution purposes is $2,145,286 for the Plan Year ending June 30, 2022. This figure does not include one active participant with a frozen benefit. The comparable figure from the previous valuation was $2,717,319 for the Plan Year ending June 30, 2020. The average anticipated salary per member was $89,387 this year, an increase from the average anticipated salary of $77,638 in the prior valuation.

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

ACTIVE PARTICIPANTS
(As of July 1, 2021)

	Years of Vesting Service							
	0 to 4		5 to 9		10 to 14		15 to 19	
Age	Count	Average Anticipated Salary	Count	Average Anticipated Salary	Count	Average Anticipated Salary	Count	Average Anticipated Salary
Under 30	0	$ 0	0	$ 0	0	$ 0	0	$ 0
30 to 34	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0	3	77,190
45 to 49	0	0	0	0	1	116,370	1	83,119
50 to 54	0	0	0	0	1	83,119	1	83,119
55 to 59	0	0	0	0	2	76,292	1	116,577
60 & Up	0	0	0	0	1	100,066	2	92,001
Totals	0	$ 0	0	$ 0	5	$ 90,428	8	$ 87,298

	Years of Vesting Service							
	20 to 24		25 to 29		30 & Up		All Years	
Age	Count	Average Anticipated Salary	Count	Average Anticipated Salary	Count	Average Anticipated Salary	Count	Average Anticipated Salary
Under 30	0	$ 0	0	$ 0	0	$ 0	0	$ 0
30 to 34	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0
40 to 44	1	116,577	0	0	0	0	4	87,037
45 to 49	1	83,119	1	83,119	0	0	4	91,432
50 to 54	0	0	0	0	0	0	2	83,119
55 to 59	1	63,749	3	75,321	0	0	7	79,839
60 & Up	4	105,558	0	0	0	0	7	100,900
Totals	7	$ 97,954	4	$ 77,270	0	$ 0	24*	$ 89,387

**There is currently 1 participant who is active with a frozen benefit that is not included in this count.*

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

SUMMARY OF RETIRED PARTICIPANTS
(As of July 1, 2021)

Age	Count	Total Monthly Benefit
Under 55	0	$ 0
55 to 59	5	4,768
60 to 64	14	18,425
65 to 69	35	61,974
70 to 74	24	47,491
75 to 79	11	9,608
80 to 84	6	2,705
85 & Up	3	413
Total	98	$ 145,384

SUMMARY OF VESTED TERMINATED PARTICIPANTS
(As of July 1, 2021)

Age	Count	Total Monthly Benefit
Under 30	0	$ 0
30 to 34	0	0
35 to 39	1	456
40 to 44	4	2,581
45 to 49	2	3,537
50 to 54	5	754
55 to 59	10	5,071
60 to 64	3	2,380
65 to 69	3	551
70 & Up	3	443
Total	31	$ 15,773

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

SUMMARY OF ACTIVES WITH FROZEN BENEFIT
(As of July 1, 2021)

Age	Count	Total Monthly Benefit
Under 30	0	$ 0
30 to 34	0	0
35 to 39	1	267
40 to 44	0	0
45 to 49	0	0
50 to 54	0	0
55 to 59	0	0
60 to 64	0	0
65 to 69	0	0
70 & Up	0	0
Total	1	$ 267

LANE TRANSIT DISTRICT
SALARIED EMPLOYEES' RETIREMENT PLAN

RISK DISCLOSURE AND HISTORICAL EXHIBITS

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 also included in this appendix.

The results of any actuarial valuation are based on one set of assumptions. Although we believe the current assumptions provide a reasonable estimate of future expectations, it is almost certain that future experience will differ from the assumptions to some extent. As an example, investments may perform better or worse than assumed in any single year and over a longer time horizon. It is therefore important to consider the potential impacts of these potential 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 generally 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.

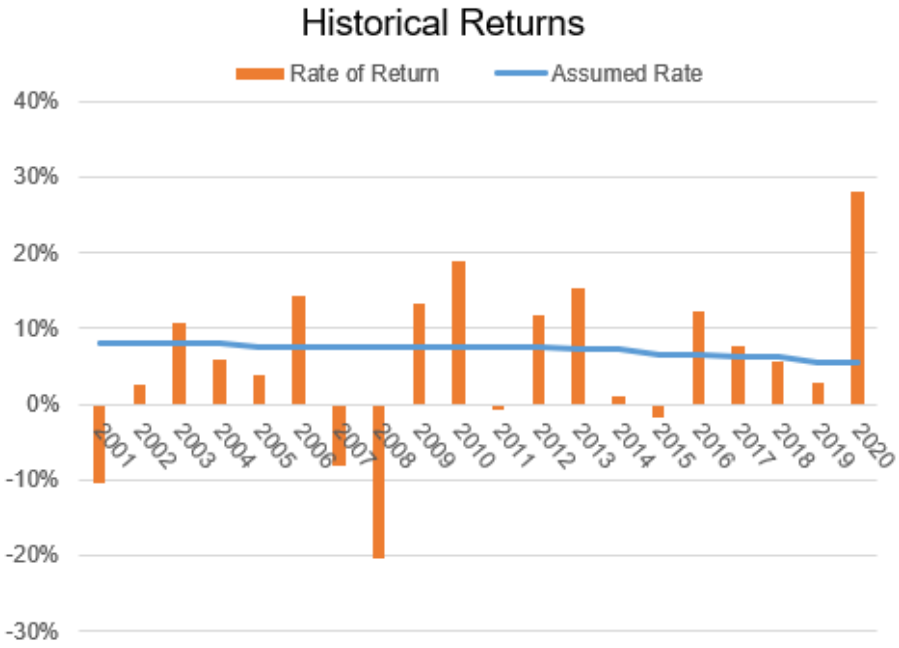
Please let us know if you would like to discuss any of these risks in greater detail.

