TriMet Defined Benefit Retirement Plan for Management and Staff Employees

July 1, 2015 GASB 67 and 68 Valuation

Prepared by:

Milliman, Inc.

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August 2015

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August 17, 2015

Ms. Dee Brookshire
Executive Director of Finance and Administration
TriMet
1800 SW 1st Avenue, Suite 300
Portland, Oregon 97201

Dear Dee:

As requested, we performed an actuarial valuation of the TriMet Defined Benefit Retirement Plan for Management and Staff Employees as of July 1, 2015, for the Plan Year ending June 30, 2016. Our findings are set forth in this actuary's report.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by TriMet. This information includes, but is not limited to, benefit 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 is inaccurate or incomplete our results may be different and our calculations may need to be revised.

All costs, liabilities, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated experience affecting the Plan. The assumptions used for the valuation were selected by the Plan's Board of Trustees and TriMet, including the assumption for the long term expected return on plan assets of 6.50%. The Plan's Board of Trustees and TriMet have the final decision regarding the appropriateness of the 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. 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 or additional cost or contribution requirements based on the plan's funded status); 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.

Actuarial computations presented in this report are for purpose of fulfilling TriMet's financial accounting and reporting requirements under GASB 67 and 68. The calculations enclosed in this report have been made on a basis consistent with our understanding of the Plan, TriMet's funding policy and GASB 67 and 68. Determinations for purposes other than meeting financial reporting requirements may be significantly different than the results contained in this report. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security or meeting employer funding requirements.

Milliman's work is prepared solely for the use and benefit of the Plan's Board of Trustees and TriMet. Milliman does not intend to benefit or create a legal duty to any third party recipient of this report. No third party recipient of Milliman's work product should rely upon this report. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

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

The signing actuary is independent of the plan sponsor. I am not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Sincerely,

Nina Lantz, ASA, EA, MAAA
Principal and Consulting Actuary

NML:nml
encl.

TRIMET DEFINED BENEFIT RETIREMENT PLAN FOR MANAGEMENT AND STAFF EMPLOYEES

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SECTION 1
Purpose and Summary

Purpose

This report presents the results of our actuarial valuation of the Plan as of July 1, 2015. The purpose of this report is to develop the actuarial disclosure information required by the Government Accounting Standards Board (GASB) Statements No. 67 and 68 as of June 30, 2015.

The assumptions used for the valuation were selected by the Plan's Board of Trustees and TriMet, including the assumption for the long term expected return on plan assets of 6.50%. Performing the valuation using other assumptions will yield different results.

The figures in this report are only intended for financial reporting under GASB 67 and 68. The formal funding calculations as of July 1, 2015 have not yet been completed, but may be based in part on the findings in this report.

Unless otherwise specified, all amounts prior to July 1, 2015 were shown in previous valuation reports prepared by SilverStone Heintzberger Group.

Plan Benefits Valued

The Plan provisions used for the valuation were based on the plan document restated effective July 1, 2013 and are summarized in Appendix A. There were no changes since the last valuation that impacted liabilities.

Actuarial Methods and Assumptions

Appendix B summarizes the assumptions and methods used for the valuation. Changes from the July 1, 2014 actuarial valuation are listed below.

- The application of the individual entry age normal actuarial cost method was changed, allocating costs between past and future periods differently than the prior actuary.
- The timing of decrements (i.e. retirement, termination and death) was changed from the end of the year to midyear to accommodate the change in valuation systems.
- The inflation assumption was lowered to 2.75% to reflect updated economic expectations.
- The assumption for future salary increases was lowered to 2.75% per year to reflect updated economic expectations.
- Post-retirement benefit increases were updated to reflect the change in the inflation assumption.
- Probability of marriage / domestic partner assumption was eliminated since pre-retirement mortality is no longer applied.

- The following demographic assumptions were changed based on a high level review of recent historical plan experience, and were approved by the Plan's Board of Trustees.
  - Mortality
  - Retirement rates from active status
  - Withdrawal rates
  - Disability incidence
  - Unused sick leave benefits
  - Spouse age difference
  - Form of payment upon retirement

The change in mortality increased total pension liability by $12.5 million. The change in retirement rates for active participants decreased total pension liability by $4.7 million. The change in the inflation and future salary increases reduced total pension liability by $12.7 million. The remaining assumption and method changes increased total pension liability by $2.7 million.

In addition, the following two assumptions changes were made, but did not impact the total pension liability.

- The long-term expected return on plan assets of 6.5% is now net of investment management and custodial fees.
- An explicit administrative expense assumption of $90,000 was introduced based on recent plan experience and future expectations.

Participant Statistics

The following is a summary of the more important figures developed in this valuation, together with comparable figures from the prior valuation report. The participant data that was supplied to us is summarized in more detail in Appendix C.

	July 1, 2014	July 1, 2015
Active Participants		
Accruing Service	137	126
Frozen Service	16	15
Average Age	54.8	55.3
Average Years of Vesting Service	21.3	22.4
Union Transfers	29	26
Vested Terminations	98	96
Retirees & Beneficiaries	223	234
Average Age	69.5	69.4
Average Monthly Benefit	$1,507	$1,519
Leaves & Disabled	3	3
Total Participants	506	500
Ratio of Inactives to Actives	2.31	2.55

GASB Summary

New accounting standards, GASB Statements No. 67 and 68, substantially revised the accounting requirements previously mandated under GASB Statements No. 25 and 27. GASB 67 governs financial reporting for public pension plans and is effective for plan fiscal years beginning after June 15, 2013. GASB 68 governs the accounting of pension plan obligations for public employers and is effective for employer fiscal years beginning after June 15, 2014. TriMet has elected to apply both of the new GASB accounting standards effective beginning with the fiscal year ending June 30, 2014.

A summary of the key figures disclosed under the new GASB standards for fiscal years ending June 30, 2014 and June 30, 2015 are shown below.

	June 30, 2014	June 30, 2015
Total Pension Liability	$ 123,739,146	$ 129,131,739
Fiduciary Net Position	107,118,273	111,100,177
Net Pension Liability	$ 16,620,873	$ 18,031,562
Funded Percentage	86.57%	86.04%
Pension Expense	$ (1,123,139)	$ (971,720)
Discount Rate	6.50%	6.50%
Long-term Expected Return on Plan Assets	6.50%	6.50%
Actuarially determined contribution	$ 4,956,663	$ 4,219,471
Actual employer contribution	5,601,963	6,559,317
Contribution deficiency (excess)	$ (645,300)	$ (2,339,846)

The annual pension expense reflects changes in the net pension liability from the prior year to the current year, with limited smoothing for investment gains and losses, economic and demographic gains and losses and assumption changes.

