

**LONG BEACH TRANSIT
BOARD OF DIRECTORS MEETING
AGENDA**



**THURSDAY, DECEMBER 5, 2024
4801 AIRPORT PLAZA DRIVE
ROSA PARKS BOARD CHAMBER
10:00 A.M.**

David Sutton, Chair
Abigail Mejia, Vice Chair
Raul Añorve, Secretary/Treasurer
Eduardo Angeles, Director
Carl Kemp, Director
Randy Rawlings, Director
Tunua Thrash-Ntuk, Director

Joshua Hickman, City Representative
Christopher Koontz, City Representative

Kenneth A. McDonald
President and Chief Executive Officer

LONG BEACH TRANSIT BOARD OF DIRECTORS IN-PERSON MEETING

MEMBERS OF THE PUBLIC CAN ATTEND MONTHLY BOARD MEETINGS AT LONG BEACH TRANSIT CORPORATE OFFICE ROSA PARK BOARD CHAMBER, BY RIDING ROUTES 102, 104, 111 AND 112.

**THE CLOSEST BUS STOPS TO LBTCO ARE LOCATED:
LAKEWOOD BLVD. AND SPRING ST.
CLARK AVE. AND 29TH ST.
SPRING ST. AND AIRPORT PLAZA DR.**

TO CONNECT TO ROUTES 102 AND 104, TAKE ROUTES 21, 22, 23, 61, 71, 91, 92, 93, 101, 111, 112, 172, 173, 181 AND 182.

TO CONNECT TO ROUTES 111 AND 112, TAKE ROUTES 21, 22, 23, 91, 121, 131, 151, 171, 173, 175 AND 192.

**MEMBERS OF THE PUBLIC MAY LISTEN TO THE MEETING BY DIALING
(669) 444-9171 AND ENTERING THE FOLLOWING
MEETING ID: 892 4992 2679 (PASSWORD: 1963)**

**MEMBERS OF THE PUBLIC MAY ALSO JOIN THE VIDEO CONFERENCE VIA
THE FOLLOWING ZOOM MEETING LINK:**

<https://us06web.zoom.us/j/89249922679?pwd=C6H1K4aKWbnpU9QTVsN6ynNnxYqX0Y.1>

PLEASE NOTE THE ZOOM MEETING MAY ENCOUNTER TECHNICAL DISRUPTIONS, BUT IN-PERSON ACCESS AND PUBLIC COMMENT WILL CONTINUE TO BE AVAILABLE IN ACCORDANCE WITH THE BROWN ACT

PERSONS WISHING TO ADDRESS THE BOARD MAY SUBMIT PUBLIC COMMENT VIA EMAIL OR TELEPHONE. MEMBERS OF THE PUBLIC ALSO HAVE THE OPTION TO PROVIDE PUBLIC COMMENT IN THE ZOOM MEETING BY USING THE RAISE HAND FUNCTION OR PRESSING *9 ON YOUR PHONE

Public comments on agenda items may be submitted by email to board@lbtransit.com or by telephone at 562.599.8599.

If calling, please leave a voicemail with your name (please state it clearly), your telephone number for a return call, and the item number on which you would like to comment (or specify "public comment").

If emailing, please include your name, your telephone number for a return call, and the item number on which you would like to comment (or specify "public comment").

More information on this process may be found at ridelbt.com/about-us

REGULAR MEETING – 10:00 A.M.

1. Call to Order. (David Sutton)
2. Roll Call. (Jen Flores)
3. Employee Recognition. (Elizabeth Brown)

Employees of the Month for November 2024:

Jimmy Jones, Transit Service Delivery and Planning
Ivan Nieves, Maintenance and Infrastructure
Heidy Valdes, Administrative Staff

INFORMATION ITEM

4. Public Comment.

Any member of the public may approach the lectern and, upon recognition by the Chair, state his or her name and proceed to address the Board on any item within the subject matter jurisdiction of the Long Beach Transit Board of Directors, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three minutes, unless different time limits are set by the Chair, subject to the approval of the Board.

5. President and CEO Report. (Kenneth McDonald)

INFORMATION ITEM

NOTICE TO THE PUBLIC

All matters included on the Consent Calendar are considered routine by the Long Beach Transit (LBT) Board of Directors and will all be enacted by one motion. There will be no separate discussion of these items unless a member of the Board of Directors or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

CONSENT CALENDAR (6)

6. Recommendation to approve the minutes of the regular session meeting held on October 24, 2024.

Suggested Action: Approve recommendation.

REGULAR CALENDAR

7. Monthly Financial Report. (Lisa Patton)

INFORMATION ITEM

8. Actuarial Valuation of Retirement Plans for Contract and Salaried Employees as of July 1, 2024. (Ashley Liang)

INFORMATION ITEM

9. Election of Officers. (David Sutton)

Suggested Action: Approve recommendation.

10. Public Comment.

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11. Board Requests.

12. Adjourn. The next regular meeting will be held on January 23, 2025. (David Sutton)

Suggested Action: Approve recommendation.

Note:

Long Beach Transit intends to provide reasonable accommodations in accordance with the Americans with Disabilities Act of 1990. If special accommodation is desired please call the Office of the Board Secretary 48 hours prior to the meeting at 562.599.8599.

Long Beach Transit is an entity which is separate and distinct from the City of Long Beach.

**LONG BEACH TRANSIT
BOARD OF DIRECTORS MEETING
MINUTES**



**THURSDAY, OCTOBER 24, 2024
4801 AIRPORT PLAZA DRIVE
ROSA PARKS BOARD CHAMBER
3:30 P.M.**

David Sutton, Chair
Abigail Mejia, Vice Chair
Raul Añorve, Secretary/Treasurer
Eduardo Angeles, Director
Carl Kemp, Director
Randy Rawlings, Director
Tunua Thrash-Ntuk, Director

Joshua Hickman, City Representative
Christopher Koontz, City Representative

Kenneth A. McDonald
President and Chief Executive Officer

REGULAR MEETING – 3:30 P.M.

1. Call to Order. (David Sutton)

Chair Sutton called the meeting to order at 3:31 p.m.

2. Roll Call. (Jen Flores)

Directors Present: Eduardo Angeles, Raul Añorve, Randy Rawlings, David Sutton and Tunua Thrash-Ntuk

Directors Excused: Carl Kemp and Abigail Mejia

3. Employee Recognition. (Elizabeth Brown)

Employees of the Month for October 2024:

Alexis Gonzalez, Transit Service Delivery and Planning
George Soto, Maintenance and Infrastructure
Emily Rasmussen, Administrative Staff

INFORMATION ITEM

Elizabeth Brown, Executive Director/VP, Organizational Development and Administration, presented the Employees of the Month for October 2024.

4. Public Comment.

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Kurt Canfield gave a live public comment regarding LBT's Museum Express service.

5. President and CEO Report. (Kenneth McDonald)

INFORMATION ITEM

Kenneth McDonald, President and CEO, presented his monthly report.

CEO McDonald provided information regarding SB 434 and what is expected of LBT regarding conducting the customer harassment survey.

CEO McDonald announced that LBT was awarded an HVIP incentive voucher for the purchase of the recently approved 30 40-ft. buses.

CEO McDonald updated the Board on recent activities surrounding the LA 2028 Summer Olympics.

CEO McDonald highlighted various employee engagement events LBT staff participated in for the month of October.

CEO McDonald highlighted various community events LBT staff participated in for the month of October.

CEO McDonald provided a summary of the APTA TRANSform Conference attended by Board Directors and staff.

Chair Sutton, Secretary/Treasurer Añorve and Director Thrash-Ntuk contributed summaries of their experiences at the conference.

CEO McDonald informed the Board that LBT will be offering complimentary service on Election Day, Tuesday, November 5.

NOTICE TO THE PUBLIC

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CONSENT CALENDAR (6)

A motion was made by Secretary/Treasurer Añorve, seconded by Director Rawlings, to pass the consent calendar. The motion carried by the

following vote:

Yes: 5 - Eduardo Angeles, Raul Añorve, Randy Rawlings, David Sutton and Tunua Thrash-Ntuk

Excused: 2 – Carl Kemp and Abigail Mejia

6. Recommendation to approve the minutes of the regular session meeting held on September 26, 2024.

Suggested Action: Approve recommendation.

REGULAR CALENDAR

7. Monthly Financial Report. (Lisa Patton)

INFORMATION ITEM

Lisa Patton, Executive Director/VP, Finance and Budget, presented the staff report.

Item was received and filed

8. Recommendation to approve the Board of Directors meeting dates for Calendar Year 2025. (Jen Flores)

Suggested Action: Approve recommendation.

Jen Flores, Board Secretary, presented the staff report.

Secretary/Treasurer Añorve requested that staff look into presenting the budget to the Board at earlier Board meetings.

A motion was made by Director Angeles, seconded by Director Rawlings, to approve the recommendation. The motion carried by the following vote:

Yes: 5 - Eduardo Angeles, Raul Añorve, Randy Rawlings, David Sutton and Tunua Thrash-Ntuk

Excused: 2 – Carl Kemp and Abigail Mejia

9. Recommendation to authorize the President and CEO to approve the final one-year contract extension for Commune Communications, including advertising expenses, in the amount of \$243,360 for creative services and \$144,000 for advertising, for a total authorization amount not to exceed \$387,360. (Michael Gold)

Suggested Action: Approve recommendation.

Mike Gold, Executive Director/VP, Customer Relations and Communications, presented the staff report.

Kurt Canfield gave a live public comment regarding LBT's policy for bus advertising wraps.

A motion was made by Director Thrash-Ntuk, seconded by Secretary/Treasurer Añorve, to approve the recommendation. The motion carried by the following vote:

Yes: 5 - Eduardo Angeles, Raul Añorve, Randy Rawlings, David Sutton and Tunua Thrash-Ntuk

Excused: 2 – Carl Kemp and Abigail Mejia

10. Recommendation to authorize the President and CEO to enter into a three-year agreement with Lamar Transit LLC for exterior bus advertising services with the Minimum Annual Guarantees in the amount of \$2,550,00, with two, one-year options in the amount of a Minimum Annual Guarantee of \$900,000 for Option Year 1 and a Minimum Annual Guarantee of \$925,000 for Option Year Two. (Michael Gold)

Suggested Action: Approve recommendation.

Mr. Gold presented the staff report.

Kurt Canfield gave a live public comment regarding LBT's policy for bus advertising wraps.

Director Thrash-Ntuk inquired about stipulations regarding the types of advertising allowed on buses.

Mr. Gold responded that LBT is unable to advertise for tobacco, alcohol and cannabis because the agency receives federal funds.

Director Thrash-Ntuk inquired whether the MAG would increase if bus stop advertising is activated.

Mr. Gold responded that currently LBT is not allowed to advertise at bus stops, however, if allowed to do so in the future LBT would have to negotiate additional revenue sharing or MAG figures with the vendor.

Director Thrash-Ntuk followed up by asking if bus stop advertising moves forward would staff bring the renegotiated contract to the Board for approval.

CEO McDonald responded that staff would return to the Board with a renegotiated contract.

Secretary/Treasurer Añorve asked for clarification on where the other 37% of sales goes.

Mr. Gold explained that this contract is revenue-based, LBT does not expend any funds, and that 37% of sales goes directly to the vendor to cover their expenses.

Secretary/Treasurer Añorve inquired about the wraps on bus windows.

Mr. Gold responded that LBT has approved wraps that cover the bus windows. However, any advertising that is out of the norm does come to LBT for approval.

Chair Sutton requested that the Finance and Budget Committee look into more creative ways to raise revenues and that any overages from this contract be put back into customer amenities.

Chair Sutton inquired about LBT property that could be used for electronic advertising.

Mr. McDonald responded that any advertising needs to be approved by the city. Staff is currently in discussions with the city regarding advertising.

Chair Sutton inquired if LBT has the right to refuse any advertisement.

Mr. Gold responded that the contract does stipulate that LBT has the right to refuse any advertisement it deems inappropriate.

Discussion ensued about the bus shelters in the city.

A motion was made by Director Thrash-Ntuk, seconded by Secretary/Treasurer Añorve, to approve the recommendation. The motion carried by the following vote:

Yes: 5 - Eduardo Angeles, Raul Añorve, Randy Rawlings, David Sutton and Tunua Thrash-Ntuk

Excused: 2 – Carl Kemp and Abigail Mejia

11. Public Comment.

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Kurt Canfield gave a live public comment inquiring about how to make a public records request.

Ms. Flores, responded that public records requests can be emailed to board@lbtransit.com

12. Board Requests.

Secretary/Treasurer Añorve inquired who should receive suggestions for the Museum Express.

Director Rawlings requested a department-level performance report to understand employee engagement and morale and organizational KPIs.

13. Adjourn. The next regular meeting will be held on December 5, 2024. (David Sutton)

Suggested Action: Approve recommendation.

Meeting adjourned at 4:45 p.m.

A motion was made by Director Angeles, seconded by Director Rawlings, to approve the recommendation. The motion carried by the following vote:

Yes: 5 - Eduardo Angeles, Raul Añorve, Randy Rawlings, David Sutton and Tunua Thrash-Ntuk

Excused: 2 – Carl Kemp and Abigail Mejia

Note:

Long Beach Transit intends to provide reasonable accommodations in accordance with the Americans with Disabilities Act of 1990. If special accommodation is desired please call the Office of the Board Secretary 48 hours prior to the meeting at 562.599.8599.

Long Beach Transit is an entity which is separate and distinct from the City of Long Beach.

**LONG BEACH TRANSIT
STATEMENT OF REVENUES AND EXPENSES
FOR PERIOD JULY 1, 2024 TO OCTOBER 31, 2024**

Page 1 of 4

	October 2023	October 2024	October Budget	%	Year to Date FY 2024	Year to Date FY 2025	Year to Date Budget	%
OPERATING REVENUE								
Passenger Fares	\$815,839	\$911,453	\$865,590	105	\$3,210,415	\$3,474,782	\$3,270,245	106
Dial A Lift Fares	3,436	3,786	3,437	110	13,240	14,500	13,302	109
Aqua Service Fares	0	0	0	-	155,292	202,601	179,821	113
Special Event Service Revenue	0	23,467	3,400	690	3,406	66,515	6,760	984
Advertising Revenue	122,233	34,681	58,333	59	290,983	203,431	233,332	87
Interest & Miscellaneous	316,234	586,324	293,235	200	1,325,410	2,284,996	1,150,169	199
TOTAL OPERATING REVENUE	\$1,257,742	\$1,559,712	\$1,223,995	127	\$4,998,746	\$6,246,826	\$4,853,629	129
SUBSIDY REVENUE								
Federal	\$500,000	\$1,750,000	\$1,750,000	100	\$1,500,000	\$6,900,000	\$6,900,000	100
State	2,859,013	2,665,846	2,668,574	100	11,441,218	10,671,569	10,674,296	100
County	4,060,408	4,559,874	4,559,873	100	16,242,306	18,239,495	18,239,492	100
Local	793,932	729,618	780,901	93	3,568,025	3,592,985	3,602,299	100
TOTAL SUBSIDY REVENUE	\$8,213,352	\$9,705,338	\$9,759,348	99	\$32,751,549	\$39,404,048	\$39,416,087	100
TOTAL REVENUE	\$9,471,094	\$11,265,050	\$10,983,343	103	\$37,750,295	\$45,650,874	\$44,269,716	103
OPERATING EXPENSES								
Operations	\$4,758,172	\$5,173,070	\$5,368,751	96	\$19,388,304	\$20,797,967	\$21,830,490	95
Maintenance	2,431,879	2,619,935	2,631,475	100	9,204,804	10,316,205	10,370,097	99
Administration	1,968,157	2,045,011	2,386,387	86	7,708,996	7,993,226	9,291,272	86
Fuel & Lubricants	517,187	473,941	589,505	80	2,013,078	1,839,433	2,314,366	79
TOTAL OPERATING EXPENSES	\$9,675,395	\$10,311,957	\$10,976,118	94	\$38,315,182	\$40,946,831	\$43,806,225	93
NET INCOME (LOSS) BEFORE DEPR.	(\$204,300)	\$953,093	\$7,225		(\$564,887)	\$4,704,043	\$463,491	
DEPRECIATION	\$1,455,618	\$1,604,004	\$1,604,004	100	\$5,781,503	\$6,506,060	\$6,506,060	100

**LONG BEACH TRANSIT
SCHEDULE OF EXPENSES
FOR PERIOD JULY 1, 2024 TO OCTOBER 31, 2024**

Page 2 of 4

	Operations	Maintenance	Admin	Total Curr. Month	Current Month Budget	%	Year to Date	Year to Date Budget	%
LABOR									
Operators	\$2,685,607	\$0	\$0	\$2,685,607	\$2,771,974	97	\$10,844,051	\$11,129,704	97
Maintenance	0	652,443	0	652,443	619,269	105	2,598,881	2,536,330	102
Salaried	364,773	423,768	774,688	1,563,229	1,713,423	91	6,239,529	6,770,881	92
FRINGE BENEFITS									
FICA	207,325	74,304	52,684	334,313	367,344	91	1,367,518	1,471,027	93
Pension	381,218	136,467	97,298	614,982	678,495	91	2,475,268	2,729,452	91
Health	609,644	199,236	125,345	934,225	978,918	95	3,549,007	3,809,361	93
Workers' Compensation	445,754	41,725	2,169	489,648	488,433	100	1,956,263	1,953,732	100
Uniform & Tool Allowance	16,542	7,651	835	25,029	34,968	72	100,441	126,088	80
Unemployment & Other Fringes	20,244	3,733	14,695	38,671	38,212	101	112,218	150,448	75
SERVICES									
Advertising	0	0	48,500	48,500	68,496	71	199,606	273,984	73
Professional & Technical	25,372	24,421	146,943	196,736	361,127	54	870,310	1,375,878	63
Contract Maintenance	0	246,517	205,299	451,816	450,518	100	1,501,166	1,671,335	90
Security	265,772	63,197	0	328,970	312,244	105	1,181,786	1,309,422	90
Employment Physicals	0	0	14,360	14,360	18,000	80	71,846	72,000	100
Other	0	10,058	13,797	23,855	16,029	149	63,484	62,780	101