Investment Risk

Investment risk is the potential that investment returns will be different than expected. We believe this is the most significant potential risk to the future financial health of the Plan.

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. In particular, if the Plan's investment returns are generally lower than assumed over time, additional funding would be needed compared to that implied by this valuation. The current assumed investment return is 5.00%.

The annualized return for the Plan's assets has been about 5.0% over the last 20 years, and about 7.8% over the last 10 years. More detail on the Plan's investment returns since July 1, 2001 is shown in the chart below.



The Plan's liabilities have been calculated using a discount rate equal to the assumed net investment rate of return of 5.00%. One way to assess the effect of possible future investment return different than assumed is to consider the effect of changing the discount rate. As a general rule, using a lower discount rate results in higher pension liability, and vice versa. The approximate duration of the Plan's pension liability is about 12 years as of the current valuation date. Therefore, if the discount rate were to decrease (increase) by 100 basis points, the estimated increase (decrease) in pension liability would be about 12%.

Demographic Risk

Demographic risks represent the potential that mortality, retirement, or other demographic experience will be significantly different than anticipated by the assumptions used for the valuation.

The pension liabilities reported herein have been calculated by assuming that participants will follow patterns of demographic experience (e.g., mortality, withdrawal, 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.

Primary demographic risks include:

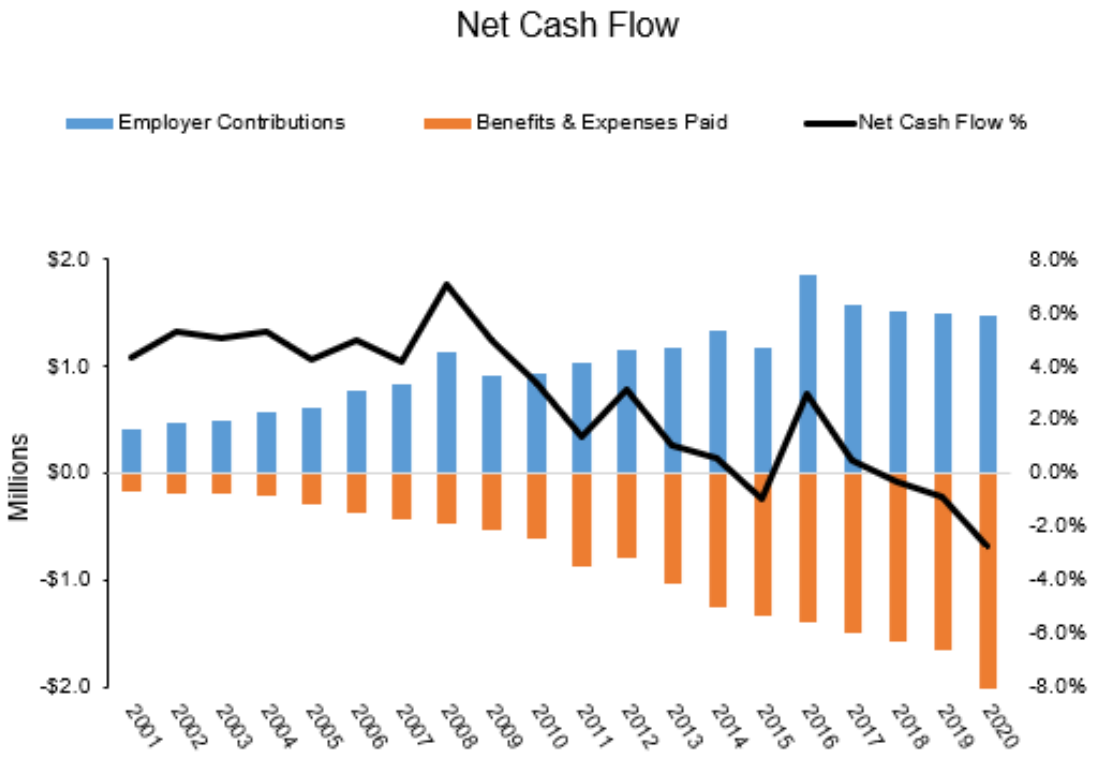
- **Longevity risk:** the risk that participants live longer than expected, which would result in more payments than projected by this valuation.
- **Decrement risk:** the risk that participants retire, terminate, or become disabled at rates different than expected. For example, the Plan has valuable early retirement benefits. If participants retire at earlier ages than anticipated by the actuarial assumptions and benefit from subsidized early retirement benefits at a greater rate than projected in the valuation, this will increase the ultimate cost of the Plan.