Experience Gains and Losses

Experience gains and losses occur due to Plan experience that is different from the actuarial assumptions used to value the Plan’s liabilities and assets. Since actual experience will never exactly match the Plan’s assumptions, it is certain that the Plan will experience actuarial gains and losses each year. These gains and losses arise from two sources: investment experience and demographic experience. During the 2014-2015 plan year, the total experience loss was approximately $8.6 million.

Investment Experience

The investment rate of return on the fiduciary net position for the plan year ending June 30, 2015 was about 1.9%. Compared to the 6.5% return assumed for the 2014-2015 plan year, there was an investment loss of approximately $5.0 million.

Demographic Experience

Demographic gains and losses occur when the Plan's actual demographic experience differs from our valuation assumptions. The Plan experienced a net loss on the total pension liability of approximately $3.6 million from demographic experience different than assumed.

Sources of demographic gains for the 2014-2015 plan year include the cost-of-living adjustments (COLAs) coming in below the valuation assumption (2.0% assumed versus 0.29% actual), lower salary increases than assumed (3.0% assumed versus 2.5% actual), and slightly more retiree deaths than expected.

These gains were more than offset by the loss attributable to the change in valuation systems and refinements in the actuarial cost method calculations.

Sensitivity of Results

The results presented in this report are dependent upon the actuarial assumptions being realized in the future. To the extent that actual Plan experience differs from the assumptions, future actuarial costs will differ from those presented in this report.

SECTION 2
Discussion of the Valuation

Implementation of GASB 67 and 68

GASB released new accounting standards for public pension plans and employers in June 2012. These standards, GASB Statements No. 67 and 68, substantially revised the accounting requirements previously mandated under GASB Statements No. 25 and 27. GASB 67 applies to financial reporting for public pension plans and is effective for plan fiscal years beginning after June 15, 2014. GASB 68 governs the accounting for pension plan obligations for public employers and is effective for employer fiscal years beginning after June 15, 2015. Earlier application is encouraged but not required.

TriMet elected to apply both of the new GASB accounting standards effective beginning with the fiscal year ending June 30, 2014.

The GASB statements provide that in the first period that the statements are applied, changes made to comply with the new standards should be treated as an adjustment to prior periods and the financial statements presented for prior periods should be restated. Since TriMet's audited financial statements show three fiscal years of information, prior valuation results were restated to comply with the new standards. A summary of the historical measurements is shown on Exhibit 7.

Discount Rate

Under GASB 67 and 68, the discount rate is a single rate that reflects the long-term expected rate of return on the fiduciary net position to the extent those assets plus future contributions in excess of normal costs are sufficient to pay projected benefits, and a 20-year tax-exempt, high quality general obligation municipal bond yield or index rate to the extent that assets and future contributions are not sufficient.

Further, the standards provide that professional judgment should be used in projecting contributions for this solvency projection. Contributions established by statute or contract or any formal, written policy related to contributions should be reflected. The most recent five years of contributions made by the employer should also be considered as a key indicator of future contributions. TriMet adopted a formal, written funding policy which should be considered in conjunction with their recent contribution practice for purposes of developing the discount rate.

Exhibit 1 describes the techniques and assumptions used for the depletion date projection. Exhibit 2 shows the projection of the fiduciary net position over the next 30 years assuming all assumptions are met and describes the discount rate. Exhibit 3 shows the discount rate as of June 30, 2014 and June 30, 2015.

Net Pension Liability

The net pension liability is measured as the total pension liability minus the fiduciary net position.

Total pension liability is determined using the entry age normal actuarial cost allocation method. In addition, GASB 67 and 68 require that the allocation of costs for accounting purposes be made as a level percentage of employees' projected pay, including future anticipated pay increases. The Plan's total pension liability reflects a 2.75% long-term annual salary increase assumption.

The fiduciary net position is equal to the market value of assets as of the valuation date.

Exhibit 3 shows the net pension liability as of June 30, 2014 and June 30, 2015. The changes in the net pension liability from June 30, 2014 to June 30, 2015 are shown on Exhibit 4. The 10-year schedule of changes in the net pension liability and related ratios are provided in Exhibit 7. This 10-year schedule is shown on a prospective basis from June 30, 2011 as allowed under GASB 67 and 68.

Sensitivity Analysis

Exhibit 4 shows what the net pension liability would be using a discount rate that is 1 percentage point lower and 1 percentage point higher than the rate used as of June 30, 2015.

Deferred Inflows and Outflows

Under GASB 68, gains and losses which are amortized over future years are referred to as deferred inflows (gains) and deferred outflows (losses).

- Investment gains and losses are recognized over a closed five year period.
- Economic and demographic gains and losses and changes in the total pension liability due to changes in assumptions are recognized over the closed period equal to the average expected remaining service lives of all covered active and inactive employees, determined as of the beginning of the measurement period.

  The amortization period is calculated as the weighted average of expected remaining service lives assuming zero years for all inactive employees. Active employees include transfers from Union Service. Inactive employees include terminated vested and disabled employees, retirees and beneficiaries.

  The amortization period for the June 30, 2014 to June 30, 2015 measurement period was 1.3, based on the following statistics.

As of June 30, 2014	Expected Remaining Service Lives	Employee Count
Active employees	4.730	137
Inactive employees	0.000	369

Exhibit 5 shows the total deferred inflows and outflows of resources as of June 30, 2015 along with a schedule showing the amounts that will be recognized in future years. All outstanding deferred inflows and outflows as of June 30, 2015 are shown on Exhibit 6.

Pension Expense

The annual pension expense reflects changes in the net pension liability from the prior year to the current year, with limited smoothing for deferred items. Because GASB requires that a portion of the changes in the net pension liability due to gains and losses and assumption changes be reflected during the current fiscal year, the final pension expense for any year will not be known until after the fiscal year end. Exhibit 5 shows the pension expense for the fiscal year ending June 30, 2015.

Schedule of Employer Contributions

Exhibit 8 is a 10-year schedule of the actuarially determined contribution, contributions made in relation to the actuarially determined contribution and related ratios. It also summarizes the significant methods and assumptions that were used to develop the actuarially determined contribution.

Money-Weighted Rate of Return

Exhibit 9 is calculation of the money-weighted rate of return net of investment expenses for the fiscal year ending June 30, 2015 assuming monthly cash flows occur at the end of each month.