**LONG BEACH TRANSIT
SCHEDULE OF EXPENSES
FOR PERIOD JULY 1, 2024 TO OCTOBER 31, 2024**

Page 3 of 4

	Operations	Maintenance	Admin	Total Curr. Month	Current Month Budget	%	Year to Date	Year to Date Budget	%
MATERIALS & SUPPLIES									
Fuel & Lubricants	\$0	\$473,941	\$0	\$473,941	\$589,505	80	\$1,839,433	\$2,314,366	79
Fleet Parts & Supplies	0	484,185	0	484,185	512,472	94	2,025,581	1,895,648	107
Other Materials & Supplies	0	64,631	26,618	91,249	81,509	112	340,068	329,856	103
UTILITIES	0	117,762	48,340	166,102	176,148	94	744,128	779,171	96
CASUALTY/LIABILITY COSTS	0	6,917	386,799	393,716	393,270	100	1,574,863	1,573,080	100
PURCHASED TRANS. SERVICE									
Dial A Lift	105,095	0	0	105,095	114,125	92	410,335	447,815	92
Aqua Service	41,953	0	0	41,953	44,212	95	380,184	443,573	86
MISC. EXPENSES									
Dues & Subscriptions	0	0	16,678	16,678	15,833	105	52,750	63,332	83
Taxes, Fees	0	30,679	0	30,679	31,929	96	122,718	129,116	95
Training, Travel & Meetings	0	0	22,423	22,423	27,501	82	87,200	110,004	79
Schedules & Tickets	0	0	35,692	35,692	16,250	220	52,453	40,000	131
Safety & Misc. Items	0	6,344	6,224	12,568	15,334	82	38,815	61,336	63
Recruitment Advertising	0	0	4,604	4,604	8,000	58	18,317	32,000	57
Other	3,772	25,896	1,022	30,691	32,581	94	128,614	144,506	89
TOTAL OPERATING EXPENSES:	<u>\$5,173,070</u>	<u>\$3,093,875</u>	<u>\$2,045,011</u>	<u>\$10,311,957</u>	<u>\$10,976,118</u>	94	<u>\$40,946,831</u>	<u>\$43,806,225</u>	93

LONG BEACH TRANSIT BALANCE SHEET

Page 4 of 4

	Balance at 10/31/24	Balance at 09/30/24	Balance at 10/31/23
<u>ASSETS</u>			
Cash and Investments	78,834,703	82,062,391	69,907,401
Receivables			
Federal	1,750,021	21	783,582
State	8,844,037	7,566,236	3,129,498
County	87,351	106,831	571,226
Local	3,223,415	2,559,137	1,303,153
Miscellaneous	2,738,145	2,974,522	3,094,354
Materials & Supplies Inv.	4,151,976	4,107,193	3,699,547
Net Capital Assets	117,589,257	118,846,694	125,860,956
Other Assets	13,265,744	14,335,893	18,950,046
TOTAL ASSETS	230,484,647	232,558,918	227,299,763
<u>LIABILITIES AND CAPITAL</u>			
Trade Payables	3,356,806	4,023,455	4,318,509
Accrued Payroll Liabilities	8,013,865	8,456,382	6,707,017
Net Pension Liability (GASB 68)	28,978,646	28,978,646	34,055,081
Compensated Absence Liabilities	3,907,318	3,878,682	3,718,985
Estimated Liabilities	71,788,930	72,491,409	70,503,677
Deferred Credits	21,593,468	21,580,385	12,048,886
Long-Term Notes Payable	0	0	0
TOTAL LIABILITIES	137,639,033	139,408,959	131,352,156
Federal Capital Contributions	340,152,501	340,152,501	337,239,670
State Capital Contributions	120,684,612	120,366,681	114,729,445
Local Capital Contributions	131,812,213	131,783,578	129,441,663
Accumulated Earnings (Losses)	(499,803,712)	(499,152,801)	(485,463,170)
TOTAL CAPITAL	92,845,614	93,149,958	95,947,607
TOTAL LIABILITIES AND CAPITAL	230,484,647	232,558,918	227,299,763



Board Agenda Item No. 08 December 5, 2024

INFORMATION ITEM

Actuarial Valuation of Retirement Plans for Contract and Salaried Employees as of July 1, 2024

STAFF REPRESENTATIVE

Ashley Liang, Treasurer

BACKGROUND

Each year, Long Beach Transit (LBT) presents its actuarial valuation reports for the Retirement Plans (Plans) for the agency's Contract and Salaried employees as of July 1, 2024.

The actuarial report serves three main purposes:

- Determine the annual funding levels under the Plan's adopted funding policy;
- Determine how the required funding changed from the prior year based on plan experience; and
- Determine other information pertinent to understanding the Plan's funded status.

Retirement Plan for Contract Employees

For contract employees, compared to the prior year, the Plan's funding cost for the Plan Year commencing July 1, 2024 decreased from \$7,088,470 of pay to \$6,865,641 of pay.

Retirement Plan for Salaried Employees

For salaried employees, compared to the prior year, the Plan's funding cost for the Plan Year commencing July 1, 2024 decreased from \$1,322,745 of pay to \$1,182,582 of pay.

STAFF RECOMMENDATION

Not Applicable. Information Item

A handwritten signature in blue ink that reads "K. McDonald".

Kenneth A. McDonald
President and Chief Executive Officer

Attachments

***RETIREMENT PLAN FOR CONTRACT
EMPLOYEES OF LONG BEACH
PUBLIC TRANSPORTATION COMPANY***

***Actuarial Valuation as of
July 1, 2024***

NWPS
160 W. Santa Clara Street, Suite 1550
San Jose, California 95113
(408) 298-1170

October 2024

October 31, 2024

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

Dear Pension Committee:

We are pleased to present our actuarial valuation report for the Retirement Plan for Contract Employees of Long Beach Public Transportation Company as of July 1, 2024. The information in this report provides the means by which we determine the funding requirements for the Plan. The actuarial report serves three main purposes:

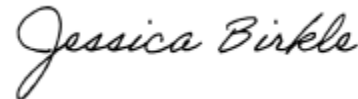
- Determine the annual funding levels under the Plan’s adopted funding policy and alternative funding levels.
- Determine how the required funding changed from the prior year using what is called an “experience analysis.”
- Determine other information pertinent to understanding the Plan’s funded status.

Compared to the prior year, the Plan’s funding cost for the Plan Year commencing July 1, 2024 decreased from 21.009% of pay (\$7,088,470) to 19.135% of pay (\$6,865,641) as follows:

	<u>% of Pay</u>	<u>\$ Amount (est.)</u>
• July 1, 2023 funding cost	21.009%	\$7,088,470
• Plan experience	<u>-1.874%</u>	<u>(\$222,829)</u>
• July 1, 2024 funding cost	19.135%	\$6,865,641

We look forward to discussing our report with you.

Sincerely,



Jessica Birkle
Consulting Actuary

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SECTION 1: VALUATION RESULTS

Executive Summary

The market value of assets increased \$11,276,628 during 2023-2024 and the return was 11.43%.

The Plan's funded percentage on an Entry Age Normal Accrued Liability basis increased from 71.73% to 77.34%. This was primarily due to the increase in the market value of assets.

The funding policy contribution as of July 1, 2024 is \$6,865,641 which is comprised of the normal cost of \$5,729,798 and the amortization payment of the unfunded liability plus interest required for monthly contributions. The funding policy contribution decreased by \$222,829 from last year primarily due to the increase in the market value of assets being greater than the increase in liabilities.

Contributions made to the Plan were \$8,253,059.

The Plan's funding cost as a percentage of compensation for the July 1, 2024 Plan Year is 19.135% compared to 21.009% for the prior year. Plan experience decreased the funding cost by 1.874%.

Benefit payments decreased from \$5,760,706 to \$5,413,472 primarily due to the decrease in the number of lump sums paid in 2023/2024.

SECTION 1: VALUATION RESULTS

Summary Information

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

	<u>July 1, 2024</u>	<u>July 1, 2023</u>	<u>Change</u>
Number of Participants			
Actives			
Vested	378	385	(7)
Non-Vested	<u>178</u>	<u>173</u>	<u>5</u>
Total	556	558	(2)
Inactive Vested	60	54	6
In Pay Status			
Retirees	73	69	4
Disabled	19	18	1
Beneficiaries	<u>18</u>	<u>17</u>	<u>1</u>
Total	110	104	6
Total Participants	726	716	10

SECTION 1: VALUATION RESULTS

Summary Information (continued)

	<u>July 1, 2024</u>	<u>July 1, 2023</u>	<u>Change</u>
Normal Cost for all benefits for fiscal year	\$5,729,798	\$5,842,984	(\$113,186)
Contribution for the fiscal year under the Company's Funding policy (assuming it is paid uniformly throughout the year)			
Annual amount	\$6,865,641	\$7,088,470	(\$222,829)
Percent of covered compensation	19.135%	21.009%	-1.874%
Expected employer non-PEPRA contributions ⁽¹⁾	\$2,044,851	\$2,234,488	(\$189,637)
Expected employer PEPRA contributions ⁽¹⁾	\$2,108,367	\$2,029,760	\$78,607
Expected non-PEPRA employee contributions ⁽¹⁾	\$1,197,655	\$1,375,458	(\$177,803)
Expected PEPRA employee contributions ⁽¹⁾	\$1,514,768	\$1,448,764	\$66,004
Employer non-PEPRA percent of compensation ⁽¹⁾	12.067%	13.004%	-0.937%
Employer PEPRA percent of compensation ⁽¹⁾	11.135%	12.259%	-1.124%
Employee non-PEPRA percent of compensation ⁽¹⁾	7.068%	8.005%	-0.937%
Employee PEPRA percent of compensation ⁽¹⁾	8.000%	8.750%	-0.750%

⁽¹⁾ The PEPRA employee contribution rate is half of the total normal cost accrual rate rounded to the nearest 0.25% and is equal to the Non-PEPRA employee contribution rate if higher. The Non-PEPRA employee contribution rate is the greater of: (1) minimum of 5% and total contribution rate minus 10%, and (2) (maximum of 0 and total contribution rate minus 15%) x .50 plus 5%.

SECTION 1: VALUATION RESULTS

Summary Information (continued)

	<u>July 1, 2024</u>	<u>July 1, 2023</u>	<u>Change</u>
Entry Age Normal Accrued Liability	\$113,777,894	\$106,957,133	\$6,820,761
Funded Percentage	77.34%	71.73%	5.61%
Market Value of Plan Assets	\$87,997,830	\$76,721,202	\$11,276,628
Frozen Initial Liability Remaining Unfunded	\$10,679,770	\$12,182,210	(\$1,502,440)
Contributions Received	\$8,253,059	\$6,689,636	\$1,563,423
Benefits Paid	\$5,413,472	\$5,760,706	(\$347,234)

SECTION 1: VALUATION RESULTS

Annual Funding

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

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

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

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

As of July 1, 2007, the Plan's actuary determined what the Plan's assets would have been if (1) the Plan benefits had always been the same as they were then, (2) the Plan's actuarial

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

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

Based on a reassessment of future returns, effective July 1, 2016 the interest rate assumption was again lowered from 7.50% to 7.00% which led to \$3,194,510 in additional liability.

Effective July 1, 2017 the interest rate assumption was further lowered from 7.00% to 6.50% which led to \$3,651,179 in additional liability.

Effective July 1, 2020 the disability, turnover, and mortality table assumptions were updated which led to \$1,341,613 in additional liability.

SECTION 1: VALUATION RESULTS

Annual Funding (continued)

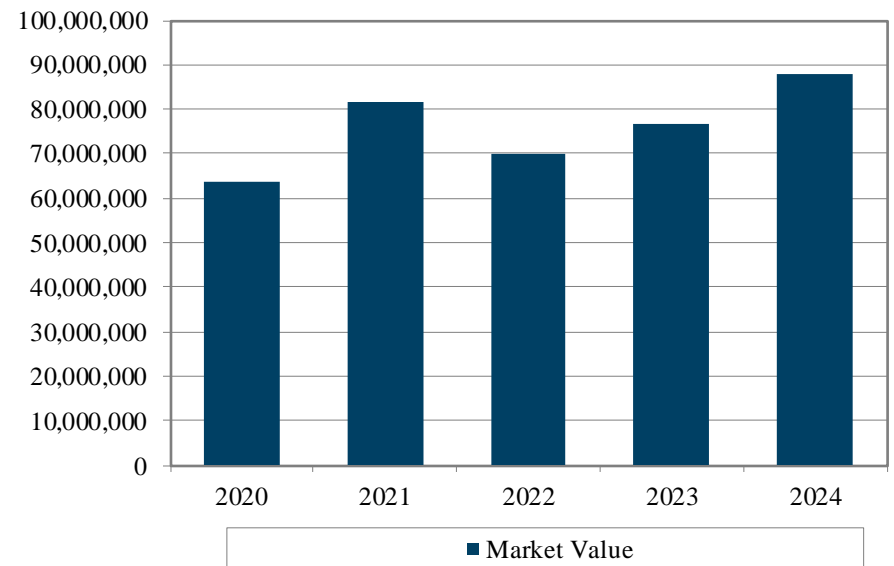
Assets

Assets at June 30, 2024

Equity Mutual Funds	\$3,269,405
Bond Mutual Funds	8,892,470
Public equity	0
Private Equity	74,725,579
Cash	<u>1,110,376</u>

Assets at Market Value **\$87,997,830**

Asset Values (June 30)



SECTION 1: VALUATION RESULTS

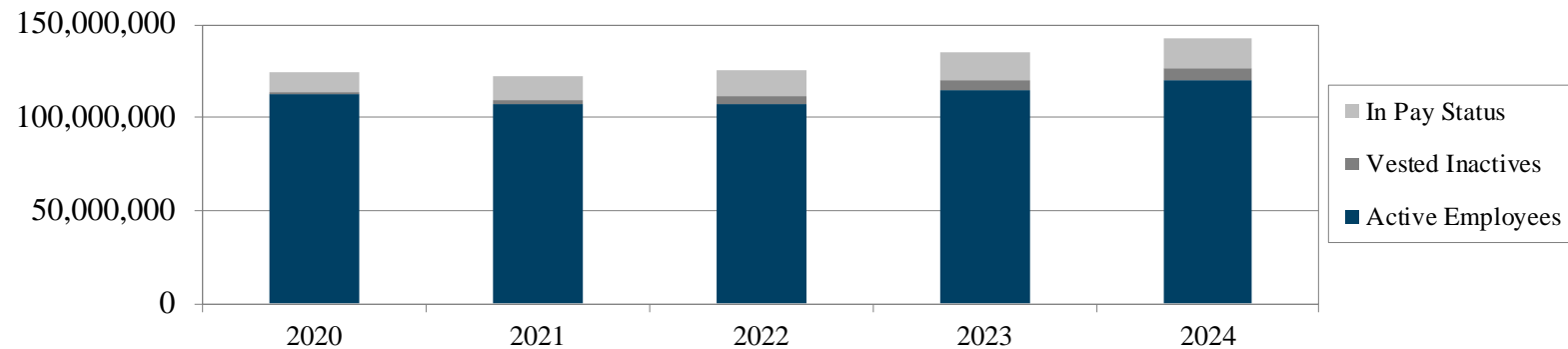
Annual Funding (continued)

Present Value of Future Benefits

In Pay Status ⁽¹⁾	\$16,413,259
Vested Inactives	6,418,168
Active Employees	<u>119,779,586</u>

Present Value of Future Benefits⁽²⁾ \$142,611,013

Historical Present Value of Future Benefits as of July 1



⁽¹⁾Retirees, disabled retirees and beneficiaries currently receiving payments.

⁽²⁾Increased \$7.9M from 2023 due to plan experience.

SECTION 1: VALUATION RESULTS

Frozen Initial Accrued Liability Remaining Unfunded at July 1, 2024

1. Frozen Initial Liability remaining unfunded July 1, 2023	\$12,182,210
2. Normal Cost as of July 1, 2023	5,842,984
3. Interest on (1) and (2) to June 30, 2024 at 6.5%	1,171,638
4. Employer contributions for the 2023/2024 Plan year	4,986,703
5. Interest on (4) to June 30, 2024 at 6.5%	159,517
6. Employee contributions for the 2023/2024 Plan year	3,266,356
7. Interest on (6) to June 30, 2024 at 6.5%	104,485
8. Increase due to assumption changes	0
9. Total FIL remaining unfunded as of July 1, 2024, = (1) + (2) + (3) - (4) - (5) - (6) - (7), not less than \$0 + (8)	\$10,679,770

SECTION 1: VALUATION RESULTS

Determination of Total Normal Cost

1. Present Value of Future Benefits	
A. Active Participants	\$119,779,586
B. Vested Inactives	6,418,168
C. In Pay Status	<u>16,413,259</u>
D. Total	\$142,611,013
2. Plan Assets	87,997,830
3. Frozen initial accrued liability remaining unfunded	10,679,770
4. Present value of future normal costs = (1D) - (2) - (3)	43,933,413
5. Present value of future salaries	299,679,230
6. Normal cost accrual rate = (4) / (5)	14.66%
7. Valuation compensation	35,879,344
8. Preliminary normal cost = (6) x (7)	5,259,912
9. Administrative Expenses	469,886
10. Total normal cost = (8) + (9)	\$5,729,798
11. Total normal cost accrual rate = (10) / (7)	15.97%

SECTION 1: VALUATION RESULTS

Determination of Contribution

Funding Policy

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

	<u>Funding Policy</u>
1 Total normal cost for Plan year	\$5,729,798
2 Amortization of unfunded accrued liability:	
A. Initial unfunded remaining	1,506,027
B. Amortization period remaining (in years)	13
C. Amortization amount	164,436
D. Additional unfunded from assumption change	3,566,156
E. Amortization period	19
F. Amortization amount	311,932
G. Additional unfunded from interest rate change	2,112,123
H. Amortization period	22
I. Amortization amount	171,927
J. Additional unfunded from interest rate change	2,467,660
K. Amortization period	23
L. Amortization amount	196,859
M. Additional unfunded from assumption change	1,027,804
N. Amortization period	26
O. Amortization amount	77,876
3 Interest required for monthly contributions	212,813
4 Total annual contribution payable monthly = (1) + (2C) + (2F) + (2I) + (2L) + (2O) + (3)	6,865,641
5 Contribution as a percentage of compensation	19.135%

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

SECTION 1: VALUATION RESULTS

Actuarial Experience

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

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

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

The Plan's funding cost as a percentage of compensation for the July 1, 2024 Plan Year is 19.135% compared to 21.009% for the prior year. Plan experience decreased the funding cost by 1.874%.