If demographic experience is unfavorable, additional funding would be needed compared to that implied by this valuation. We measure the Plan's demographic experience compared to our expectations each year to ensure our assumptions remain reasonable.

Liquidity Risk

Liquidity risk 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 net negative cash flow (excluding the effect of investment returns), in which contributions do not exceed annual benefit payments plus expenses.

In recent years, the Plan has had low to moderate cash flow requirements because the sum of benefit payments plus expenses has been around the same amount as contributions. As the Plan continues to mature, contribution and investment decisions should be coordinated to manage the risk that assets may need to be liquidated at a loss before planned in order to pay benefits and expenses. Currently, the Plan has a low allocation to illiquid assets such as real estate and private equity, which means it should be possible to efficiently liquidate assets as needed for normal plan benefit payments and expenses. More detail on the Plan's historical net non-investment cash flow for the prior 20 years is shown in the following chart.

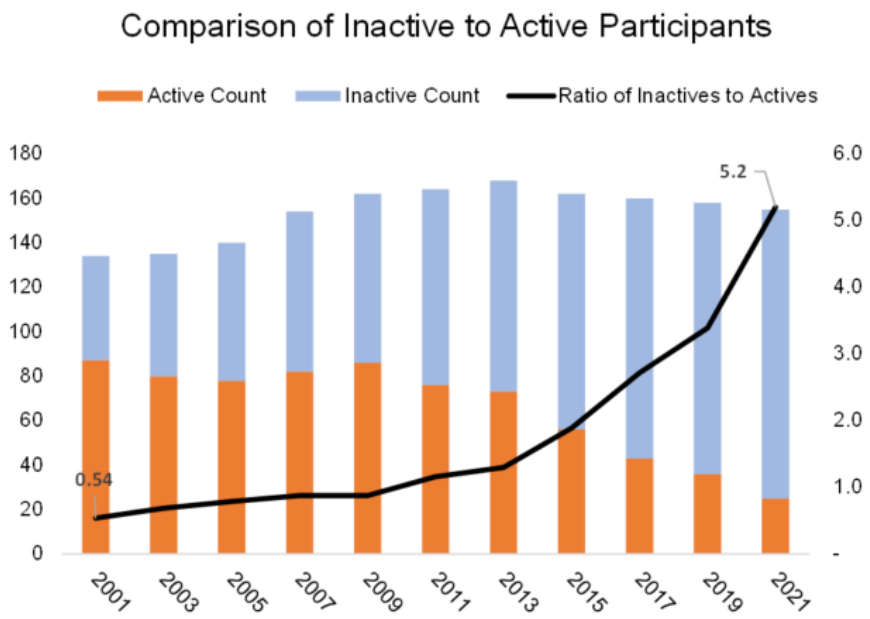


The Impact of Plan Maturity

A pension plan's ability to recover from any underfunding and to respond to any poor experience resulting from the risks described above is significantly affected by its "maturity" level. As a plan's assets and liabilities grow, the impact of any gains or losses on the assets or liabilities also becomes larger. In addition, as liabilities become more heavily weighted to inactive participants, and/or the non-investment cash flow of a plan grows significantly negative, it can become harder to address underfunding that occurs due to plan experience.

Since the Plan was closed to new entrants after January 1, 2012, it has matured rapidly in recent years and that trend is expected to continue.

One metric of the Plan's maturity is the ratio of the number of inactive participants (vested inactive participants and individuals in pay status) to active participants. The ratio of inactive participants to active participants has increased from 0.54 as of July 1, 2001 to 5.20 as of the valuation date for this report. In general, an increasing ratio of inactive to active participants is an indicator that the Plan is becoming more mature. More detail on the Plan's historical ratio of inactive participants to active participants is shown in the following chart.



Another measure of the Plan's maturity is the percentage of Plan liability attributable to inactive participants (vested inactive participants and participants in pay status) compared to the percentage attributable to active participants. The inactive liability for the Plan rose from 31% at July 1, 2001 to 73% as of the valuation date for this report. The percentage of the Plan's liability attributable to active and inactive participants for the current and 20 preceding Plan Years is shown in the chart below.