Long-Term Expected Rate of Return by Asset Class

Exhibit 10 provides the expected real rate of return for each asset class, excluding inflation. It is based on the capital market assumptions developed by Milliman's investment consulting practice as of December 31, 2014 and the Plan's investment policy adopted by the Plan's Board of Trustees and last amended February 23, 2015.

Notes and Required Supplementary Information

GASB 67 and 68 require additional information be presented in the notes to the financial statements and required supplementary information (RSI). The attached exhibits relate to the actuarial disclosures of the Plan. Additional information related to the Plan provisions, census data, and assumptions and methods used for the actuarial disclosures may be found in the respective actuarial valuation reports for the applicable plan years.

Exhibit 1

Depletion Date Projection

In order to determine if the Plan's fiduciary net position is projected to be sufficient to make projected benefit payments, we have prepared a depletion date projection using the following techniques and assumptions:

- Benefit payments are projected based on the Plan provisions summarized in Appendix A and the actuarial assumptions and methods described in Appendix B. Projected benefit payments are shown in Appendix D.

- Administrative expenses are assumed to be $90,000 for the 2014-2015 fiscal year, increasing 3% per year for each year benefit payments increase, and decreasing 2% per year thereafter.

- TriMet is assumed to contribute the actuarially determined contribution each year. The funding policy used to determine the actuarially determined contribution is assumed to not change in the future.

  On February 26, 2014, TriMet's Board of Directors approved Resolution 14-02-06, formally adopting a pension funding policy for the Plan. This policy provides for an actuarially determined contribution based on the following parameters:

  - Use of the entry age normal, level percentage of payroll actuarial cost allocation method

  - Five year smoothing of market value investment gains and losses, with the resulting smoothed asset value within 20% of market value

  - Long-term average annual investment return on plan assets (to be reviewed and updated as appropriate at least every 2 years).

  - Initial amortization period of 10 years, reducing one year annually.

  Prior to the adoption of the funding policy, we are not aware of any formal, written funding policy. TriMet's contribution practice over the preceding five years had been to contribute the Annual Required Contribution (ARC) based on assumptions and methods compliant with GASB 25 and 27.

- The 10-year amortization period was effective for the plan year ending June 30, 2014. The amortization period as of July 1, 2015 is 8 years.

- All cash flows are assumed to occur on average halfway through the year.

- The long-term expected rate of return on pension plan investments is 6.50%.

- The assumed tax-exempt, high-quality general obligation municipal bond index rate is 4.00%.

Future projections will yield different results as actual Plan experience becomes known.

Exhibit 2

Projection of Fiduciary Net Position and Discount Rate

Fiscal Year Beginning	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings	Projected Ending Fiduciary Net Position
7/1/2015	$111,100,177	$4,242,053	($4,627,786)	($90,000)	$7,206,294	$117,830,738
7/1/2016	117,830,738	4,082,530	(5,291,488)	(92,700)	7,617,360	124,146,440
7/1/2017	124,146,440	3,703,177	(5,987,634)	(95,481)	7,993,388	129,759,890
7/1/2018	129,759,890	3,525,247	(6,619,841)	(98,345)	8,332,256	134,899,207
7/1/2019	134,899,207	3,773,406	(7,325,588)	(101,295)	8,651,580	139,897,310
7/1/2020	139,897,310	3,748,301	(7,966,200)	(104,334)	8,955,064	144,530,141
7/1/2021	144,530,141	3,729,312	(8,457,648)	(107,464)	9,239,770	148,934,111
7/1/2022	148,934,111	3,707,434	(8,947,352)	(110,688)	9,509,560	153,093,065
7/1/2023	153,093,065	584,809	(9,471,753)	(114,009)	9,663,123	153,755,235
7/1/2024	153,755,235	528,404	(9,900,788)	(117,429)	9,690,526	153,955,948
7/1/2025	153,955,948	479,965	(10,326,211)	(120,952)	9,688,302	153,677,052
7/1/2026	153,677,052	431,247	(10,766,460)	(124,581)	9,654,417	152,871,675
7/1/2027	152,871,675	384,643	(11,145,410)	(128,318)	9,588,335	151,570,925
7/1/2028	151,570,925	346,967	(11,528,099)	(132,168)	9,490,216	149,747,841
7/1/2029	149,747,841	316,250	(11,833,867)	(136,133)	9,360,825	147,454,916
7/1/2030	147,454,916	294,362	(12,092,142)	(140,217)	9,202,692	144,719,611
7/1/2031	144,719,611	270,423	(12,337,343)	(144,424)	9,016,154	141,524,421
7/1/2032	141,524,421	256,733	(12,511,258)	(148,757)	8,802,327	137,923,466
7/1/2033	137,923,466	239,974	(12,654,390)	(153,220)	8,563,007	133,918,837
7/1/2034	133,918,837	228,594	(12,785,494)	(157,817)	8,298,001	129,502,121
7/1/2035	129,502,121	219,288	(12,820,704)	(162,552)	8,009,340	124,747,493
7/1/2036	124,747,493	205,153	(12,786,005)	(159,301)	7,701,050	119,708,390
7/1/2037	119,708,390	188,895	(12,716,895)	(156,115)	7,375,302	114,399,577
7/1/2038	114,399,577	178,015	(12,577,766)	(152,993)	7,034,430	108,881,263
7/1/2039	108,881,263	167,299	(12,388,938)	(149,933)	6,681,535	103,191,226
7/1/2040	103,191,226	159,939	(12,139,530)	(146,934)	6,319,521	97,384,222
7/1/2041	97,384,222	152,784	(11,825,667)	(143,995)	5,951,972	91,519,316
7/1/2042	91,519,316	146,516	(11,458,150)	(141,115)	5,582,400	85,648,967
7/1/2043	85,648,967	140,987	(11,044,627)	(138,293)	5,213,969	79,821,003
7/1/2044	79,821,003	137,364	(10,576,437)	(135,527)	4,850,101	74,096,504

Projection Results: The Plan's projected fiduciary net position over the next 30 years is shown above. Since the funding policy uses a closed amortization method, the Plan is projected to remain solvent.

Discount Rate: The discount rate for purposes of calculating liabilities in this report is equal to the expected long-term expected rate of return on plan assets, 6.50%.

Exhibit 3

Net Pension Liability

Net Pension Liability	June 30, 2014	June 30, 2015
Total pension liability	$ 123,739,146	$ 129,131,739
Fiduciary net position	107,118,273	111,100,177
Net pension liability	$ 16,620,873	$ 18,031,562
Fiduciary net position as a % of total pension liability	86.57%	86.04%
Covered payroll	$ 13,141,852	$ 12,751,216
Net pension liability as a % of covered payroll	126.47%	141.41%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Discount Rate

The Plan's fiduciary net position plus anticipated future contributions in adherence with the funding policy is projected to remain solvent. The single effective discount rate for purposes of calculating liabilities in this report is equal to the expected long-term expected rate of return on plan assets.