SECTION 1: VALUATION RESULTS

Risk Assessment and Disclosure

Actuarial Measurements

An actuarial valuation provides a measurement of pension obligations and actuarially determined pension contributions. These measurements are based on assumptions about future events that impact the plan's funded status; events such as investment earnings on plan assets, how long retirees live, the probability of an active member remaining in covered employment, and the size and composition of the covered group, among others. It is important to understand the risk that the actual cost of a pension plan may differ significantly from the expected cost. In other words, it is important to understand the risks and impact of future plan experience differing from the actuarial assumptions.

Risks to Plan's Financial Status

There are a number of risks that sponsors may face when funding plan benefits, including the following:

- Investment Risk – The risk that investment returns will be different than expected.
- Demographic Risk – The potential that mortality or other demographic experience will be different than expected.
- Contribution Risk – The risk that contributions received will be different than expected possibly due to lower than expected employee contributions.

Long Beach Transit has always contributed the full policy requirement.

Plan Maturity

Plan maturity can have a significant effect on the impact of these risks on a plan's long-term funding requirements.

The number of active employees covered by a pension plan may be an indication of the level of company operations that generates the revenue required to fund the pension plan. As the number of inactive participants (retirees and vested terminated participants) grows compared to active employees, the plan becomes more mature. As a pension plan matures, the revenue generated by active employees may become smaller in proportion to pension plan liabilities making it more expensive on a per-capita basis for the plan sponsor to cover potential funding shortfalls.

In general, a less mature plan represents a lower financial risk to the plan sponsor and a more mature plan represents a higher financial risk.

Following are a number of maturity and risk measurements for the Plan for the current and prior year. A history of maturity and other risk assessment measures are shown in the Historical Information section of this report.

SECTION 1: VALUATION RESULTS

Risk Assessment and Disclosure

Active to Inactive Ratio (Support Ratio)

The number of active employees covered by a pension plan may be an indication of the level of company operations that generates the revenue required to fund the pension plan. As the number of inactive participants (retirees and vested terminated participants) grows compared to active employees, it becomes more expensive on a per-capita basis for the plan sponsor to cover potential funding shortfalls that may occur.

The ratio of active to inactive participants as of July 1, 2024 is 3.27.

	<u>2024</u>	<u>2023</u>
Inactive	170	158
Active	556	558
Ratio	3.27	3.53

These ratios are more than most pension plans due to lump sums paid from the Plan for participants hired prior to July 1, 2012.

Ratio of Inactive to Total Liability

Similar to the active to inactive ratio, a higher ratio of liabilities for inactive participants means it will be more expensive on a per-capita basis and the Plan Sponsor will have fewer remedies to address funding shortfalls.

	<u>2024</u>	<u>2023</u>
Inactive	\$22,831,426	\$20,332,942
Total	\$113,787,894	\$106,957,133
Ratio	20.1%	19.0%

These ratios are less than most pension plans due to lump sums paid from the Plan.

Historical Information

A history of these maturity measures and other risk assessment measures are shown in the Historical Information section of this report.

SECTION 2: COMMENTS AND CERTIFICATION

Certification

This is to certify that our valuation of the Plan as of July 1, 2024 has been performed in accordance with generally accepted actuarial principles and practices. In preparing this report, we have relied on financial information contained in unaudited financial statements and on participant census information supplied by the Plan sponsor. We did not audit the participant census information. However, we reviewed the data for reasonableness and internal consistency and found no reason to doubt its substantial accuracy.

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

We understand that the actuarial assumptions are selected by the Plan sponsor, Long Beach Public Transportation Company. During the last ten plan years, historical rates of return on a geometric basis have averaged 4.91% while rates of return averaged 6.36% during the last five plan years. Effective July 1, 2017 the investment return assumption was lowered from 7.00% per annum to 6.50% per annum to better reflect past experience as well as future expected returns. Funding under alternative interest rate assumptions is shown starting on page 29 of this report.

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

SECTION 2: COMMENTS AND CERTIFICATION

Certification (continued)

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

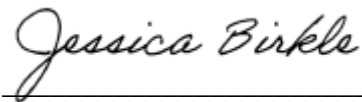
To the best of our knowledge, the information supplied in this report is complete and accurate.

We, Jason C. Birkle and Jessica Birkle, are members of the American Academy of Actuaries and meet the Qualifications of the American Academy of Actuaries to render the actuarial opinions contained herein.



_____ A.S.A., F.C.A., M.A.A.A

Jason C. Birkle
Director of Actuarial Services
Enrolled Actuary No. 23-07856



_____ A.S.A., M.A.A.A

Jessica Birkle
Consulting Actuary
Enrolled Actuary No. 23-07693

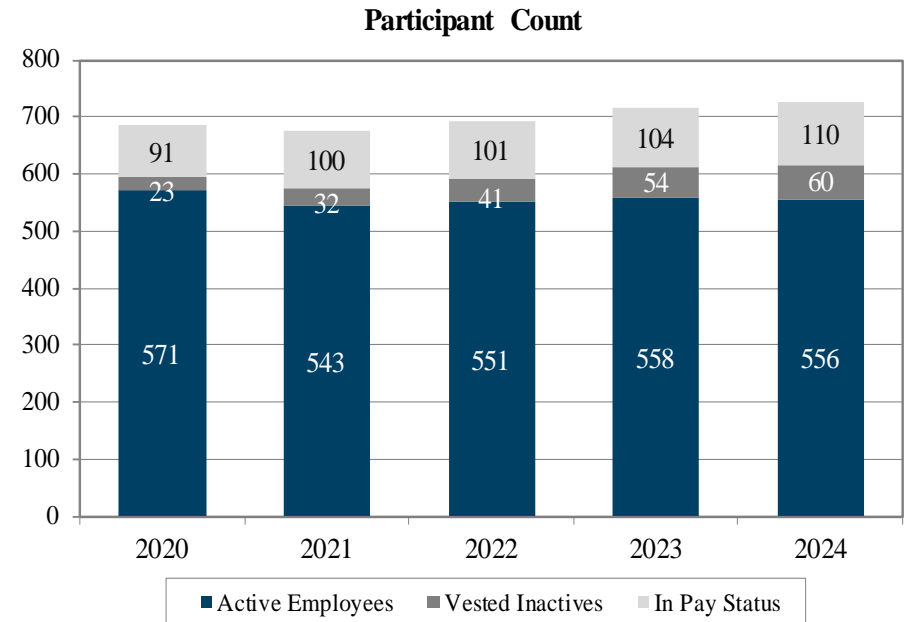
SECTION 3: SUPPLEMENTAL INFORMATION

Supplemental Information

SECTION 3: SUPPLEMENTAL INFORMATION

Participant Reconciliation

Active at June 30, 2023	558
Non-Vested Termination	(13)
Vested Termination	(18)
Retired Monthly	0
New Active	52
Lump Sum Distribution	(7)
Return of Employee Contributions	(12)
Transferred Out	(3)
Transferred from Salaried Plan	0
Disabled Retirement	(1)
Deceased	<u>0</u>
Active at June 30, 2024	556
Vested Inactive at June 30, 2023	54
Vested Termination	18
Re-Entered Covered Employment	0
Retired Monthly	(6)
Data Correction	0
Deceased	0
Lump Sum Distribution	<u>(6)</u>
Vested Inactive at June 30, 2024	60
In Pay Status at June 30, 2023	104
New Retiree	6
New Beneficiary	2
Data Correction	1
Deceased / Expired	(4)
New Occupational Disabled	<u>1</u>
In Pay Status at June 30, 2024	110



SECTION 3: SUPPLEMENTAL INFORMATION

Active Participant Data

Attained Age	Years of Credited Service																				Total			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		Over 40		No.	Avg.		
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Comp.	No.	Comp.		
Under 25	8	61,872	5	63,311	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13	62,425
25 to 29	10	56,889	25	59,963	5	71,989	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40	60,698
30 to 34	9	55,746	25	62,023	19	70,384	5	80,336	0	0	0	0	0	0	0	0	0	0	0	0	0	0	58	65,367
35 to 39	7	55,646	18	61,643	13	71,914	6	82,068	3	66,653	0	0	0	0	0	0	0	0	0	0	0	0	47	66,518
40 to 44	6	53,439	10	60,727	15	70,857	8	60,309	22	72,118	4	58,291	1	90,284	0	0	0	0	0	0	0	0	66	66,413
45 to 49	4	52,395	15	58,534	12	71,989	5	72,787	11	69,946	8	67,445	4	69,471	0	0	0	0	0	0	0	0	59	66,140
50 to 54	4	52,395	11	57,608	13	67,545	7	77,408	13	75,263	20	76,597	9	72,487	1	5,261	1	5,841	0	0	0	0	79	68,824
55 to 59	1	52,395	11	60,174	12	71,867	9	72,897	18	78,879	24	78,716	16	84,972	7	64,658	3	70,643	1	82,235	102	74,982		
60 to 64	2	52,395	6	57,051	9	69,676	5	77,136	12	76,489	11	77,157	15	82,259	7	79,046	4	84,622	0	0	71	75,383		
65 to 69	0	0	1	77,510	0	0	5	79,655	5	64,062	2	84,217	3	61,424	0	0	0	0	1	81,223	17	72,354		
70 & up	0	0	0	0	2	48,547	0	0	0	0	0	0	0	0	1	73,560	0	0	1	75,718	4	61,593		
Total	51	55,923	127	60,445	100	70,235	50	74,448	84	73,719	69	75,522	48	79,131	16	67,797	8	69,532	3	79,725	556	68,986		

Average Age: 47.84 years

Average Credited Service: 12.51 years

SECTION 3: SUPPLEMENTAL INFORMATION

Vested Inactive Data

Monthly Accrued Benefit	Number
Under \$100	1
100 to 199	1
200 to 299	8
300 to 399	6
400 to 499	7
500 to 599	1
600 to 699	3
700 to 799	4
800 to 899	1
900 to 999	2
1,000 to 1,099	0
1,100 to 1,199	0
1,200 to 1,299	1
1,300 to 1,399	0
1,400 to 1,499	2
1,500 to 1,599	1
1,600 to 1,699	2
1,700 or more	20
Total	60

Age	Number
Under 30	1
30 to 34	10
35 to 39	8
40 to 44	8
45 to 49	4
50 to 54	2
55 to 59	4
60 to 64	13
65 or over	10
Total	60

Average Age: 50.71 years

Average Accrued Benefit: \$1,458.16

SECTION 3: SUPPLEMENTAL INFORMATION

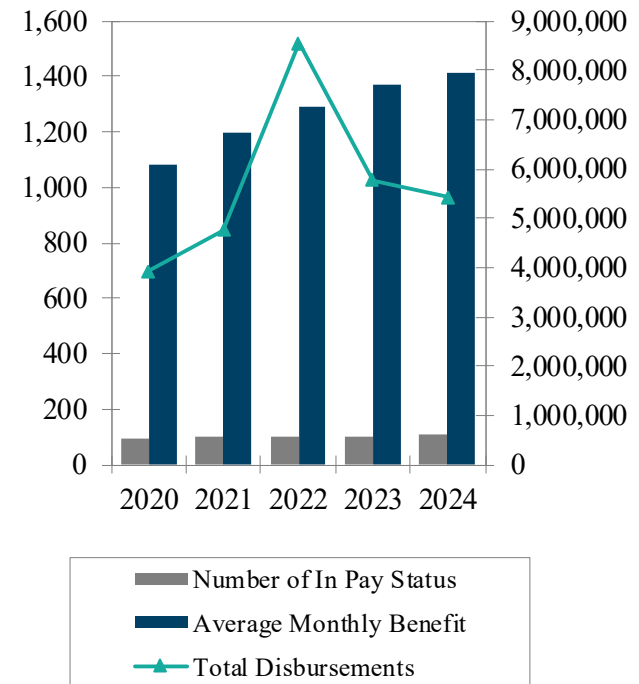
Retiree Data

Monthly Benefit ⁽¹⁾	Number
Under \$100	0
100 to 199	0
200 to 299	3
300 to 399	3
400 to 499	1
500 to 599	3
600 to 699	9
700 to 799	8
800 to 899	5
900 to 999	4
1,000 to 1,099	3
1,100 to 1,199	6
1,200 to 1,299	5
1,300 to 1,399	7
1,400 to 1,499	2
1,500 to 1,599	4
1,600 to 1,699	3
1,700 or over	26
Total	92

Age ⁽¹⁾	Number
Under 55	1
55 to 59	4
60 to 64	18
65 to 69	27
70 to 74	20
75 to 79	15
80 to 84	5
85 to 89	1
90 or over	1
Total	92

Average Age: 69.90 years
New Retirees: 64.44 years

Average Benefit: \$1,414.52
New Retirees: \$1,824.56



⁽¹⁾ Data excludes 18 beneficiaries who are included in the plan's liabilities.

SECTION 3: SUPPLEMENTAL INFORMATION

Asset Information

Market Value of Assets at July 1, 2023		\$76,721,202
Employer Contributions		\$4,986,703
Employee Contributions		\$3,266,356
Net Investment Income		
Interest	\$30,580	
Dividends	726,904	
Capital Gains Distributions	0	
Unrealized Gain (Loss)	10,228,682	
Realized Gain (Loss)	<u>(2,079,239)</u>	
Net Investment Income		\$8,906,927
Benefit Payments		(\$5,413,472)
Direct Administrative Costs		(48,567)
Other Administrative Costs		(421,319)
Asset Transfer to Salaried Plan		<u>0</u>
Market Value of Assets at June 30, 2024		\$87,997,830

SECTION 3: SUPPLEMENTAL INFORMATION

Present Value of Accumulated Plan Benefits⁽¹⁾

Reconciliation of Actuarial Present Value of Accumulated Plan Benefits	Actuarial Present Value of Vested and Non-Vested Accumulated Plan Benefits																								
<table border="0" style="width: 100%;"> <tr> <td style="width: 35%;">Actuarial Present Value of Accumulated Plan Benefits at June 30, 2023</td> <td style="width: 15%; text-align: right;">\$84,943,186</td> </tr> <tr> <td>Benefits Accumulated and Actuarial Experience During the Year</td> <td style="text-align: right;">\$4,473,792</td> </tr> <tr> <td>Increase for Interest</td> <td style="text-align: right;">5,348,139</td> </tr> <tr> <td>Benefits Paid</td> <td style="text-align: right;">(5,413,472)</td> </tr> <tr> <td>Net Increase/(Decrease)</td> <td style="text-align: right;"><u>4,408,459</u></td> </tr> <tr> <td>Actuarial Present Value of Accumulated Plan Benefits at June 30, 2024</td> <td style="text-align: right;">\$89,351,645</td> </tr> </table>	Actuarial Present Value of Accumulated Plan Benefits at June 30, 2023	\$84,943,186	Benefits Accumulated and Actuarial Experience During the Year	\$4,473,792	Increase for Interest	5,348,139	Benefits Paid	(5,413,472)	Net Increase/(Decrease)	<u>4,408,459</u>	Actuarial Present Value of Accumulated Plan Benefits at June 30, 2024	\$89,351,645	<table border="0" style="width: 100%;"> <tr> <td colspan="2">Vested Benefits</td> </tr> <tr> <td style="padding-left: 20px;">Participants Currently Receiving Benefits</td> <td style="text-align: right;">\$16,413,259</td> </tr> <tr> <td style="padding-left: 20px;">Other Participants</td> <td style="text-align: right;"><u>71,372,165</u></td> </tr> <tr> <td style="padding-left: 20px;">Vested Benefits</td> <td style="text-align: right;">\$87,785,424</td> </tr> <tr> <td style="padding-left: 20px;">Non-Vested Benefits</td> <td style="text-align: right;"><u>1,566,221</u></td> </tr> <tr> <td style="padding-left: 20px;">Actuarial Present Value of Accumulated Plan Benefits at June 30, 2024</td> <td style="text-align: right;">\$89,351,645</td> </tr> </table>	Vested Benefits		Participants Currently Receiving Benefits	\$16,413,259	Other Participants	<u>71,372,165</u>	Vested Benefits	\$87,785,424	Non-Vested Benefits	<u>1,566,221</u>	Actuarial Present Value of Accumulated Plan Benefits at June 30, 2024	\$89,351,645
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⁽¹⁾ Value of benefits earned by current participants based on pay and service through the valuation date. Approximation of amount due to participants if the plan terminated as of July 1, 2024 and settled all obligations at 6.50%.

SECTION 3: SUPPLEMENTAL INFORMATION

Summary of Plan Provisions

Plan Type: Public Pension Plan.

Plan Effective Date: June 30, 1979.

Plan Year: July 1 – June 30.

Participation: All full-time employees are eligible on their date of employment.

Average Monthly Final Earnings: 60 month average of compensation out of the last 10 calendar years of employment.

Adjusted Monthly Final Earnings (AMFE): Average Monthly Final Earnings less \$500 if average is at least \$500. AMFE is \$0 if Average Monthly Final Earnings is less than \$500.

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

Monthly Normal Retirement Benefit: Years of Service (not to exceed 40 years) times the sum of 1.23% of the first \$500 of Average Monthly Final Earnings plus 1.70% of AMFE. Participants retiring on or after age 54 with 10 Years of Service are entitled to a 15% increase in their benefit.