Discount rate	6.50%	6.50%
Long-term expected rate of return	6.50%	6.50%

Other Key Actuarial Assumptions

Valuation date	July 1, 2014	July 1, 2015
Measurement date	June 30, 2014	June 30, 2015
Inflation	2.00%, increasing 0.25%/yr until 4.00%	2.75%
Salary Increases	3.00% next 5 years, increasing 0.25%/yr until 4.00%	2.75%
Cost-of-Living Adjustments	90% of inflation	90% of inflation
Mortality	RP-2000 Mortality Static Table for 2014, Annuitant and Non-Annuitant, for males and females	RP-2014 Annuitant White Collar Mortality, projected, 10 years past valuation date using Scale BB, for males and females
Actuarial cost method	Entry Age Normal as Level % of Pay	Entry Age Normal as Level % of Pay

Exhibit 4

Changes in Net Pension Liability
(June 30, 2014 to June 30, 2015)

Changes in Net Pension Liability	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2014	$123,739,146	$107,118,273	$16,620,873
Changes for the year:			
Service cost	505,463		505,463
Interest on total pension liability	7,931,015		7,931,015
Effect of plan changes	0		0
Effect of economic/demographic (gains) or losses	3,591,955		3,591,955
Effect of assumptions changes or inputs	(2,177,859)		(2,177,859)
Benefit payments	(4,457,981)	(4,457,981)	0
Administrative expenses		(123,346)	123,346
Member contributions		0	0
Net investment income		2,003,914	(2,003,914)
Employer contributions		6,559,317	(6,559,317)
Balances as of June 30, 2015	$129,131,739	$111,100,177	$18,031,562

Sensitivity Analysis

The following presents the net pension liability of the Plan, calculated using the discount rate of 6.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.5%) or 1 percentage point higher (7.5%) than the current rate.

	1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
Total pension liability	$146,843,802	$129,131,739	$114,431,133
Fiduciary net position	111,100,177	111,100,177	111,100,177
Net pension liability	$ 35,743,625	$ 18,031,562	$ 3,330,956

Exhibit 5

Pension Expense

Pension Expense	July 1, 2014 to June 30, 2015
Service cost	$ 505,463
Interest on total pension liability	7,931,015
Effect of plan changes	0
Administrative expenses	123,346
Member contributions	0
Expected investment return net of investment expenses	(7,022,107)
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	1,397,663
Recognition of assumption changes or inputs	(1,883,495)
Recognition of investment (gains) or losses	(2,023,605)
Pension Expense	$ (971,720)

As of June 30, 2015, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources*	Deferred Outflows of Resources*
Differences between expected and actual experience	$ 0	$ 828,913
Changes of assumptions or inputs	(502,583)	0
Net difference between projected and actual earnings	(6,523,151)	5,100,319
Contributions made subsequent to measurement date	0	0
Total	$ (7,025,734)	$ 5,929,232

* *Deferred outflows of resources are presented as positive amounts. Deferred inflows of resources are presented as negative amounts.*

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Annual Recognition*
2016	$ (73,870)
2017	(1,485,967)
2018	(540,302)
2019	1,003,637
2020	0
Thereafter	0

* *Note that future deferred inflows and outflows of resources may impact these numbers.*

Exhibit 6

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established	Original Recognition Period*	Amount Recognized in Expense 06/30/2015	Balance of Deferred Inflows 06/30/2015	Balance of Deferred Outflows 06/30/2015
Investment	$ 5,018,193	06/30/2015	5.0	$ 1,003,639	$ 0	$ 4,014,554
(gains) or losses	(7,719,697)	06/30/2014	5.0	(1,543,939)	(4,631,819)	0
	(4,728,327)	06/30/2013	5.0	(945,665)	(1,891,332)	0
	5,428,829	06/30/2012	5.0	1,085,766	0	1,085,765
	(8,117,030)	06/30/2011	5.0	(1,623,406)	0	0
				$ (2,023,605)	$ (6,523,151)	$ 5,100,319
Economic/demographic	$ 3,591,955	06/30/2015	1.3	$ 2,763,042	$ 0	$ 828,913
(gains) or losses	(3,002,079)	06/30/2014	1.84	(1,370,514)	0	0
	151,873	06/30/2013	2.07	5,135	0	0
				$ 1,397,663	$ 0	$ 828,913
Assumption	$ (2,177,859)	06/30/2015	1.3	$ (1,675,276)	$ (502,583)	$ 0
changes or inputs	(531,299)	06/30/2014	1.84	(242,550)	0	0
	1,015,215	06/30/2013	2.07	34,331	0	0
				$ (1,883,495)	$ (502,583)	$ 0

* *Investment (gains)/losses are recognized in pension expense over a period of five years; economic/demographic (gains)/losses and assumption changes or inputs are recognized over the weighted average of expected remaining service lives for all active and inactive participants.*

Exhibit 7

Schedule of Changes in Total Pension Liability, Fiduciary Net Position and Related Ratios

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service cost	$505,463	$793,111	$906,565	$1,095,477	$1,146,132	$0	$0	$0	$0	$0
Interest on total pension liability	7,931,015	8,453,556	7,902,778	7,369,518	6,903,000	0	0	0	0	0
Effect of plan changes	0	0	1,711,031	0	0	0	0	0	0	0
Effect of assumption changes or inputs	(2,177,859)	(531,299)	1,015,215	263,570	90,260	0	0	0	0	0
Effect of economic/demographic (gains) or losses	3,591,955	(3,002,079)	151,873	2,405,026	1,508,268	0	0	0	0	0
Benefit payments	(4,457,981)	(3,892,235)	(3,519,261)	(3,134,099)	(2,730,827)	0	0	0	0	0
Net change in total pension liability	5,392,593	1,821,054	8,168,201	7,999,492	6,916,833	0	0	0	0	0
Total pension liability, beginning	123,739,146	121,918,092	113,749,891	105,750,399	98,833,566	0	0	0	0	0
Total pension liability, ending (a)	$129,131,739	$123,739,146	$121,918,092	$113,749,891	$105,750,399	0	0	0	0	0
Fiduciary Net Position										
Employer contributions	$6,559,317	$5,601,963	$9,775,840	$3,007,677	$5,615,481	$0	$0	$0	$0	$0
Member contributions	0	0	0	0	0	0	0	0	0	0
Investment income net of investment expenses	2,003,914	14,073,839	10,099,943	(240,623)	12,367,428	0	0	0	0	0
Benefit payments	(4,457,981)	(3,892,235)	(3,519,261)	(3,134,099)	(2,730,827)	0	0	0	0	0
Administrative expenses	(123,346)	0*	0*	0*	0*	0	0	0	0	0
Net change in plan fiduciary net position	3,981,904	15,783,567	16,356,522	(367,045)	15,252,082	0	0	0	0	0
Fiduciary net position, beginning	107,118,273	91,334,706	74,978,184	75,345,229	60,093,147	0	0	0	0	0
Fiduciary net position, ending (b)	$111,100,177	$107,118,273	$91,334,706	$74,978,184	$75,345,229		0	0	0	0
Net pension liability, ending = (a) - (b)	$18,031,562	$16,620,873	$30,583,386	$38,771,707	$30,405,170	$0	$0	$0	$0	$0
Fiduciary net position as a % of total pension liability	86.04%	86.57%	74.91%	65.91%	71.25%	N/A	N/A	N/A	N/A	N/A
Covered payroll	$12,751,216	$13,141,852	$14,199,937	$14,868,526	$15,390,172	$0	$0	$0	$0	$0
Net pension liability as a % of covered payroll	141.41%	126.47%	215.38%	260.76%	197.56%	N/A	N/A	N/A	N/A	N/A

** Administrative expenses were included with investment income for fiscal years up through June 30, 2014.*

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not calculated in accordance with the current GASB standards, they should not be reported.

Exhibit 8

Schedule of Employer Contributions
(Dollar Amounts in Thousands)

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	$ 4,219	$ 4,957	$ 5,135	$ 4,834	$ 4,576	N/A	N/A	N/A	N/A	N/A
Actual employer contribution	6,559	5,602*	9,776*	3,008*	5,615*	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	(2,340)	(645)	(4,641)	1,826	(1,039)	N/A	N/A	N/A	N/A	N/A
Covered payroll	12,571	13,142	14,200	14,869	15,390	N/A	N/A	N/A	N/A	N/A
Contribution as a % of covered payroll	51.44%	42.63%	68.84%	20.23%	36.49%	N/A	N/A	N/A	N/A	N/A
Valuation Date	7/1/2014	7/1/2013	7/1/2012	7/1/2011	7/1/2010	N/A	N/A	N/A	N/A	N/A
Investment Rate of Return Assumption	6.50%	6.50%	7.00%	7.00%	7.00%	N/A	N/A	N/A	N/A	N/A

* *Any receivable contributions that TriMet designated for a fiscal year which was already ended at the time of actual contribution was reallocated to the fiscal year during which the contribution was made.*

Notes to Schedule

Methods and assumptions used to determine contribution rates

Actuarial Cost Method	Individual entry age normal, level percent of pay
Amortization Method	Effective July 1, 2013: Closed 10-year amortization, level dollar Effective July 1, 2008: Closed 20-year amortization, level dollar
Asset Valuation Method	Market value gains and losses smoothed over 5 years, with result not less than 80% or greater than 120% of market value
Healthy Mortality	RP-2000 Static Mortality Table for males and females, Annuitant and Non-Annuitant, updated annually
Inflation	Effective July 1, 2014: 2.00% for first year, increasing 0.25% per year until 4.00% Effective July 1, 2010: 4.00%
Salary Increases	Effective July 1, 2014: 3.00% for the next five years, increasing 0.25% per year until 4.00% Effective July 1, 2010: 5.00%
Cost of Living Adjustments	90% of inflation (retirement after May 31, 1984)

Exhibit 9

Money-Weighted Rate of Return
(Fiscal Year Ending June 30, 2015)

The money-weighted rate of return is the internal rate of return on plan assets based on the amounts and timing of actual cash flows. External cash flows (contributions, benefit payments and administrative expenses) are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - July 1, 2014	$107,091,705	12.00	1.00	$ 109,093,968
Monthly net external cash flows:				
July	167,097	11.00	0.92	169,969
August	177,939	10.00	0.83	180,696
September	132,130	9.00	0.75	133,979
October	196,097	8.00	0.67	198,546
November	190,859	7.00	0.58	192,921
December	167,942	6.00	0.50	169,505
January	30,704	5.00	0.42	30,944
February	192,671	4.00	0.33	193,852
March	187,740	3.00	0.25	188,611
April	189,071	2.00	0.17	189,667
May	192,536	1.00	0.08	192,822
June	164,697	0.00	0.00	164,697
Ending Value - June 30, 2015	$111,100,177			$111,100,177
Money-Weighted Rate of Return	1.87%			

Schedule of Investment Returns

Fiscal Year Ending June 30,	Money-Weighted Rate of Return Net of Investment Expenses
2015	1.87%
2014	15.62%
2013	N/A
2012	N/A
2011	N/A
2010	N/A
2009	N/A
2008	N/A
2007	N/A
2006	N/A
2005	N/A

Exhibit 10

Long-Term Expected Rate of Return by Asset Class

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions shown are one-year arithmetic averages, excluding inflation, developed by Milliman's investment consulting practice as of December 31, 2014. The Plan's investment policy adopted by the Plan's Board of Trustees was last amended February 23, 2015.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	14.0%	2.1%
U.S. Large-Mid Cap Equities	21.5%	5.5%
U.S. Small Equities	2.5%	6.4%
Non-US Equities	17.0%	6.3%
Tactical Asset Allocation*	15.0%	4.2%
Absolute Return	14.0%	2.6%
Private Real Estate	7.0%	4.2%
Private Equity	2.0%	9.3%
Private Credit**	7.0%	4.5%

* *Tactical Asset Allocation Strategies were assumed to be split 60% in Global Equity and 40% in Investment Grade Fixed Income.*

** *Private Credit was assumed to have similar expected returns, volatility, and correlations as High Yield Bonds.*

Appendix A

Plan Provisions

Plan Provisions

Plan provisions used were based on the plan document restated effective July 1, 2013.

Name

TriMet Defined Benefit Retirement Plan for Management and Staff Employees.

Effective Date

The Plan was originally adopted on December 7, 1970 and was last restated effective July 1, 2013.

Eligibility

Prior to April 27, 2003: an employee became a participant upon being employed as an eligible employee and was regularly scheduled to work at least 20 hours per week.