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

Normal Form of Benefit: Lifetime payments to retiree.

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

Early Retirement Benefit: Accrued benefit reduced 5.0% for each year preceding age 64 (prorated for partial years). The benefit is increased 15% for employees eligible for retirement at termination.

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

Vesting: 5 Years of Service.

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

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

Disability Retirement Eligibility: Disabled while an active employee with 10 Years of Service.

Monthly Occupational Disability Benefit: Years of Service (at least 5 years) at time of disability times the sum of 1.16% of the first \$500 of Average Monthly Final Earnings plus 1.60% of AMFE. Benefit is payable immediately.

SECTION 3: SUPPLEMENTAL INFORMATION

Summary of Plan Provisions (continued)

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

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

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

Post-Retirement Death Benefit: Survivor benefit, if any, based on the form of payment in effect at time of death. In addition, the beneficiary is entitled to receive the excess of total employee contributions over the total amount of payments received by the retiree.

Optional Forms of Benefit Payment: 50%, 75%, or 100% joint and survivor annuity, period certain installment payments, annuity purchase or lump sum. The lump sum option is not available for participants who were hired on or after July 1, 2012.

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

Plan Provisions Excluded from Measurement: None.

Changes Since Prior Valuation: None.

SECTION 3: SUPPLEMENTAL INFORMATION

Actuarial Method and Assumptions

Actuarial Cost Method: Frozen Initial Liability.

Actuarial Assumptions:

Interest Discount Rate: 6.50% compounded annually.

Investment Yield: 6.50% compounded annually.

Administrative Expenses: Actual administrative expenses for the prior year are added to normal cost as of the beginning of the year. For 2024, the administrative expense assumption is \$469,886.

Employee Contribution Interest Credit: 5.00% compounded annually.

Salary Increases: 3.00% per year.

Lump Sums: 4.50% interest; 2024 IRS Applicable Mortality Table.

Mortality: For funding:

Healthy: PRI-2012 Blue Collar Mortality Table Projected with Scale MP-2019.

Disabled: PRI-2012 Disabled Mortality Table Projected with Scale MP-2019.

SECTION 3: SUPPLEMENTAL INFORMATION

Actuarial Method and Assumptions (continued)

Termination Before Retirement: Sample rates are shown below:

<u>Age</u>	<u>Turnover Rate</u>
20	8.00%
25	7.80
30	7.30
35	6.30
40	5.40
45	4.40
50	3.70
55	3.50
60	3.50

Disability: Sample rates are shown below:

<u>Age</u>	<u>Disability Rate</u>
20	0.00%
25	0.00
30	0.00
35	0.00
40	0.20
45	0.30
50	0.55
55	0.50
60	0.30

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

SECTION 3: SUPPLEMENTAL INFORMATION

Actuarial Method and Assumptions (continued)

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

Form of Payment: 80% of active participants hired prior to July 1, 2012 are assumed to elect the lump sum option. The remaining 20% of active participants hired prior to July 1, 2012 and all actives hired on or after July 1, 2012 are assumed to elect the single life annuity. Vested Terminated participants are assumed to elect the single life annuity.

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

Asset Valuation Method: Market value.

Changes Since Prior Valuation: None.

SECTION 3: SUPPLEMENTAL INFORMATION

Rationale for Major Assumptions

Interest Rate/Investment Yield: Long Beach Public Transportation Company is responsible for the selection of this assumption.

Mortality, Termination, and Retirement: With concurrence from Long Beach Public Transportation Company, based on recent Plan experience which is monitored and analyzed annually.

SECTION 3: SUPPLEMENTAL INFORMATION

Six-Year Plan Overview

	Plan Year Beginning July 1					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Funding Policy Contribution						
Percentage of Covered Compensation	19.135%	21.009%	20.897%	16.184%	22.451%	21.870%
Annual Amount Paid Monthly	\$6,865,641	\$7,088,470	\$6,691,544	\$4,857,598	\$7,172,282	\$6,697,440
Covered Compensation	35,879,344	33,739,794	32,022,263	30,014,658	31,946,238	30,624,368
Market Value of Assets	87,997,830	76,721,202	69,897,651	81,807,082	63,776,866	60,679,049
Present Value of Vested Benefits	87,785,424	83,443,372	77,539,949	75,750,009	71,163,742	67,696,928
Present Value of Accumulated Benefits	89,351,645	84,943,186	79,214,264	77,520,120	72,856,440	69,328,728
Number of Active Participants	556	558	551	543	571	560
Number of Vested Terminees	60	54	41	32	23	24
Number of Retirees	110	104	101	100	91	90

Amounts are based on total employer plus employee contributions.

SECTION 3: SUPPLEMENTAL INFORMATION

**Determination of 2024 Total Normal Cost
Estimated Impact of Interest Rate Assumption Change**

	Current 6.50% Interest	6.00% Interest	5.50% Interest	5.00% Interest
1 Present Value of Future Benefits				
A. Active Participants	119,779,586	127,785,369	136,855,135	147,185,290
B. Vested Inactives	6,418,168	6,897,733	7,444,319	8,070,516
C. In Pay Status	<u>16,413,259</u>	<u>17,055,947</u>	<u>17,746,168</u>	<u>18,488,715</u>
D. Total	142,611,013	151,739,049	162,045,622	173,744,521
2 Plan Assets	87,997,830	87,997,830	87,997,830	87,997,830
3 Frozen initial accrued liability remaining unfunded	10,679,770	15,627,307	20,977,104	26,775,231
4 Present value of future normal costs = (1) - (2) - (3)	43,933,413	48,113,912	53,070,688	58,971,460
5 Present value of future salaries	299,679,230	309,203,611	319,382,585	330,279,658
6 Normal cost accrual rate = (4) / (5)	14.66%	15.56%	16.62%	17.86%
7 Valuation compensation	35,879,344	35,879,344	35,879,344	35,879,344
8 Preliminary normal cost = (6) x (7)	5,259,912	5,582,826	5,963,147	6,408,051
9 Administrative Expenses	469,886	469,886	469,886	469,886
10 Total normal cost = (8) + (9)	5,729,798	6,052,712	6,433,033	6,877,937
11 Total normal cost accrual rate = (10) / (7)	15.97%	16.87%	17.93%	19.17%

SECTION 3: SUPPLEMENTAL INFORMATION

**Determination of 2024 Contribution Under Funding Policy
Estimated Impact of Interest Rate Assumption Change With 30 Year Amortization**

	<u>Current</u>			
	<u>6.50% Interest</u>	<u>6.00% Interest</u>	<u>5.50% Interest</u>	<u>5.00% Interest</u>
1 Total normal cost for Plan year	5,729,798	6,052,712	6,433,033	6,877,937
2 Amortization of unfunded accrued liability:				
A. Initial unfunded remaining	1,506,027	1,506,027	1,506,027	1,506,027
B. Amortization period remaining (in years)	13	13	13	13
C. Amortization amount	164,436	160,491	156,576	152,691
D. Assumption changes at July 1, 2013	3,566,156	3,566,156	3,566,156	3,566,156
E. Amortization period	19	19	19	19
F. Amortization amount	311,932	301,511	291,208	281,030
G. Assumption change at July 1, 2016	2,112,123	2,112,123	2,112,123	2,112,123
H. Amortization period	22	22	22	22
I. Amortization amount	171,927	165,474	159,102	152,818
J. Assumption change at July 1, 2017	2,467,660	2,467,660	2,467,660	2,467,660
K. Amortization period	23	23	23	23
L. Amortization amount	196,859	189,215	181,670	174,233
M. Assumption changes at July 1, 2020	1,027,804	1,027,804	1,027,804	1,027,804
N. Amortization period	26	26	26	26
O. Amortization amount	77,876	74,568	71,306	68,094
P. Interest change at July 1, 2024	N/A	4,947,537	10,297,334	16,095,461
Q. Amortization period	N/A	30	30	30
R. Amortization amount	N/A	339,088	671,575	997,174
3 Interest required for monthly contributions	212,813	215,309	216,091	214,945
4 Total annual contribution payable monthly = (1)+(2C)+(2F)+(2I)+(2L)+(2O)+(2R)+(3)	6,865,641	7,498,368	8,180,561	8,918,922
A. Employer Non-PEPRA Employee Contribution	2,044,783	2,194,318	2,355,354	2,529,698
B. Employer PEPRA Employee Contribution	2,108,435	2,347,671	2,613,011	2,826,764
C. Non-PEPRA Employee Contribution	1,197,655	1,346,938	1,508,083	1,682,444
D. PEPRA Employee Contribution	1,514,768	1,609,441	1,704,113	1,880,016
5 Contribution as a percentage of payroll	19.135%	20.899%	22.800%	24.858%
A. Employer Non-PEPRA Employee Contribution	12.067%	12.950%	13.900%	14.929%
B. Employer PEPRA Employee Contribution	11.135%	12.399%	13.800%	14.929%
C. Non-PEPRA Employee Contribution	7.068%	7.949%	8.900%	9.929%
D. PEPRA Employee Contribution	8.000%	8.500%	9.000%	9.929%

SECTION 3: SUPPLEMENTAL INFORMATION

**Determination of 2024 Contribution Under Funding Policy
Estimated Impact of Interest Rate Assumption Change With 20 Year Amortization**

	<u>Current</u>			
	<u>6.50% Interest</u>	<u>6.00% Interest</u>	<u>5.50% Interest</u>	<u>5.00% Interest</u>
1 Total normal cost for Plan year	5,729,798	6,052,712	6,433,033	6,877,937
2 Amortization of unfunded accrued liability:				
A. Initial unfunded remaining	1,506,027	1,506,027	1,506,027	1,506,027
B. Amortization period remaining (in years)	3	3	3	3
C. Amortization amount	533,934	531,528	529,114	526,691
D. Assumption changes at July 1, 2013	3,566,156	3,566,156	3,566,156	3,566,156
E. Amortization period	9	9	9	9
F. Amortization amount	503,073	494,627	486,212	477,831
G. Assumption change at July 1, 2016	2,112,123	2,112,123	2,112,123	2,112,123
H. Amortization period	12	12	12	12
I. Amortization amount	243,079	237,668	232,292	226,953
J. Assumption change at July 1, 2017	2,467,660	2,467,660	2,467,660	2,467,660
K. Amortization period	13	13	13	13
L. Amortization amount	269,433	262,969	256,553	250,187
M. Assumption changes at July 1, 2020	1,027,804	1,027,804	1,027,804	1,027,804
N. Amortization period	16	16	16	16
O. Amortization amount	98,802	95,947	93,119	90,319
P. Interest change at July 1, 2024	N/A	4,947,537	10,297,334	16,095,461
Q. Amortization period	N/A	20	20	20
R. Amortization amount	N/A	406,933	816,753	1,230,039
3 Interest required for monthly contributions	236,014	238,940	240,038	239,047
4 Total annual contribution payable monthly = (1)+(2C)+(2F)+(2I)+(2L)+(2O)+(2R)+(3)	7,614,133	8,321,324	9,087,114	9,919,004
A. Employer Non-PEPRA Employee Contribution	2,221,634	2,388,360	2,569,285	2,765,881
B. Employer PEPRA Employee Contribution	2,482,325	2,669,020	2,871,053	3,090,505
C. Non-PEPRA Employee Contribution	1,374,389	1,541,464	1,722,264	1,918,654
D. PEPRA Employee Contribution	1,535,785	1,722,480	1,924,512	2,143,964
5 Contribution as a percentage of payroll	21.221%	23.193%	25.327%	27.645%
A. Employer Non-PEPRA Employee Contribution	13.110%	14.096%	15.163%	16.322%
B. Employer PEPRA Employee Contribution	13.110%	14.096%	15.163%	16.322%
C. Non-PEPRA Employee Contribution	8.111%	9.097%	10.164%	11.323%
D. PEPRA Employee Contribution	8.111%	9.097%	10.164%	11.323%

SECTION 3: SUPPLEMENTAL INFORMATION

**Determination of 2024 Contribution Under Funding Policy
Estimated Impact of Interest Rate Assumption Change With 10 Year Amortization**

	<u>Current</u> <u>6.50% Interest</u>	<u>6.00% Interest</u>	<u>5.50% Interest</u>	<u>5.00% Interest</u>
1 Total normal cost for Plan year	5,729,798	6,052,712	6,433,033	6,877,937
2 Amortization of unfunded accrued liability:				
A. Initial unfunded remaining	0	0	0	0
B. Amortization period remaining (in years)	0	0	0	0
C. Amortization amount	0	0	0	0
D. Assumption changes at July 1, 2013	0	0	0	0
E. Amortization period	0	0	0	0
F. Amortization amount	0	0	0	0
G. Assumption change at July 1, 2016	2,112,123	2,112,123	2,112,123	2,112,123
H. Amortization period	2	2	2	2
I. Amortization amount	1,089,303	1,086,821	1,084,326	1,081,819
J. Assumption change at July 1, 2017	2,467,660	2,467,660	2,467,660	2,467,660
K. Amortization period	3	3	3	3
L. Amortization amount	874,862	870,921	866,965	862,996
M. Assumption changes at July 1, 2020	1,027,804	1,027,804	1,027,804	1,027,804
N. Amortization period	6	6	6	6
O. Amortization amount	199,354	197,186	195,019	192,853
P. Interest change at July 1, 2024	N/A	4,947,537	10,297,334	16,095,461
Q. Amortization period	N/A	10	10	10
R. Amortization amount	N/A	634,162	1,294,905	1,985,177
3 Interest required for monthly contributions	252,494	261,390	267,907	271,665
4 Total annual contribution payable monthly = (1)+(2C)+(2F)+(2I)+(2L)+(2O)+(2R)+(3)	8,145,811	9,103,192	10,142,155	11,272,447
A. Employer Non-PEPRA Employee Contribution	2,347,141	2,573,114	2,818,561	3,085,344
B. Employer PEPRA Employee Contribution	2,622,631	2,875,408	3,149,391	3,447,800
C. Non-PEPRA Employee Contribution	1,499,949	1,725,992	1,971,352	2,238,232
D. PEPRA Employee Contribution	1,676,090	1,928,678	2,202,851	2,501,071
5 Contribution as a percentage of payroll	22.703%	25.372%	28.267%	31.418%
A. Employer Non-PEPRA Employee Contribution	13.851%	15.186%	16.633%	18.209%
B. Employer PEPRA Employee Contribution	13.851%	15.186%	16.633%	18.209%
C. Non-PEPRA Employee Contribution	8.852%	10.186%	11.634%	13.209%
D. PEPRA Employee Contribution	8.852%	10.186%	11.634%	13.209%

SECTION 3: SUPPLEMENTAL INFORMATION

Determination of contribution

Funding Policy

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

	<u>Funding Policy</u>	<u>20 Year Eff. July 1, 2007</u>	<u>10 Year Eff. July 1, 2007</u>
1 Total normal cost for Plan year	\$5,729,798	\$5,729,798	\$5,729,798
2 Amortization of unfunded accrued liability:			
A. Initial unfunded remaining	1,506,027	1,506,027	0
B. Amortization period remaining (in years)	13	3	0
C. Amortization amount	164,436	533,934	0
D. Additional unfunded from assumption change	3,566,156	3,566,156	0
E. Amortization period	19	9	0
F. Amortization amount	311,932	503,073	0
G. Additional unfunded from interest rate change	2,112,123	2,112,123	2,112,123
H. Amortization period	22	12	2
I. Amortization amount	171,927	243,079	1,089,303
J. Additional unfunded from interest rate change	2,467,660	2,467,660	2,467,660
K. Amortization period	23	13	3
L. Amortization amount	196,859	269,433	874,862
M. Additional unfunded from assumption change	1,027,804	1,027,804	1,027,804
N. Amortization period	26	16	6
O. Amortization amount	77,876	98,802	199,354
3 Interest required for monthly contributions	212,813	236,014	252,494
4 Total annual contribution payable monthly = (1) + (2C) + (2F) + (2I) + (2L) + (2O) + (3)	6,865,641	7,614,133	8,145,811
5 Contribution as a percentage of compensation	19.135%	21.221%	22.703%

SECTION 4: HISTORICAL INFORMATION

An actuarial valuation provides a measurement of pension obligations and actuarially determined pension contributions. These measurements are based on assumptions about future events that impact the plan's funded status; events such as investment earnings on plan assets, how long retirees live, the probability of an active member remaining in covered employment, and the size and composition of the covered group, among others. It is important to understand the risks that the actual cost of a pension plan may differ significantly from the expected cost of a pension plan. In other words, it is important to understand the risks and impact of future plan experience differing from the actuarial assumptions.

The effect of various risks on a plan's long-term funding requirements will depend on the maturity of the plan. Plan maturity, risk factors and the plan's financial condition change over time depending on plan experience, how actual experience has differed from that anticipated by the actuarial assumptions and by changes in the underlying actuarial assumptions. It is informative to see how these measures have changed over time.

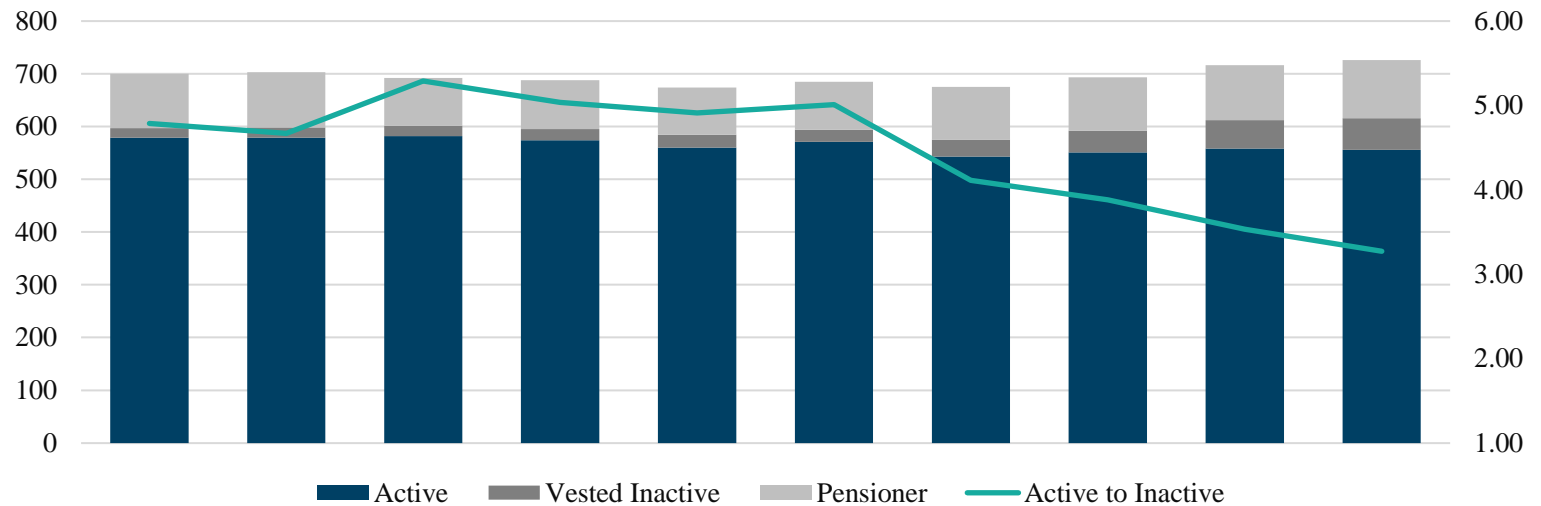
The following pages examine the history of a number of maturity measures, risk measures and other financial information.

- Ratio of Active to Inactive Participants
- Ratio of Inactive Liability to Total Liability
- Investment Return
- Funded Percentage
- Funding Policy Contribution
- Cash Flows

SECTION 4: HISTORICAL INFORMATION

Ratio of Active to Inactive Participants

The number of active employees covered by a pension plan may be an indication of the level of company operations that generates the revenue required to fund the pension plan. As the number of inactive participants (retirees and vested terminated participants) grows compared to active employees, it becomes more expensive on a per-capita basis for the plan sponsor to cover potential funding shortfalls that may occur. As of July 1, 2024 the active to inactive ratio for this Plan is 3.27.

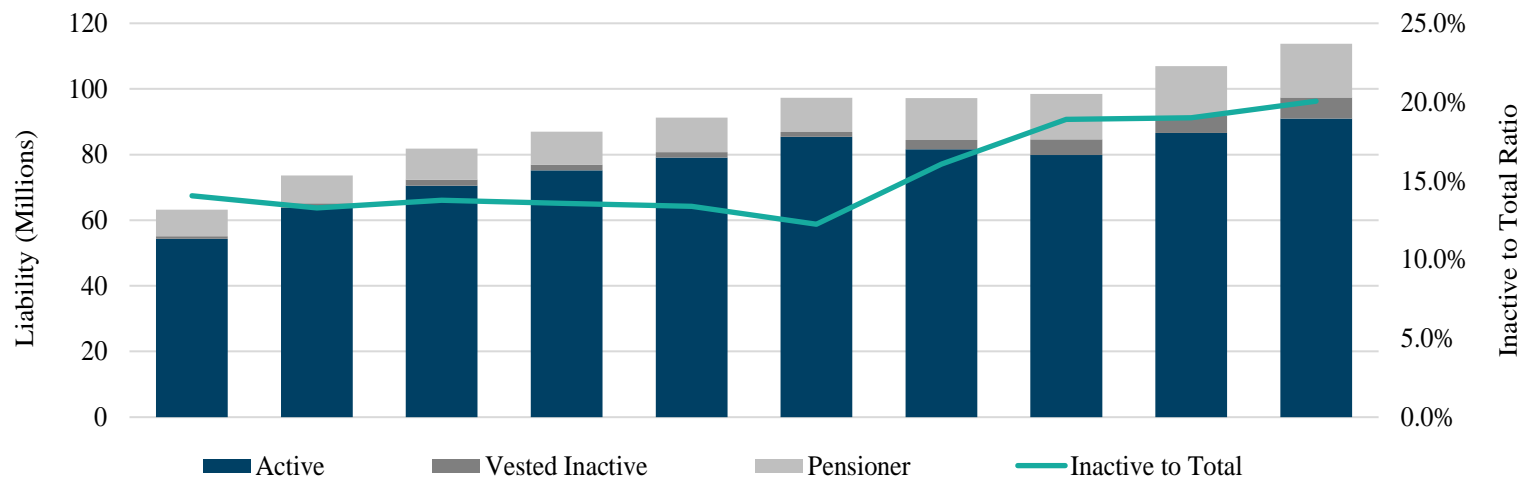


July 1,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pensioner	103	105	91	93	90	91	100	101	104	110
Vested Inactive	18	19	19	21	24	23	32	41	54	60
Active	579	579	582	574	560	571	543	551	558	556
Total	700	703	692	688	674	685	675	693	716	726
Active to Inactive	4.79	4.67	5.29	5.04	4.91	5.01	4.11	3.88	3.53	3.27

SECTION 4: HISTORICAL INFORMATION

Ratio of Inactive Liability to Total Liability

Another measure of a plan’s maturity is the ratio of liability for inactive participants to liability for all participants. Similar to the inactive to active ratio, as the ratio of liabilities for inactive participants increases, it will be more expensive on a per-capita basis and the Plan Sponsor will have fewer remedies to address funding shortfalls. As of July 1, 2024 the ratio of inactive liability to total liability for this Plan is 20.1%.

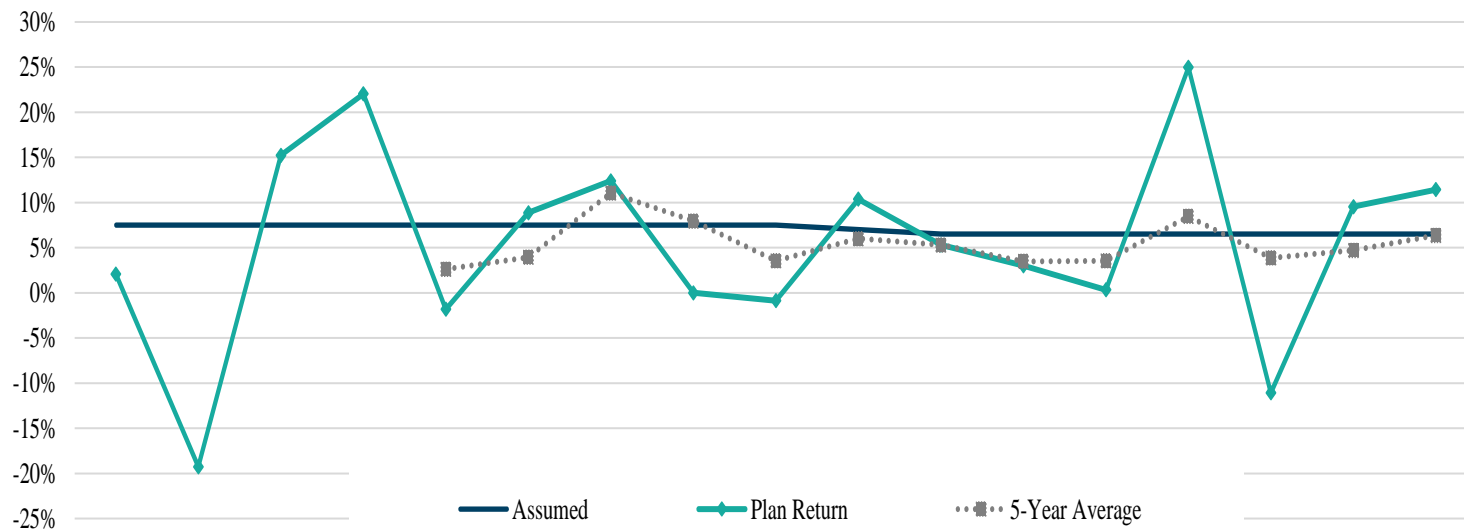


July 1,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pensioner	8.1	8.5	9.5	10.1	10.6	10.4	12.8	13.9	15.2	16.4
Vested Inactive	0.8	1.3	1.8	1.7	1.7	1.5	2.8	4.7	5.2	6.4
Active	54.3	63.8	70.5	75.2	79.1	85.4	81.6	79.9	86.6	91.0
Total	63.2	73.6	81.8	87.0	91.3	97.3	97.2	98.5	107.0	113.8
Inactive to Total	14.1%	13.3%	13.8%	13.6%	13.4%	12.2%	16.1%	18.9%	19.0%	20.1%

SECTION 4: HISTORICAL INFORMATION

Investment Return

The long-term investment return assumption was 7.50% for plan years ending from 2009 through 2016, was updated to 7.00% for the plan year ending in 2017 and updated to 6.50% for plan years ending 2018 and thereafter. The return assumption is net of investment expenses. A Plan’s ability to meet the benefit requirements is largely determined by its ability to earn the assumed rate of return over the long term. Returns over the past 17 years are shown below.

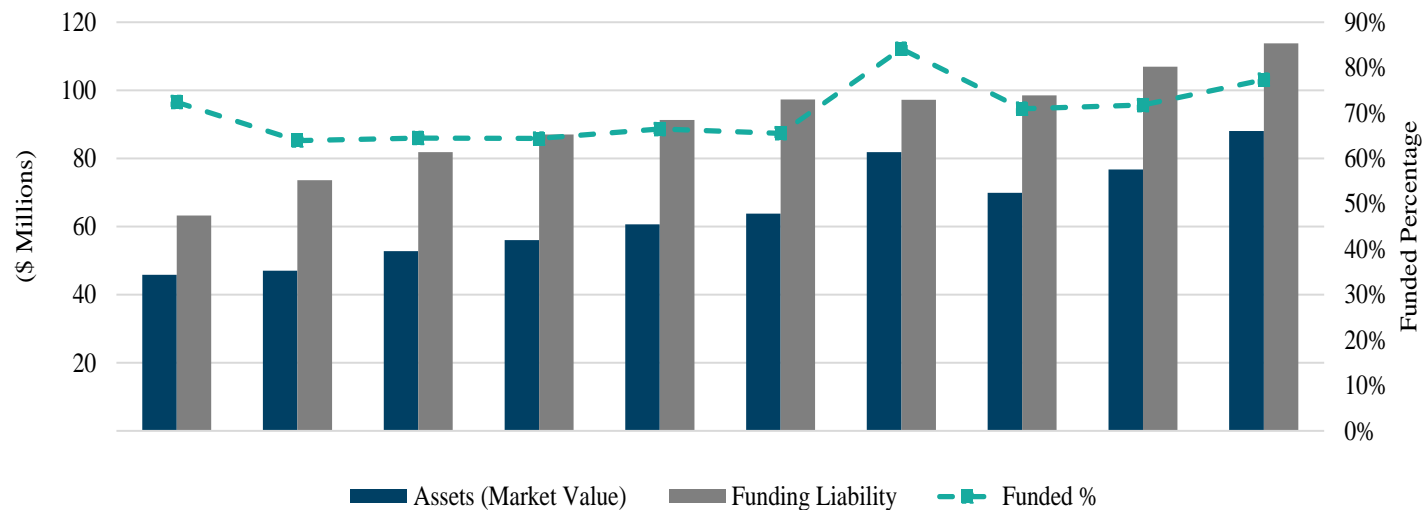


Plan Year End	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assumed	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Plan Return	2.06	-19.26	15.22	22.03	-1.82	8.86	12.39	0.00	-0.87	10.37	5.30	2.99	0.33	24.96	-11.08	9.54	11.43
5-Year Average					2.61	3.94	11.05	7.95	3.55	6.01	5.30	3.48	3.55	8.46	3.87	4.69	6.36

SECTION 4: HISTORICAL INFORMATION

Funded Percentage

One measure of a plan’s financial condition is the funded percentage, the ratio of the assets to plan liabilities. The following shows the funded percentage based on the funding (“entry age”) liability.

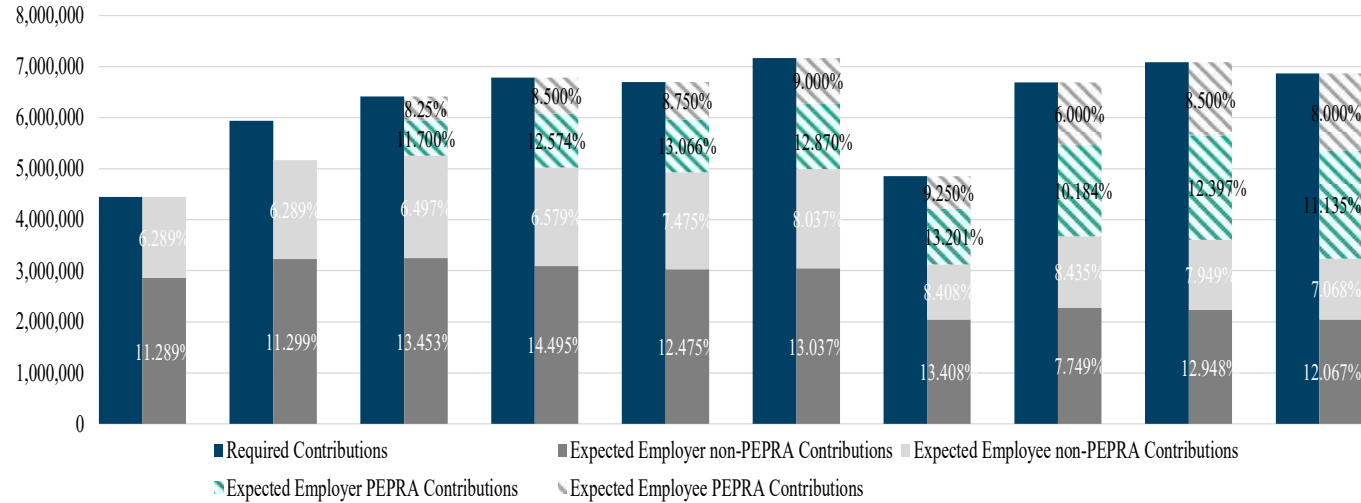


July 1,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assets (Market Value)	45.8	47.1	52.7	56.0	60.7	63.8	81.8	69.9	76.7	88.0
Funding Liability	63.2	73.6	81.8	87.0	91.3	97.3	97.2	98.5	107.0	113.8
Funded %	72.4%	63.9%	64.5%	64.4%	66.5%	65.5%	84.1%	71.0%	71.7%	77.3%

SECTION 4: HISTORICAL INFORMATION

Funding Policy Contribution

The Company’s funding policy is to fund the normal cost plus an amount sufficient to amortize the unfunded accrued liability over 30 years from July 1, 2007. The contribution is made uniformly over the year. The normal cost is the annual cost for actives accruing benefits for the year and is impacted by several factors – active population, interest discount rates and investment return. The calculation of the normal cost is based on the Frozen Initial Liability cost method and in years following strong asset performance there may be excess assets which can offset the normal costs.

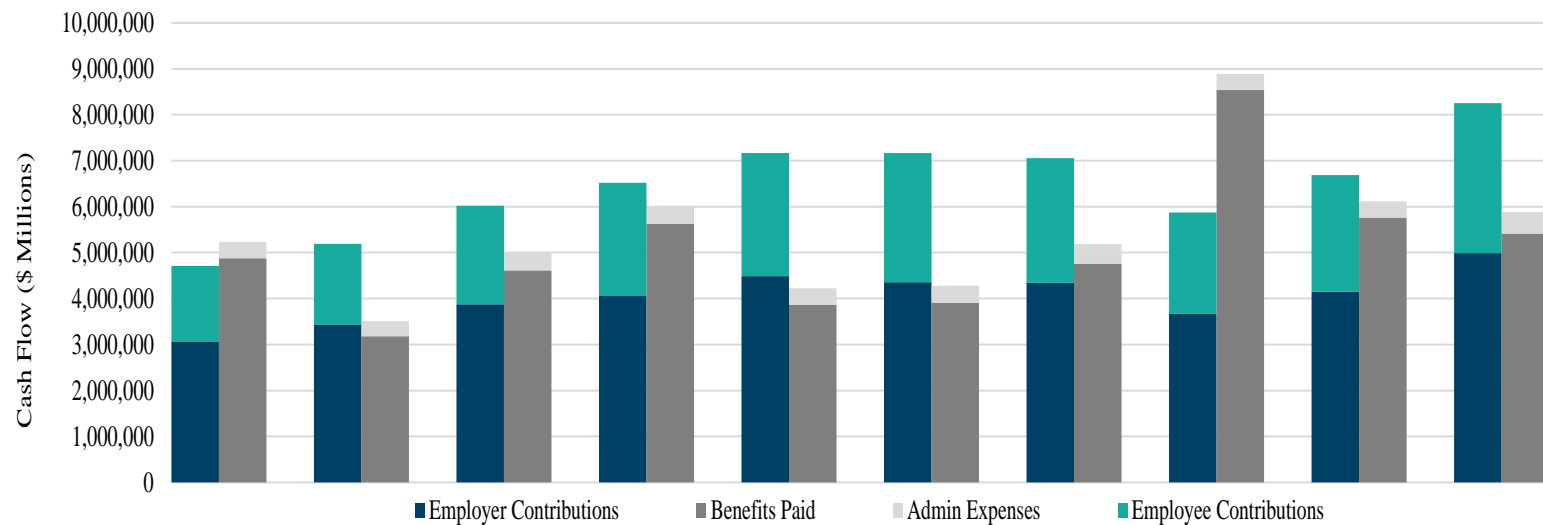


July 1,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Required Contributions	4,451,105	5,942,475	6,416,647	6,783,538	6,697,440	7,172,282	4,857,598	6,691,544	7,088,470	6,865,641
Covered Compensation	25,321,405	29,787,114	30,447,872	31,093,861	30,624,368	31,946,238	30,014,658	32,022,263	33,739,794	35,879,344
Percent of Covered Compensation	17.578%	19.950%	21.074%	21.816%	21.870%	22.451%	16.184%	20.897%	21.009%	19.135%
Expected Employer non-PEPRA Contributions	2,858,588	3,229,612	3,249,575	3,088,638	3,028,251	3,050,046	2,045,759	2,276,190	2,234,488	2,044,851
Expected Employee non-PEPRA Contributions	1,592,517	1,935,210	2,003,247	1,936,785	1,901,318	1,939,120	1,080,035	1,397,483	1,375,458	1,197,655
Expected Employer PEPRA Contributions	N/A	456,067	694,407	1,052,967	1,040,352	1,283,654	1,089,761	1,790,331	2,029,760	2,108,367
Expected Employee PEPRA Contributions	N/A	321,586	469,418	705,148	727,519	899,462	642,043	1,227,540	1,448,764	1,514,768

SECTION 4: HISTORICAL INFORMATION

Cash Flows

Each year, a plan pays pension benefits to its participants in pay status as well as operational expenses incurred. Money coming into the plan helps fund and offset these plan costs. A negative cash flow is one indication that a plan may be more mature. In addition, a negative cash flow typically makes it more difficult for a plan to recover from asset losses.