On and after April 27, 2003: Employees hired on or after April 27, 2003 are not eligible to participate in this Plan. Active participants on April 27, 2003 with credited service prior to that date made an irrevocable election to either (1) continue earning benefits under this Plan after April 26, 2003 and not earn benefits under the Defined Contribution Plan, or (2) cease earning benefits under this Plan as of April 27, 2003 and earn future benefits under the Defined Contribution Plan.

Inactive participants who are rehired after April 26, 2003 may resume participation in the Plan if certain requirements are met. Employees hired prior to April 27, 2003 who are participants in the Pension Plan for Bargaining Unit Employees of TriMet ("Union Plan") may become participants in this Plan if they transfer to a management position.

An eligible employee is any management or staff (non-bargaining) common-law employee except those covered by a collective bargaining agreement that does not provide for participation to this Plan, leased employees, employees classified to work less than half time, employees hired on or after April 27, 2003, and employees who transferred their accrued benefit to the Defined Contribution Plan.

Credited Service

Credited service includes all periods of service while a participant in the Plan, including military service, authorized vacation, periods of disability (if entitled to benefits under the TriMet Long-Term Disability Policy), periods of service in the Oregon State Legislative Assembly, authorized leave of absence (subject to return to work rules), part time work (i.e. at least 20 but less than 40 hours per week), and work for predecessor employers.

Credited service does not include periods in which TriMet is required to make contributions to Oregon PERS or to any other state mandated retirement program, periods in which the employee is covered by another TriMet retirement plan (including the Defined Contribution Plan and the Union Plan), and service prior to a break in service.

Periods of service are measured in years and whole months. Each twelve month period of credited service equals one year of credited service and partial years are based on the number of complete months worked divided by 12. Part-time employees earn partial credited service based on the percentage of full-time employment.

Vesting Service

All credited service plus any period of service (not already counted as credited service) when an employee is entitled to payment for services rendered to TriMet, excluding service preceding a permanent break in service.

Periods of service are measured in years and whole months. Each twelve month period of vesting service equals one year of vesting service and partial years are based on the number of complete months worked divided by 12.

Normal Retirement

(a) Eligibility

A vested participant may receive benefits at age 62, the normal retirement age.

(b) Basic Benefit

The basic benefit is a monthly benefit payable for life equal to 1/12 of 1.75% of final average salary multiplied by credited service. Certain executives who became participants on or before July 1, 2008 receive a different percentage of final average earnings.

Final average salary means 1/3 of the 36 highest consecutive months of base earnings. If the employee is totally disabled, final average salary includes only base earnings paid prior to the onset of disability. Final average salary during a period when an employee is part-time is the employee's salary during the period divided by the percentage of time the part-time employee worked relative to a full time employee.

(c) Sick Leave Supplement

For participants who retire on or after July 1, 2000, hours of unused sick leave are converted to either a monthly annuity supplement or a lump sum distribution.

- The monthly annuity supplement is equal to 50% of hours of sick leave multiplied by the final average hourly rate, divided by 101.9.
- The lump sum distribution is equal to 50% of hours of sick leave multiplied by the final average hourly rate, multiplied by 1.107.

The final average hourly rate is the participant's final average salary divided by 2,080.

Hours of sick leave are the lesser of the participant's hours of unused sick leave or the maximum hours of sick leave from the table below.

Effective	Maximum Hours of Sick Leave
July 1, 2000	1,400 hours
March 22, 2005	1,500 hours
December 1, 2005	1,550 hours
December 1, 2006	1,600 hours
December 1, 2007	1,650 hours
December 1, 2008	1,700 hours

Early Retirement

(a) Eligibility

A participant may retire prior to his normal retirement date if he has 5 years of credited service and is at least 55 years of age.

(b) Benefit

The normal retirement benefit is actuarially reduced based on the UP 1984 mortality table, adjusted to reflect a population that is 50% male and 50% female, and 7.5% interest.

Forms of Payment

(a) Single Life Annuity

(b) 66 2/3% Joint and Survivor Annuity

(c) Lump sum

Disability Benefit

The Plan does not provide for a disability benefit. However, participants who become entitled to receive disability benefits under the TriMet Long-Term Disability Policy continue to earn credited service toward their normal retirement benefit while disabled.

Vesting

A participant who attains the normal retirement age while active, or who earns at least five years of vesting service will be 100% vested.

Contributions

Contributions are made to the Trust Fund by the funding policy established by TriMet. There are no participant contributions. The funding policy provides that the contribution will be determined in accordance with accepted actuarial principles.

Pre-Retirement Death Benefit

The monthly payment payable to the surviving spouse or domestic partner of a vested participant is equal to the survivor portion of the 66 2/3% joint and survivor annuity which the spouse or domestic partner would have received had the participant retired at the time of his or her death (if eligible for retirement), otherwise as if the participant terminated employment on his or her date of death (if not already terminated), survived to the earliest age at which he or she could have elected to retire, retired with a 66 2/3% joint and survivor annuity, and died the following day.

The payment to the surviving spouse commences on the later of the participant's normal retirement date, or the participant's date of death. However, the spouse may commence actuarially reduced benefits following the earliest date the participant could have elected early retirement.

The payment to the domestic partner must commence no later than the December 31 of the calendar year following the participant's death. If the commencement date is earlier than the participant's age 55, the survivor benefit will be actuarial reduced to the commencement date.

Post-Retirement Benefit Increases

Post-retirement benefits for participants who retire after May 31, 1984 are increased each April 1 by 90% of the percentage increase in the U.S. Urban Wage Earners and Clerical Workers Consumer Price Index (CPI-W) (annual average) for the previous calendar year. Annual increases will not be more than 7% per year and benefits will not be decreased if the annual CPI decreases.

Plan Amendments since the Prior Valuation

None.

Appendix B

Actuarial Assumptions and Cost Method

Actuarial Assumptions and Cost Method

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, published actuarial tables and on current and future expectations. Please see our letter regarding the assumptions for the 2015 Actuarial Valuation dated May 14, 2015 for additional detail regarding the development of these assumptions.

The assumptions are intended to estimate the future experience of the participants of the Plan and of the Plan itself in areas which affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the Plan's benefits.

Records and Data

The data used in the valuation consist of employee data and financial information furnished by TriMet. All data for valuation purposes was accepted without audit.

Adjustment for Incomplete Data

Records missing spouse gender assume the spouse is the opposite sex of the participant.

Actuarial Cost Method

The accruing costs of all benefits are measured by the individual entry age normal actuarial cost method. The normal cost expressed as a level percentage of payroll.