PYE 6/30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer Contributions	3,067,778	3,439,288	3,877,435	4,054,711	4,488,508	4,357,936	4,341,170	3,667,102	4,148,988	4,986,703
Employee Contributions	<u>1,643,452</u>	<u>1,754,192</u>	<u>2,141,425</u>	<u>2,461,892</u>	<u>2,677,045</u>	<u>2,810,418</u>	<u>2,716,208</u>	<u>2,204,920</u>	<u>2,540,648</u>	<u>3,266,356</u>
Total Contributions	4,711,230	5,193,480	6,018,860	6,516,603	7,165,553	7,168,354	7,057,378	5,872,022	6,689,636	8,253,059
Benefits Paid	(4,881,029)	(3,182,794)	(4,615,902)	(5,626,291)	(3,859,763)	(3,912,892)	(4,763,085)	(8,536,535)	(5,760,706)	(5,413,472)
Admin Expenses	<u>(349,496)</u>	<u>(325,026)</u>	<u>(376,137)</u>	<u>(380,134)</u>	<u>(364,631)</u>	<u>(364,995)</u>	<u>(418,494)</u>	<u>(345,479)</u>	<u>(353,520)</u>	<u>(469,886)</u>
Total Benefits and Expenses	(5,230,526)	(3,507,820)	(4,992,039)	(6,006,425)	(4,224,394)	(4,277,887)	(5,181,579)	(8,882,014)	(6,114,226)	(5,883,358)
Net Cash Flow	(519,295)	1,685,660	1,026,821	510,178	2,941,159	2,890,467	1,875,799	(3,009,992)	575,410	2,369,701

***RETIREMENT PLAN FOR SALARIED
EMPLOYEES OF LONG BEACH
PUBLIC TRANSPORTATION COMPANY***

***Actuarial Valuation as of
July 1, 2024***

NWPS
160 W. Santa Clara Street, Suite 1550
San Jose, California 95113
(408) 298-1170

October 2024



October 31, 2024

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

Dear Pension Committee:

We are pleased to present our actuarial valuation report for the Retirement Plan for Salaried Employees of Long Beach Public Transportation Company as of July 1, 2024. The information in this report provides the means by which we determine the funding requirements for the Plan. The actuarial report serves three main purposes:

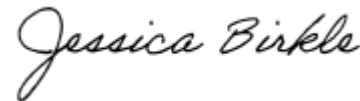
- Determine the annual funding levels under the Plan’s adopted funding policy and alternative funding levels.
- Determine how the required funding changed from the prior year using what is called an “experience analysis.”
- Determine other information pertinent to understanding the Plan’s funded status.

Compared to the prior year, the Plan’s funding cost for the Plan Year commencing July 1, 2024 decreased from 32.003% of pay (\$1,322,745) to 28.939% of pay (\$1,182,582) as follows:

	<u>% of Pay</u>	<u>\$ Amount (est.)</u>
• July 1, 2023 funding cost	32.003%	\$1,322,745
• Plan experience	<u>-3.064%</u>	<u>(\$140,163)</u>
• July 1, 2024 funding cost	28.939%	\$1,182,582

We look forward to discussing our report with you.

Sincerely,



Jessica Birkle
Consulting Actuary

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SECTION 1: VALUATION RESULTS

Executive Summary

The market value of assets increased \$1,808,721 during 2023-2024 and the return was 9.25%.

The Plan's funded percentage on an Entry Age Normal Accrued Liability basis increased from 89.44% to 91.44%. This was primarily due to the increase in the market value of assets being greater than the increase in liabilities.

The funding policy contribution as of July 1, 2024 is \$1,182,582 which is comprised of the normal cost of \$1,148,625 plus interest required for monthly contributions. The funding policy contribution decreased by \$140,163 from last year primarily due to a decrease in the number of active participants.

Contributions made to the Plan were \$2,048,734.

The Plan's funding cost as a percentage of compensation for the July 1, 2024 Plan Year is 28.939% compared to 32.003% for the prior year. Plan experience decreased the funding cost by 3.064%.

Benefit payments decreased from \$3,517,784 to \$3,008,643 primarily due to a decrease in lump sums paid in the Plan Year.

SECTION 1: VALUATION RESULTS

Summary Information

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

	July 1, 2024	July 1, 2023	Change
Number of Participants			
Actives			
Vested	56	60	(4)
Non-Vested	<u>0</u>	<u>0</u>	<u>0</u>
Total	56	60	(4)
Inactive Vested	11	11	0
In pay status			
Retirees	30	31	(1)
Disabled	6	6	0
Beneficiaries	<u>6</u>	<u>5</u>	<u>1</u>
Total	42	42	0
Total Participants	109	113	(4)

SECTION 1: VALUATION RESULTS

Summary Information (continued)

	July 1, 2024	July 1, 2023	Change
Normal Cost for all benefits for fiscal year	\$1,148,625	\$1,284,764	(\$136,139)
Contribution for the fiscal year under the Company's Funding policy (assuming it is paid uniformly throughout the year)			
Annual amount	\$1,182,582	\$1,322,745	(\$140,163)
Percent of covered compensation	28.939%	32.003%	-3.064%
Employee contribution	5.000%	5.000%	0.000%
Employer contribution	23.939%	27.003%	-3.064%
Expected employee contributions	\$204,326	\$206,659	(\$2,333)
Expected employer contributions	\$978,256	\$1,116,086	(\$137,830)
Entry Age Normal Accrued Liability	\$37,356,318	\$36,168,165	\$1,188,153
Funded Percentage	91.44%	89.44%	2.00%
Market Value of Plan Assets	\$34,157,737	\$32,349,016	\$1,808,721
Frozen Initial Liability Remaining Unfunded	\$0	\$0	\$0
Contributions Received	\$2,048,734	\$1,652,268	\$396,466
Benefits Paid	\$3,008,643	\$3,517,784	(\$509,141)

SECTION 1: VALUATION RESULTS

Annual Funding

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

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

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

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

As of July 1, 2007, the Plan's actuary determined what the Plan's assets would have been if (1) the Plan benefits had always been the same as they were then, (2) the Plan's actuarial

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

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

The additional liability created by the change in actuarial assumptions effective July 1, 2013 was fully amortized by supplemental contributions effective June 30, 2015. Based on a reassessment of future returns, effective July 1, 2016 the interest rate assumption was lowered from 7.50% to 6.00% which led to \$2,816,346 in additional liability. The amortization period for additional liability due to assumption or plan changes was changed from 30 years to 10 years. This liability was fully amortized by supplemental contributions effective June 30, 2018. Effective July 1, 2020, the mortality table and turnover assumptions were updated which led to additional liability of \$387,300 which was fully amortized by supplemental contributions effective June 30, 2021.

SECTION 1: VALUATION RESULTS

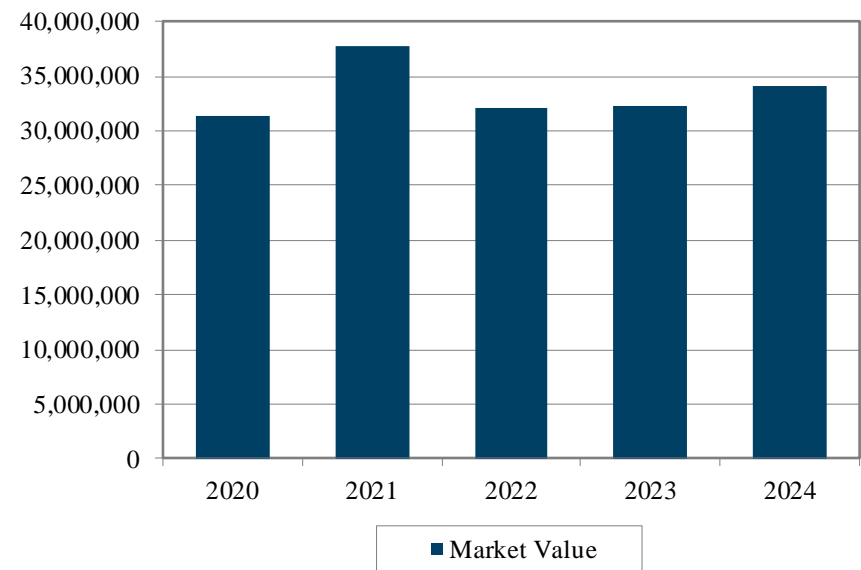
Annual Funding (continued)

Assets

Assets at June 30, 2023

Equity Mutual Funds	\$22,815,802
Bond Mutual Funds	9,784,552
Corporate Bonds	0
Government Bonds	0
Cash	1,501,229
Contribution Receivable	<u>56,154</u>
Assets at Market Value	\$34,157,737

Asset Values (June 30)



SECTION 1: VALUATION RESULTS

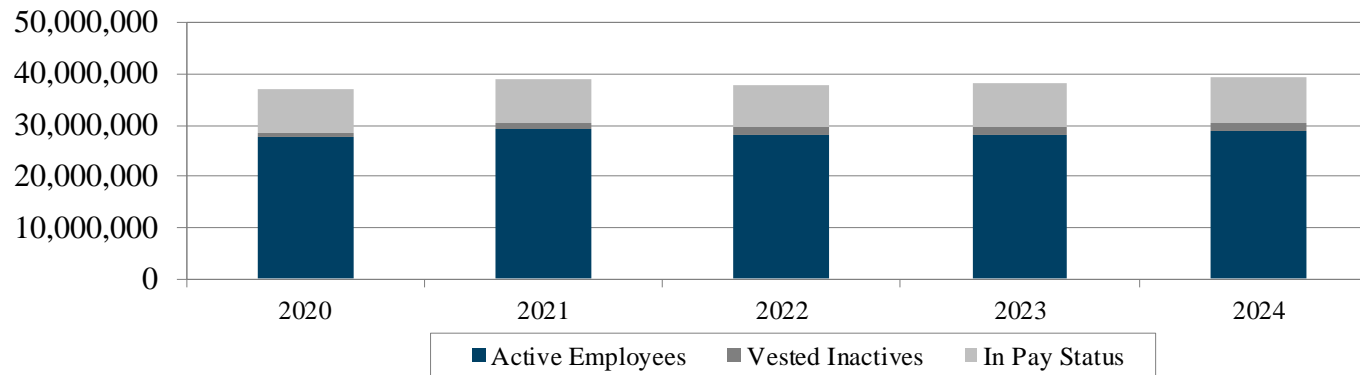
Annual Funding (continued)

Present Value of Future Benefits

In Pay Status ⁽¹⁾	\$8,826,573
Vested Inactives	1,579,916
Active Employees	<u>28,944,732</u>

Present Value of Future Benefits⁽²⁾ **\$39,351,221**

Present Value of Future Benefits



⁽¹⁾ Retirees, disabled retirees and beneficiaries currently receiving payments.

⁽²⁾ Increased \$1,032,457 from 2023 due to plan experience.

SECTION 1: VALUATION RESULTS

Determination of Total Normal Cost

1. Present Value of Future Benefits	
A. Active Participants	\$28,944,732
B. Vested Inactives	1,579,916
C. In Pay Status	<u>8,826,573</u>
D. Total	\$39,351,221
2. Plan Assets	34,157,737
3. Frozen initial accrued liability remaining unfunded	0
4. Present value of future normal costs = (1)(D) - (2) - (3)	5,193,484
5. Present value of future salaries	21,709,981
6. Normal cost accrual rate = (4) / (5)	23.92%
7. Valuation compensation	4,086,524
8. Preliminary normal cost = (6) x (7)	977,497
9. Administrative Expenses	171,128
10. Total normal cost = (8) + (9)	\$1,148,625
11. Total normal cost accrual rate = (10) / (7)	28.11%

SECTION 1: VALUATION RESULTS

Determination of Contribution

Funding Policy

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

	<u>Funding Policy</u>
1 Total normal cost for Plan year	\$1,148,625
2 Amortization of unfunded accrued liability	\$0
3 Interest required for monthly contributions	\$33,957
4 Total annual contribution payable monthly = (1) + (2) + (3)	\$1,182,582
5 Contribution as a percentage of compensation	28.939%

The contribution shown is the total required to meet the Company's Funding Policy.

SECTION 1: VALUATION RESULTS

Actuarial Experience

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

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

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

The Plan's funding cost as a percentage of compensation for the July 1, 2024 Plan Year is 28.939% compared to 32.003% for the prior year. Plan experience decreased the funding cost by 3.064%.

SECTION 1: VALUATION RESULTS

Risk Assessment and Disclosure

Actuarial Measurements

An actuarial valuation provides a measurement of pension obligations and actuarially determined pension contributions. These measurements are based on assumptions about future events that impact the plan's funded status; events such as investment earnings on plan assets, how long retirees live, the probability of an active member remaining in covered employment, and the size and composition of the covered group, among others. It is important to understand the risk that the actual cost of a pension plan may differ significantly from the expected cost. In other words, it is important to understand the risks and impact of future plan experience differing from the actuarial assumptions.

Risks to Plan's Financial Status

There are a number of risks that sponsors may face when funding plan benefits, including the following:

- Investment Risk – The risk that investment returns will be different than expected.
- Demographic Risk – The potential that mortality or other demographic experience will be different than expected.
- Contribution Risk – The risk that contributions received will be different than expected possibly due to lower than expected employee contributions.

Long Beach Transit has always contributed the full policy requirement.

Plan Maturity

Plan maturity can have a significant effect on the impact of these risks on a plan's long-term funding requirements.

The number of active employees covered by a pension plan may be an indication of the level of company operations that generates the revenue required to fund the pension plan. As the number of inactive participants (retirees and vested terminated participants) grows compared to active employees, the plan becomes more mature. As a pension plan matures, the revenue generated by active employees may become smaller in proportion to pension plan liabilities making it more expensive on a per-capita basis for the plan sponsor to cover potential funding shortfalls.

In general, a less mature plan represents a lower financial risk to the plan sponsor and a more mature plan represents a higher financial risk.

Following are a number of maturity and risk measurements for the Plan for the current and prior year. A history of maturity and other risk assessment measures are shown in the Historical Information section of this report.

SECTION 1: VALUATION RESULTS

Risk Assessment and Disclosure

Active to Inactive (Support Ratio)

The number of active employees covered by a pension plan may be an indication of the level of company operations that generates the revenue required to fund the pension plan. As the number of inactive participants (retirees and vested terminated participants) grows compared to active employees, it becomes more expensive on a per-capita basis for the plan sponsor to cover potential funding shortfalls that may occur.

The ratio of active to inactive participants as of July 1, 2024 is 1.06.

	<u>2024</u>	<u>2023</u>
Inactive	53	53
Active	56	60
Ratio	1.06	1.13

These ratios are higher than many pension plans due to lump sums paid from the Plan. Because the Plan is closed to new entrants, this ratio will decrease over time.

Ratio of Inactive to Total Liability

Similar to the active to inactive ratio, a higher ratio of liabilities for inactive participants means it will be more expensive on a per-capita basis and the Plan Sponsor will have fewer remedies to address funding shortfalls.

	<u>2024</u>	<u>2023</u>
Inactive	\$10,406,489	\$10,061,009
Total	\$37,357,318	\$36,168,165
Ratio	27.9%	27.8%

These ratios are less than most pension plans due to lump sums paid from the Plan.

Historical Information

A history of these maturity measures and other risk assessment measures are shown in the Historical Information section of this report.

SECTION 2: COMMENTS AND CERTIFICATION

Certification

This is to certify that our valuation of the Plan as of July 1, 2024 has been performed in accordance with generally accepted actuarial principles and practices. In preparing this report, we have relied on financial information contained in unaudited financial statements and on participant census information supplied by the Plan sponsor. We did not audit the participant census information. However, we reviewed the data for reasonableness and internal consistency and found no reason to doubt its substantial accuracy.

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

We understand that the actuarial assumptions are selected by the Plan sponsor, Long Beach Public Transportation Company. During the last ten plan years, historical rates of return have averaged 4.25% while rates of return averaged 5.18% over the last five plan years. Effective July 1, 2016 the investment return assumption was lowered from 7.50% per annum to 6.00% per annum to better reflect past experience as well as future expected returns and the amortization period for additional liability due to assumption or plan changes was changed from 30 years to 10 years.

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

SECTION 2: COMMENTS AND CERTIFICATION

Certification (continued)

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

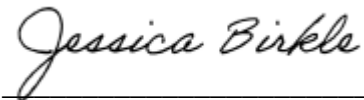
To the best of our knowledge, the information supplied in this report is complete and accurate.

We, Jason C. Birkle and Jessica Birkle, are members of the American Academy of Actuaries and meet the Qualifications of the American Academy of Actuaries to render the actuarial opinions contained herein.