Under this method, the total actuarial present value of projected benefits is allocated over the service for each active participant from their date of entry into the Plan until their assumed date of exit from the Plan, as a level percent of payroll. This level percent times payroll is referred to as the normal cost, and is calculated for each active participant. It is calculated by dividing each participant's total actuarial present value of projected benefits at entry age by the actuarial present value of projected salaries at entry age and multiplying this percentage by the participant's anticipated salary for the current plan year. The normal cost equals $0 for non-active participants. The sum of the individual normal costs is the normal cost for the Plan.

The Plan's total pension liability is equal to the total actuarial present value of projected benefits less the actuarial present value of future normal costs. Net pension liability is equal to total pension liability minus the Plan's fiduciary net position.

Fiduciary Net Position

The Plan's fiduciary net position is equal to the fair market value of the Plan's assets, as provided by TriMet.

Long-term Expected Return on Plan Assets (effective July 1, 2015)

6.50% per annum compounded annually, net of investment management and custodial fees.

Inflation (effective July 1, 2015)

2.75% per annum compounded annually.

Administrative Expenses (effective July 1, 2015)

Annual administrative expenses of $90,000 payable midyear are assumed.

Annualized Salary

Pay rates for each active participant were provided by TriMet. Annual salary was calculated by multiplying the pay rate by 2,080 hours.

Salary Increases (effective July 1, 2015)

Salaries are assumed to increase 2.75% per year.

Post-Retirement Benefit Increases (effective July 1, 2015)

Benefits for retired participants and their beneficiaries are assumed to increase 2.475% per year each April 1.

Decrement Timing (effective July 1, 2015)

Active and inactive participants are assumed to decrement (i.e. terminate, retire or die, as applicable) midyear.

Mortality (effective July 1, 2015)

Pre-retirement and Pre-disability Mortality

None.

Post-retirement Mortality (Healthy Lives)

RP-2014 Annuitant Mortality Table with White Collar Adjustment for males and females, projected 10 years past the valuation date using Scale BB. This assumption includes a margin for future mortality improvement.

Disability Mortality

RP-2014 Disability Mortality Table for males and females, projected 10 years past the valuation date using Scale BB. This assumption includes a margin for future mortality improvement.

Future Service Credits

Active and disabled participants are assumed to earn one year of credited service each year into the future. Active participants are assumed to earn one year of vesting service each year into the future.

Form of Benefit (effective July 1, 2015)

All non-retired participants with a spouse or domestic partner are assumed to elect the following form of payment at retirement:

Probability	Form of Payment
50%	Single Life Annuity
50%	66 2/3% Joint & Survivor Annuity

Retired participants are valued according to the benefit form elected at retirement.

Retirement from Active Status (effective July 1, 2015)

All active and disabled participants are assumed to retire by age 67. A certain percentage of active participants are assumed to elect retirement beginning at age 55. The rates of retirement are as follows:

Age	Annual Rate	Age	Annual Rate
55 - 57	2%	62	35%
58 - 60	7	63-66	30
61	15	67	100

Retirement from Inactive Status

Terminated vested participants are assumed to retire at age 62, or present age if greater.

Future Disabilities (effective July 1, 2015)

None.

Withdrawal (effective July 1, 2015)

Participants are assumed to leave active employment for reasons other than retirement and death. Sample withdrawal rates are shown below:

Years of Vesting Service	Annual Rate
Less than 2	12.0%
3-4	9.0
5-6	5.0
7-10	3.5
11-15	2.5
16 and more	1.0

Unused Sick Leave Benefits (effective July 1, 2015)

Active participants are assumed to accumulate a percentage of the maximum accumulated sick leave hours in effect at retirement, based on the following schedule:

Years of Credited Service	Sick Bank Hours
Less than 10	0
10 – 14	600
15 – 19	850
20 – 24	1,100
25 – 29	1,200
30 and more	1,400

The schedule of maximum accumulated sick leave hours is shown in Appendix A.

Spouse’s Age (effective July 1, 2015)

Males are assumed to be three years older than their spouses or domestic partners. Females are assumed to be two years younger than their spouses or domestic partners.

Changes in Actuarial Methods and Assumptions

The application of the individual entry age normal actuarial cost method was changed, allocating costs between past and future periods differently than the prior actuary.

The timing of decrements (i.e. retirement, termination and death) was changed from the end of the year to midyear to accommodate the change in valuation systems.

The long-term expected return on plan assets of 6.5% is now net of investment management and custodial fees. For GASB accounting purposes, this assumption should be determined net of investment expenses but not net of administrative expenses.

An explicit administrative expense assumption of $90,000 was introduced based on recent plan experience and future expectations.

The inflation assumption was lowered to 2.75% to reflect updated economic expectations.

The assumption for future salary increases was lowered to 2.75% per year to reflect updated economic expectations.

Post-retirement benefit increases were updated to reflect the change in the inflation assumption.

Probability of marriage / domestic partner assumption was eliminated since pre-retirement mortality is no longer applied.

The following demographic assumptions were changed based on a high level review of recent historical plan experience, which were approved by the Plan's Board of Trustees.

- Mortality
- Retirement rates from active status
- Withdrawal rates
- Disability incidence
- Unused sick leave benefits
- Spouse age difference
- Form of payment upon retirement

Appendix C

Participant Information

Participant Information

The current actuarial valuation was based upon the participant data provided by TriMet.

All participants who have met the Plan's eligibility requirements as of the valuation date were included in the valuation. This includes participants who transferred to the Union Plan as well as inactive participants who are entitled to an immediate or deferred vested benefit. Employees that received a lump sum distribution or who transferred their accrued benefit to the Defined Contribution Plan were excluded from the valuation.

The following pages summarize the data used for this valuation together with comparable figures from prior valuations. The reconciliation of the data from last year to this year is provided below.

	Active Participants	Leaves and Disabled	Transfers	Terminated Vested	Retirees and Beneficiaries
From 6/30/2014 Valuation Report	153	3	29	95	226
Adjustments/Reclassifications	0	0	2	3	-3
6/30/2014	153	3	31	98	223
Transfer to Union	0	0	0	0	0
Transfer to Management	0	0	0	0	0
Reinstated	0	0	0	0	0
Terminated with Vesting	(3)	0	0	3	0
Terminated without Vesting	0	0	0	0	0
Commenced Benefit	(8)	0	(3)	(5)	16
Long Term Disability	0	0	0	0	0
Lump Sum Distribution	(1)	0	(1)	0	0
Died	0	0	(1)	0	(7)
New Beneficiaries	0	0	0	0	2
6/30/2015	141	3	26	96	234

Historic Valuation Data

	6/30/2015	6/30/2014*	6/30/2013*	6/30/2012*	6/30/2011*	6/30/2010*	6/30/2009*	6/30/2008*	6/30/2007*
(1) Active Employees Submitted	424	424	429	407	407	390	432	435	379
(a) Not Eligible	283	271	265	227	222	200	222	210	134
(2) Number of Employees Valued									
(a) Active Employees									
(i) Participants Accruing Credited Services	126	137	147	163	168	173	192	205	226
(ii) Frozen Credited Service	15	16	17	17	17	17	18	20	19
(iii) Total	141	153	164	180	185	190	210	225	245
(b) Retirees and Beneficiaries	234	223	203	180	156	151	140	123	106
(c) Terminated Vested Participants	96	95	105	114	117	118	118	124	127
(d) Transfers to Union	26	29	31	34	33	36	35	34	35
(e) Leave of Absence	0	0	0	0	0	0	0	0	0
(f) Disability	3	3	4	4	3	3	5	6	7
(g) Total Participants Valued	500	506	509	515	497	502	512	515	520
(3) Payroll of Active Participants	$12,601,695	$13,141,852	$14,199,937	$14,868,526	$15,390,172	$15,626,270	$17,129,704	$17,842,177	$19,644,360
Percent Increase (Decrease)	(4.11%)	(14.61%)	(7.73%)	(3.39%)	(1.51%)	(8.78%)	(3.99%)	(9.17%)	(1.38%)
(4) Average Annual Earnings									
Active Participants	$89,374	$85,894	$86,585	$82,603	$83,190	$82,244	$81,570	$79,299	$80,181
Percent Increase	4.05%	(0.80%)	4.08%	(0.71%)	1.15%	0.83%	1.73%	(1.10%)	6.67%

** Data prior to June 30, 2015 were from previous valuation reports prepared by SilverStone Heintzberger Group.*

Historic Characteristics of Population

	2015	2014*	2013*	2012*	2011*	2010*	2009*	2008*	2007*	2006*	2005*
(1) Active Participants											
(a) Number	141	153	164	180	185	190	210	225	245	265	280
(b) Vested Participants	141	153	164	180	185	190	210	225	239	245	241
(c) Average Age	55.3	54.8	54.2	53.7	53.6	52.8	52.0	51.3	50.9	49.7	48.5
(d) Average Vesting Service	22.4	21.3	20.5	19.3	18.7	17.9	16.9	16.0	15.4	14.7	13.7
(e) Average Annual Earnings	$89,374	$85,894	$86,585	$82,603	$83,190	$82,244	$81,570	$79,299	$80,181	$75,169	$69,124
(2) Terminated Vested Participants											
(a) Number	96	98	107	117	120	122	122	127	127	127	130
(b) Average Age	56.2	55.3	55.3	55.2	54.6	54.0	53.4	53.5	52.7	52.1	51.9
(c) Average Age at Termination	41.7	41.1	41.1	41.5	37.8	41.8	41.8	41.9	-	-	-
(d) Average Deferred Monthly Benefit	$811	$824	$750	$765	$711	$741	$704	$662	$569	$602	$568
(3) Transfers to Union											
(a) Number	26	29	31	34	33	36	35	34	35	40	40
(b) Average Age	54.2	55.3	54.5	54.2	55.4	54.7	53.9	53.5	51.8	51.9	51.3
(c) Average Years of Management Service	4.9	5.6	5.5	5.6	6.6	6.6	5.8	5.2	N/A	N/A	N/A
(d) Average Annual Earnings	$64,349	$62,987	$63,290	$63,553	$61,607	$56,247	$57,118	$55,553	N/A	N/A	N/A
(4) Retires and Beneficiaries											
(a) Number	234	223	203	180	156	151	140	123	106	98	87
(b) Average Age	69.4	69.5	69.5	69.3	69.5	69.0	68.5	68.6	66.3	68.3	68.3
(c) Average Age at Retirement	61.5	61.6	61.5	61.4	61.1	61.1	61.1	60.9	-	-	-
(d) Average Monthly Benefit	$1,519	$1,507	$1,503	$1,483	$1,368	$1,221	$1,117	$1,114	$1,087	$1,026	$1,049
(5) Other Inactive											
(a) Leave of Absence	0	0	0	0	0	0	0	0	0	0	0
(b) Disability	3	3	4	4	3	3	5	6	7	6	4
(6) Total Participants	500	506	509	515	497	502	512	515	520	536	541

** Data prior to June 30, 2015 were from previous valuation reports prepared by SilverStone Heintzberger Group.*

Appendix D

Projected Benefit Payments

Projected Benefit Payments*
July 1, 2015

Fiscal Year Beginning July 1,	Benefit Payment	Fiscal Year Beginning July 1,	Benefit Payment	Fiscal Year Beginning July 1,	Benefit Payment
2015	$4,627,786	2048	$8,416,869	2081	$22,110
2016	5,291,488	2049	7,840,381	2082	15,015
2017	5,987,634	2050	7,266,734	2083	9,987
2018	6,619,841	2051	6,702,580	2084	6,500
2019	7,325,588	2052	6,153,504	2085	4,132
2020	7,966,200	2053	5,623,972	2086	2,566
2021	8,457,648	2054	5,117,260	2087	1,552
2022	8,947,352	2055	4,635,716	2088	916
2023	9,471,753	2056	4,180,819	2089	528
2024	9,900,788	2057	3,753,347	2090	297
2025	10,326,211	2058	3,353,449	2091	163
2026	10,766,460	2059	2,981,056	2092	87
2027	11,145,410	2060	2,635,774	2093	45
2028	11,528,099	2061	2,316,938	2094	23
2029	11,833,867	2062	2,024,017	2095	12
2030	12,092,142	2063	1,756,259	2096	6
2031	12,337,343	2064	1,512,941	2097	3
2032	12,511,258	2065	1,293,305	2098	1
2033	12,654,390	2066	1,096,327	2099	1
2034	12,785,494	2067	921,044	2100	0
2035	12,820,704	2068	766,395		
2036	12,786,005	2069	631,234		
2037	12,716,895	2070	514,325		
2038	12,577,766	2071	414,361		
2039	12,388,938	2072	329,830		
2040	12,139,530	2073	259,276		
2041	11,825,667	2074	201,147		
2042	11,458,150	2075	153,892		
2043	11,044,627	2076	116,029		
2044	10,576,437	2077	86,165		
2045	10,082,746	2078	62,948		
2046	9,545,215	2079	45,229		
2047	8,986,929	2080	31,924		

* *This is a closed group projection of benefit payments based on the plan participants as of the valuation date.*