_____ A.S.A., F.C.A., M.A.A.A

Jason C. Birkle
Director of Actuarial Services
Enrolled Actuary No. 23-07856



_____ A.S.A., M.A.A.A

Jessica Birkle
Consulting Actuary
Enrolled Actuary No. 23-07693

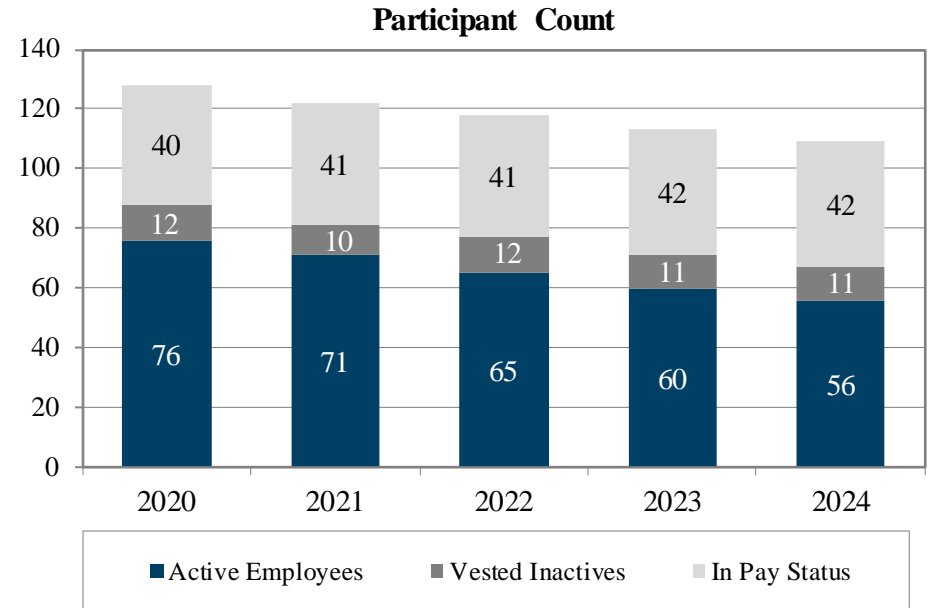
SECTION 3

Supplemental Information

SECTION 3: SUPPLEMENTAL INFORMATION

Participant Reconciliation

Active at June 30, 2023	60
Non-Vested Termination	0
Vested Termination	(1)
Retired Monthly	0
Transferred to Contract Plan	0
Transferred from Contract Plan	0
Occupational Disability	0
Lump Sum Distribution	(3)
Return of Employee Contributions	0
Data Correction	0
Disabled Retirement	0
Deceased	<u>0</u>
Active at June 30, 2024	56
Vested Inactive June 30, 2023	11
Vested Termination	1
Data Correction	0
Retired Monthly	0
Deceased	0
Lump Sum Distribution	<u>(1)</u>
Vested Inactive June 30, 2024	11
In Pay Status at June 30, 2023	42
New Retiree	0
New Beneficiary	1
New Occupational Disabled	0
Data Correction	1
Deceased	<u>(2)</u>
In Pay Status at June 30, 2024	42



SECTION 3: SUPPLEMENTAL INFORMATION

Active Participant Data

Attained Age	Years of Credited Service																Total		
	Under 5		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		Over 35		No.	Avg.	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	1	173,607	1	95,311	0	0	0	0	0	0	0	0	0	2	134,459
40 to 44	0	0	0	0	0	0	2	86,076	2	121,909	0	0	0	0	0	0	0	4	103,993
45 to 49	0	0	0	0	0	0	4	76,089	2	108,399	0	0	0	0	0	0	0	6	86,859
50 to 54	0	0	0	0	0	0	4	99,850	6	77,832	7	90,015	1	85,948	1	107,326	19	88,936	
55 to 59	0	0	0	0	0	0	1	105,380	2	103,049	5	93,524	5	82,322	0	0	13	91,593	
60 to 64	0	0	0	0	2	97,773	5	106,513	1	236,703	0	0	1	110,782	0	0	9	119,511	
65 to 69	0	0	0	0	0	0	2	68,560	0	0	0	0	1	107,966	0	0	3	81,696	
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	0	0	0	0	3	123,051	19	91,910	13	105,416	12	91,477	8	89,538	1	107,326	56	96,557	

Average Age: 54.36 years

Average Credited Service: 22.93 years

SECTION 3: SUPPLEMENTAL INFORMATION

Vested Inactive Data

Monthly Accrued Benefit	Number
Under \$100	0
100 to 199	1
200 to 299	0
300 to 399	0
400 to 499	1
500 to 599	0
600 to 699	2
700 to 799	0
800 to 899	1
900 to 999	1
1,000 to 1,099	0
1,100 to 1,199	0
1,200 to 1,299	0
1,300 to 1,399	1
1,400 to 1,499	2
1,500 to 1,599	0
1,600 to 1,699	0
1,700 or more	2
Total	11

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

Average Age: 56.68 years

Average Accrued Benefit: \$1,357.79

SECTION 3: SUPPLEMENTAL INFORMATION

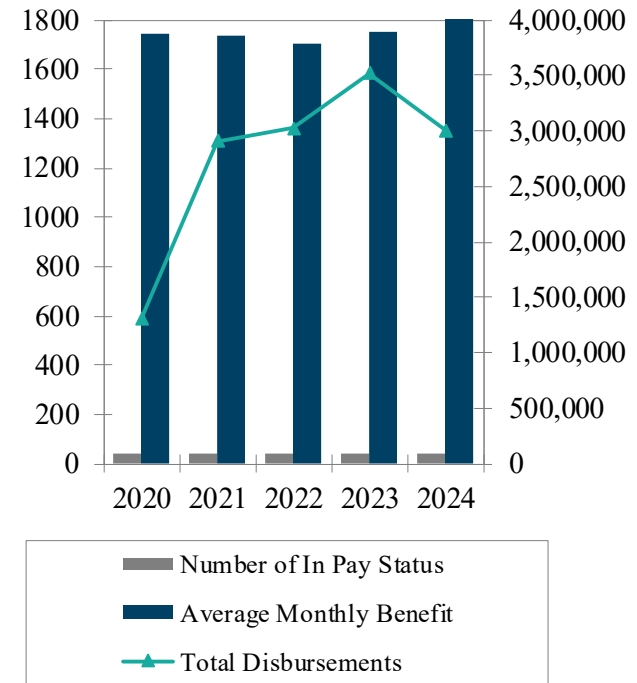
Retiree Data

Monthly Benefit ⁽¹⁾	Number
Under \$100	0
100 to 199	0
200 to 299	0
300 to 399	0
400 to 499	0
500 to 599	3
600 to 699	0
700 to 799	5
800 to 899	1
900 to 999	0
1,000 to 1,099	2
1,100 to 1,199	3
1,200 to 1,299	0
1,300 to 1,399	2
1,400 to 1,499	2
1,500 to 1,599	0
1,600 to 1,699	0
1,700 to 1,799	3
1,800 to 1,899	1
1,900 to 1,999	2
2,000 or over	12
Total	36

Age ⁽¹⁾	Number
Under 55	1
55 to 59	2
60 to 64	3
65 to 69	13
70 to 74	6
75 to 79	8
80 to 84	2
85 to 89	1
90 or over	0
Total	36

Average Age: 70.66 years
New Retirees: 65.96 years

Average Benefit: \$1,834.98
New Retirees: \$2,477.97



⁽¹⁾Data excludes 6 beneficiaries who are included in the plan's liabilities.

SECTION 3: SUPPLEMENTAL INFORMATION

Asset Information

Market Value of Assets at July 1, 2023	32,349,016
Employer Contributions	\$1,762,514
Employee Contributions	\$286,220
Net Investment Income	
Interest	\$37,969
Dividends	800,525
Unrealized Gain (Loss)	2,039,215
Realized Gain (Loss)	62,049
Other investment revenue	<u>0</u>
Net Investment Income	\$2,939,758
Benefit Payments	(\$3,008,643)
Direct Administrative Costs	(15,648)
Other Administrative Costs	(155,480)
Asset Transfer From Contract Plan	<u>0</u>
 Market Value of Assets at June 30, 2024	 34,157,737

SECTION 3: SUPPLEMENTAL INFORMATION

Present Value of Accumulated Plan Benefits⁽¹⁾

Reconciliation of Actuarial Present Value of Accumulated Plan Benefits

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

Actuarial Present Value of Accumulated Plan Benefits at June 30, 2023	\$31,994,963	Vested Benefits	
Benefits Accumulated and Actuarial Experience During the Year	\$1,781,636	Participants Currently Receiving Benefits	\$8,826,573
Increase for Interest	1,830,753	Other Participants	<u>22,773,513</u>
Benefits Paid	(3,008,643)	Vested Benefits	\$31,600,086
Net Increase/(Decrease)	<u>603,746</u>	Non-Vested Benefits	<u>998,623</u>
Actuarial Present Value of Accumulated Plan Benefits at June 30, 2024	\$32,598,709	Actuarial Present Value of Accumulated Plan Benefits at June 30, 2024	\$32,598,709

⁽¹⁾ Value of benefits earned by current participants based on pay and service through the valuation date. Approximation of amount due to participants if the plan terminated as of July 1, 2024 and settled all obligations at 6.00%.

SECTION 3: SUPPLEMENTAL INFORMATION

Summary of Plan Provisions

Plan Type: Public Pension Plan.

Plan Effective Date: June 30, 1979.

Plan Year: July 1 – June 30.

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

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

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

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

Normal Form of Benefit: Lifetime payments to retiree.

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

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

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

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

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

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

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

Vesting: 5 Years of Service.

SECTION 3: SUPPLEMENTAL INFORMATION

Summary of Plan Provisions (continued)

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

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

Disability Retirement Eligibility: Disabled while an active employee.

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

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

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

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

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

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

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

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

Plan Provisions Excluded from Measurement: None.

Changes Since Prior Valuation: None.

SECTION 3: SUPPLEMENTAL INFORMATION

Actuarial Method and Assumptions

Actuarial Cost Method: Frozen Initial Liability.

Actuarial Assumptions:

Interest Discount Rate: 6.00% compounded annually.

Investment Yield: 6.00% compounded annually.

Administrative Expenses: Actual administrative expenses for the prior year are added to the normal cost as of the beginning of the year. For 2024, the administrative expense assumption is \$171,128.

Employee Contribution Interest Credit: 5.00% compounded annually.

Salary Increases: 3.00% per year.

Lump Sums: 4.50% interest; 2024 IRS Applicable Mortality Table.

Mortality: For funding:

Healthy: PRI-2012 White Collar Mortality Table Projected with Scale MP-2019.

Disabled: PRI-2012 Disabled Mortality Table Projected with Scale MP-2019.

SECTION 3: SUPPLEMENTAL INFORMATION

Actuarial Method and Assumptions (continued)

Termination Before Retirement: Sample rates are shown below:

<u>Age</u>	<u>Turnover Rate</u>
20	7.86%
25	7.57
30	8.64
35	8.00
40	5.64
45	4.04
50	2.78
55	1.67
60	1.10

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

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

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

SECTION 3: SUPPLEMENTAL INFORMATION

Actuarial Method and Assumptions (continued)

Disability:

Sample rates are shown below:

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

Marital Status:

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

Form of Payment:

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

Unknown Data:

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

Asset Valuation Method:

Market value.

Changes Since Prior Valuation:

None.

SECTION 3: SUPPLEMENTAL INFORMATION

Rationale for Major Assumptions

Interest Rate/Investment Yield: Long Beach Public Transportation Company is responsible for the selection of this assumption.

Mortality, Termination, and Retirement: With concurrence from Long Beach Public Transportation Company, based on recent Plan experience which is monitored and analyzed annually.

SECTION 3: SUPPLEMENTAL INFORMATION

Six-Year Plan Overview

	Plan Year Beginning July 1					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Funding Policy Contribution						
Percentage of Covered Compensation	28.939%	32.003%	30.624%	8.781%	24.727%	22.603%
Annual Amount Paid Monthly	\$1,182,582	\$1,322,745	\$1,201,596	\$427,544	\$1,134,803	\$1,081,072
Covered Compensation	4,086,524	4,133,179	3,923,681	4,869,172	4,589,323	4,782,843
Market Value of Assets	34,157,737	32,349,016	32,041,203	37,790,805	31,438,641	30,938,951
Present Value of Vested Benefits	31,600,086	30,950,010	30,312,794	29,579,811	28,040,594	26,577,714
Present Value of Accumulated Benefits	32,598,709	31,994,963	31,347,933	30,777,265	29,234,414	28,145,553
Number of Active Participants	56	60	65	71	76	82
Number of Vested Terms	11	11	12	10	12	11
Number of Retirees	42	42	41	41	40	37
Total Participants	109	113	118	122	128	130

Amounts are based on total employer plus employee contributions.

SECTION 3: SUPPLEMENTAL INFORMATION

**Determination of 2024 Total Normal Cost
Estimated Impact of Interest Rate Assumption Change**

	<u>Current 6.00% Interest</u>	<u>5.00% Interest</u>	<u>4.00% Interest</u>
1 Present Value of Future Benefits			
A. Active Participants	28,944,732	30,810,481	33,004,170
B. Vested Inactives	1,579,916	1,817,536	2,116,976
C. In Pay Status	<u>8,826,573</u>	<u>9,588,899</u>	<u>10,479,211</u>
D. Total	39,351,221	42,216,916	45,600,357
2 Plan Assets	34,157,737	34,157,737	34,157,737
3 Frozen initial accrued liability remaining unfunded	0	2,365,566	5,092,941
4 Present value of future normal costs = (1) - (2) - (3)	5,193,484	5,693,613	6,349,679
5 Present value of future salaries	21,709,981	22,550,909	23,466,790
6 Normal cost accrual rate = (4) / (5)	23.92%	25.25%	27.06%
7 Valuation compensation	4,086,524	4,086,524	4,086,524
8 Preliminary normal cost = (6) x (7)	977,497	1,031,847	1,105,813
9 Administrative Expenses	171,128	171,128	171,128
10 Total normal cost = (8) + (9)	1,148,625	1,202,975	1,276,941
11 Total normal cost accrual rate = (10) / (7)	28.11%	29.44%	31.25%

SECTION 3: SUPPLEMENTAL INFORMATION

**Determination of 2024 Contribution Under Funding Policy
Estimated Impact of Interest Rate Assumption Change With 10 Year Amortization**

	Current		
	<u>6.00% Interest</u>	<u>5.00% Interest</u>	<u>4.00% Interest</u>
1 Total normal cost for Plan year	1,148,625	1,202,975	1,276,941
2 Amortization of unfunded accrued liability:			
A. Initial unfunded remaining	0	0	0
B. Amortization period remaining (in years)	0	0	0
C. Amortization amount	0	0	0
D. Interest rate change	N/A	2,365,566	5,092,941
E. Amortization period	N/A	10	10
F. Amortization amount	N/A	291,763	603,763
3 Interest required for monthly contributions	33,957	36,913	37,245
4 Total annual contribution payable monthly = (1) + (2C) + (2F) + (3)	1,182,582	1,531,651	1,917,949
A. Employer	978,256	1,327,325	1,713,623
B. Employee	204,326	204,326	204,326
5 Contribution as a percentage of payroll	28.939%	37.481%	46.934%
A. Employer	23.939%	32.481%	41.934%
B. Employee	5.000%	5.000%	5.000%

SECTION 4: HISTORICAL INFORMATION

An actuarial valuation provides a measurement of pension obligations and actuarially determined pension contributions. These measurements are based on assumptions about future events that impact the plan's funded status; events such as investment earnings on plan assets, how long retirees live, the probability of an active member remaining in covered employment, and the size and composition of the covered group, among others. It is important to understand the risks that the actual cost of a pension plan may differ significantly from the expected cost of a pension plan. In other words, it is important to understand the risks and impact of future plan experience differing from the actuarial assumptions.

The effect of various risks on a plan's long-term funding requirements will depend on the maturity of the plan. Plan maturity, risk factors and the plan's financial condition change over time depending on plan experience, how actual experience has differed from that anticipated by the actuarial assumptions and by changes in the underlying actuarial assumptions. It is informative to see how these measures have changed over time.

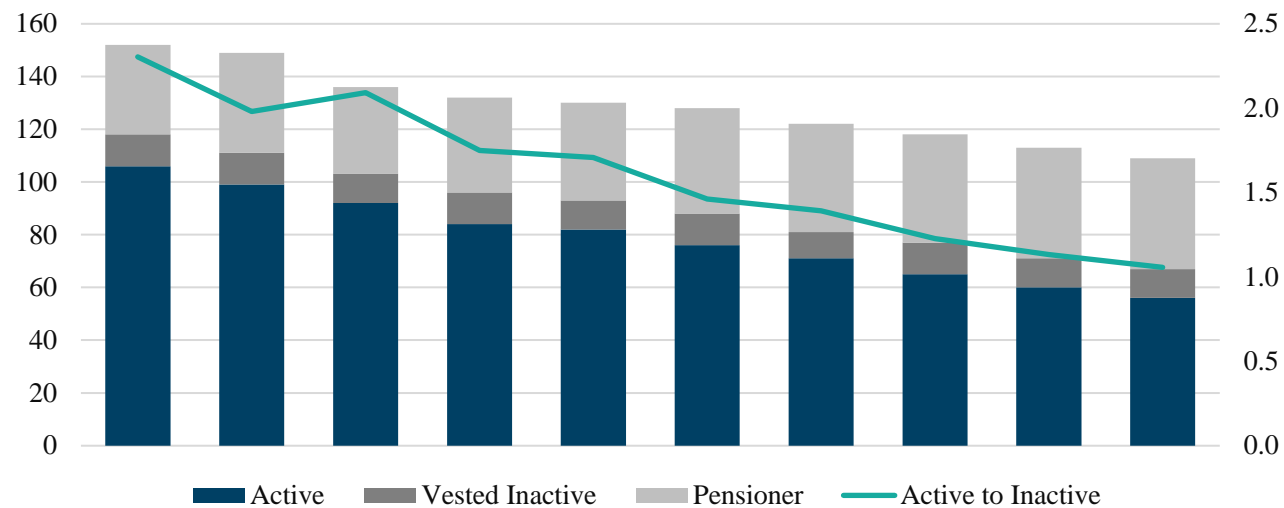
The following pages examine the history of a number of maturity measures, risk measures and other financial information.

- Ratio of Active to Inactive Participants
- Ratio of Inactive Liability to Total Liability
- Investment Return
- Funded Percentage
- Funding Policy Contribution
- Cash Flows

SECTION 4: HISTORICAL INFORMATION

Ratio of Active to Inactive Participants

The number of active employees covered by a pension plan may be an indication of the level of company operations that generates the revenue required to fund the pension plan. As the number of inactive participants (retirees and vested terminated participants) grows compared to active employees, it becomes more expensive on a per-capita basis for the plan sponsor to cover potential funding shortfalls that may occur. As of July 1, 2024 the active to inactive ratio for this Plan is 1.06. Because the Plan is closed to new entrants, this ratio will decrease over time.

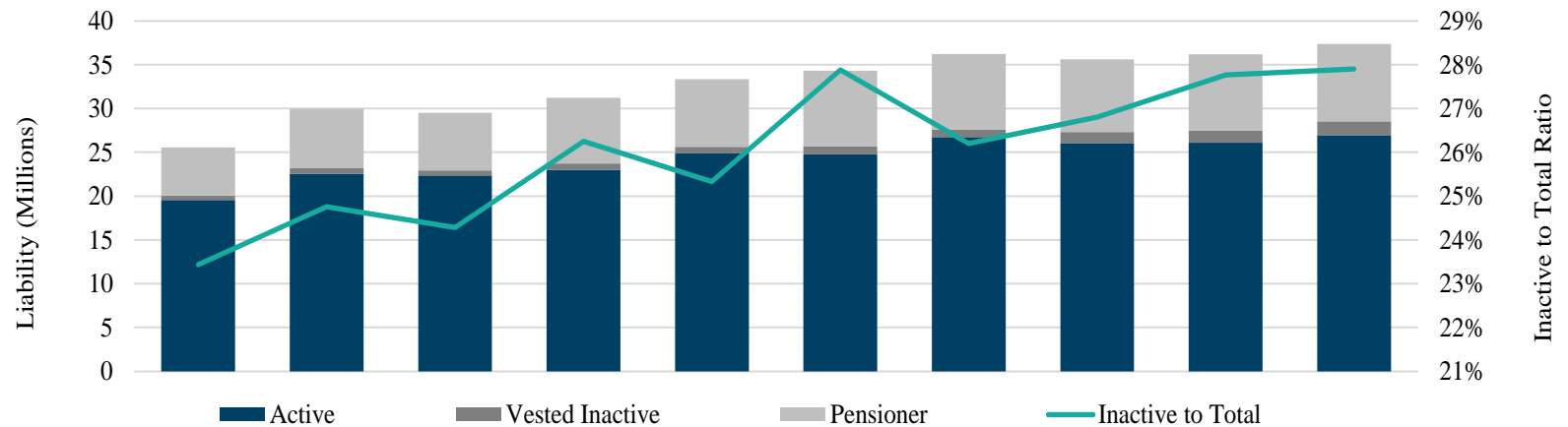


July 1,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pensioner	34	38	33	36	37	40	41	41	42	42
Vested Inactive	12	12	11	12	11	12	10	12	11	11
Active	106	99	92	84	82	76	71	65	60	56
Total	152	149	136	132	130	128	122	118	113	109
Active to Inactive	2.30	1.98	2.09	1.75	1.71	1.46	1.39	1.23	1.13	1.06

SECTION 4: HISTORICAL INFORMATION

Ratio of Inactive Liability to Total Liability

Another measure of a plan’s maturity is the ratio of liability for inactive participants to liability for all participants. Similar to the inactive to active ratio, as the ratio of liabilities for inactive participants increases, it will be more expensive on a per-capita basis and the Plan Sponsor may have fewer remedies to address funding shortfalls. As of July 1, 2024 the ratio of inactive liability to total liability for this Plan is 27.9%.

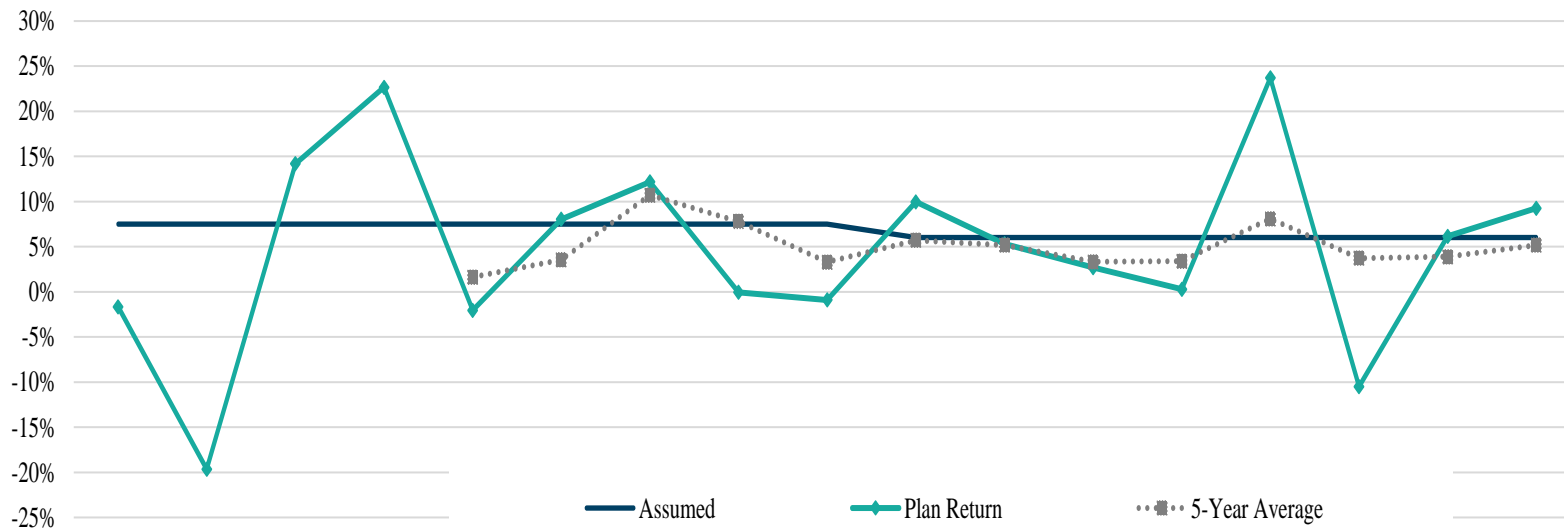


July 1,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pensioner	5.5	6.8	6.6	7.5	7.7	8.6	8.7	8.3	8.7	8.8
Vested Inactive	0.5	0.6	0.6	0.7	0.7	1.0	0.8	1.2	1.4	1.6
Active	19.6	22.6	22.3	23.0	24.9	24.7	26.7	26.1	26.1	27.0
Total	25.6	30.0	29.5	31.2	33.3	34.3	36.2	35.6	36.2	37.4
Inactive to Total	23.4%	24.8%	24.3%	26.2%	25.3%	27.9%	26.2%	26.8%	27.8%	27.9%

SECTION 4: HISTORICAL INFORMATION

Investment Return

The long-term investment return assumption was 7.50% from 2009 through 2015 and was updated to 6.00% in 2016. The return assumption is net of investment expenses. A Plan’s ability to meet the benefit requirements is largely determined by its ability to earn the assumed rate of return over the long term. Returns over the past 17 years are shown below.

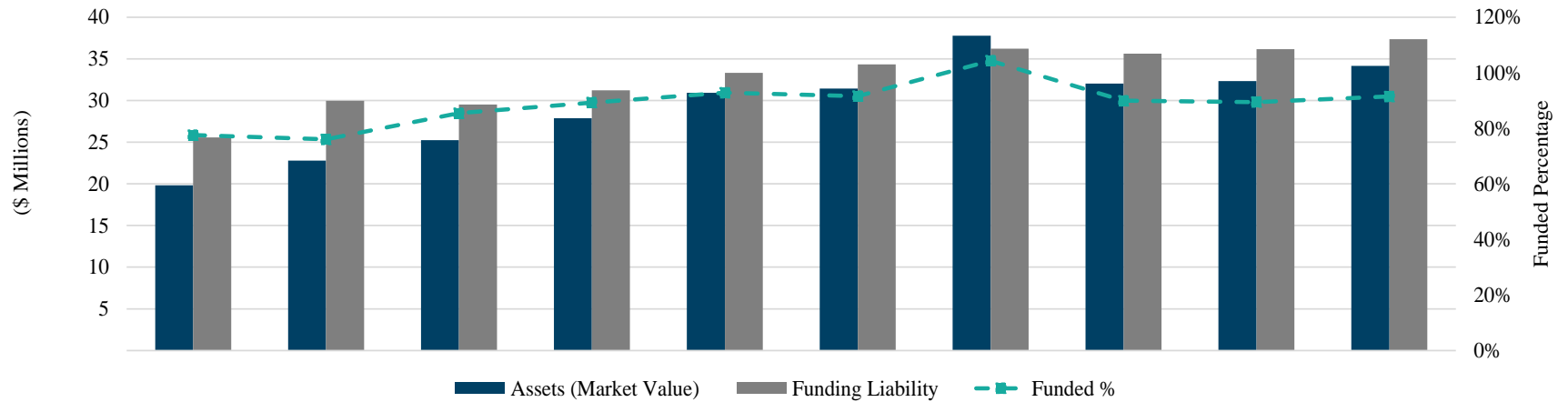


PYE 6/30	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assumed	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Plan Return	-1.66	-19.66	14.19	22.65	-2.05	8.03	12.17	-0.06	-0.91	9.96	5.32	2.68	0.27	23.69	-10.50	6.14	9.25
5-Year Average					1.62	3.55	10.70	7.79	3.28	5.70	5.17	3.32	3.39	8.08	3.72	3.88	5.18

SECTION 4: HISTORICAL INFORMATION

Funded Percentage

One measure of a plan’s financial condition is the funded percentage, the ratio of the assets to plan liabilities. The following shows the funded percentage based on the funding (“entry age”) liability.

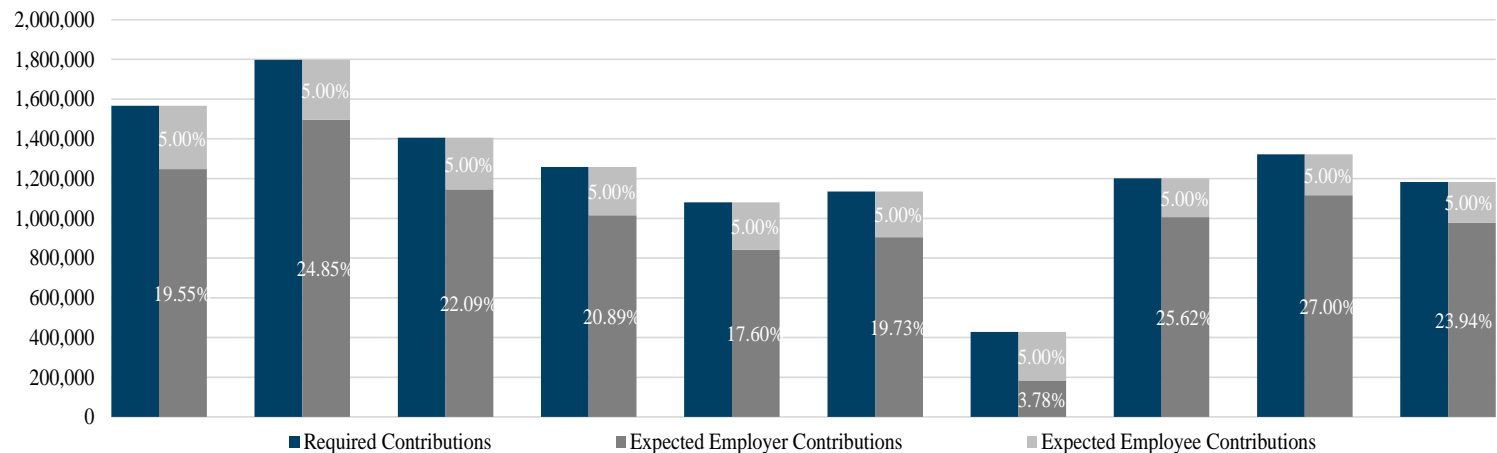


July 1,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assets (Market Value)	19.8	22.8	25.2	27.9	30.9	31.4	37.8	32.0	32.3	34.2
Funding Liability	25.6	30.0	29.5	31.2	33.3	34.3	36.2	35.6	36.2	37.4
Funded %	77.5%	76.0%	85.5%	89.3%	92.8%	91.6%	104.3%	90.0%	89.4%	91.4%

SECTION 4: HISTORICAL INFORMATION

Funding Policy Contribution

The Company’s funding policy is to fund the normal cost plus an amount sufficient to amortize the unfunded accrued liability over 30 years from July 1, 2007. Effective July 1, 2016, changes in unfunded accrued liability are amortized over 10 years. The contribution is made uniformly over the year. The normal cost is the annual cost for actives accruing benefits for the year and a component for prior experience different than assumed. It is impacted by several factors including: active population, interest discount rates, investment return and other demographic experience, and the level of prior-year contributions. The calculation of the normal cost is based on the Frozen Initial Liability cost method and in years following strong asset performance there may be excess asset returns which can reduce the normal costs.

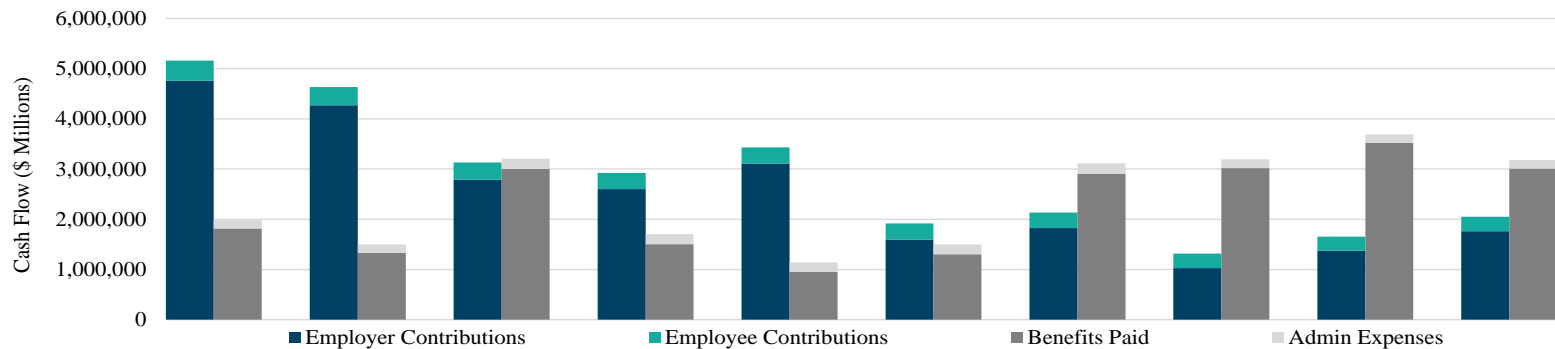


July 1,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Required Contributions	1,566,470	1,797,648	1,405,306	1,257,856	1,081,072	1,134,803	427,544	1,201,596	1,322,745	1,182,582
Covered Compensation	6,380,468	6,023,124	5,186,888	4,858,664	4,782,843	4,589,323	4,869,172	3,923,681	4,133,179	4,086,524
Percent of Covered Compensation	24.551%	29.846%	27.093%	25.889%	22.603%	24.727%	8.781%	30.624%	32.003%	28.939%
Expected Employer Contributions	1,247,447	1,496,492	1,145,962	1,014,923	841,930	905,337	184,085	1,005,412	1,116,086	978,256
Expected Employee Contributions	319,023	301,156	259,344	242,933	239,142	229,466	243,459	196,184	206,659	204,326

SECTION 4: HISTORICAL INFORMATION

Cash Flows

Each year, a plan pays pension benefits to its participants in pay status as well as operational expenses incurred. Money coming into the plan helps fund and offset these plan costs. A negative cash flow is one indication that a plan may be more mature. In addition, a negative cash flow typically makes it more difficult for a plan to recover from asset losses.



PYE 6/30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer Contributions	4,758,243	4,270,185	2,790,134	2,602,155	3,111,520	1,596,044	1,826,321	1,026,804	1,372,885	1,762,514
Employee Contributions	<u>402,617</u>	<u>365,367</u>	<u>340,086</u>	<u>320,450</u>	<u>322,305</u>	<u>319,542</u>	<u>308,205</u>	<u>288,286</u>	<u>279,383</u>	<u>286,220</u>
Total Contributions	5,160,860	4,635,552	3,130,220	2,922,605	3,433,825	1,915,586	2,134,526	1,315,090	1,652,268	2,048,734
Benefits Paid	(1,818,412)	(1,332,112)	(3,003,925)	(1,503,429)	(951,414)	(1,302,936)	(2,902,046)	(3,020,182)	(3,517,784)	(3,008,643)
Admin Expenses	<u>(167,173)</u>	<u>(167,603)</u>	<u>(203,559)</u>	<u>(199,961)</u>	<u>(187,683)</u>	<u>(197,584)</u>	<u>(213,196)</u>	<u>(174,009)</u>	<u>(174,592)</u>	<u>(171,128)</u>
Total Benefits and Expenses	(1,985,585)	(1,499,715)	(3,207,484)	(1,703,390)	(1,139,097)	(1,500,520)	(3,115,242)	(3,194,191)	(3,692,376)	(3,179,771)
Net Cash Flow	3,175,275	3,135,837	(77,264)	1,219,215	2,294,728	415,066	(980,716)	(1,879,101)	(2,040,108)	(1,131,037)