

GREATER LYNCHBURG TRANSIT COMPANY

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Board of Directors Meeting Agenda

Wednesday, August 7th, 2024

8:30 a.m. – 10:30 a.m.

Meeting Location: GLTC Transfer Station – 800 Kemper St., Lynchburg, VA 24501

Board President: Cameron Howe
Board Vice President: Randy Woods
Secretary-Treasurer: Mary-Winston Deacon
Members: Benjamin Blanks; Gary DuPriest; Brian Landergan;
Tab Sprouse, Greg Patrick

#1 Call to Order – 8:30 a.m. GLTC Board President

#2 Consideration of Meeting Minutes Approval All
June 20th, 2024, Work Session

Microtransit Transition Public Hearing

- a) Speakers should state their name for the official record
- b) Speakers will be allotted a maximum of 3 minutes

GLTC Board President

Speakers representing a group will be allotted a maximum of 5 minutes and should state the name of the group they are representing for the official record

#3 Committee & Partner Reports Ada Hunsberger
a) Ride Solutions Kelly Hitchcock
b) CVPDC Transportation Planner

#4 Staff Reports Josh Moore
a) Staff Reports
b) Financials
c) Ridership & Operating Statistics
d) Capital Projects Report

Public Comment

- c) Speakers should state their name for the official record
- d) Speakers will be allotted a maximum of 3 minutes

GLTC Board President

Speakers representing a group will be allotted a maximum of 5 minutes and should state the name of the group they are representing for the official record

#5 Old Business
a) No Old Business

#6 New Business Josh Moore
a) Microtransit Transition Changes Josh Moore
b) OPEB Fund Transfer Josh Moore
c) Closed Session Josh Moore



#7 President's Report

GLTC Board President

#8 Next Meeting Dates & Adjournment

Board Meeting: September 4th, 2024, @ 8:30 am – GLTC Board Meeting Room
Work Session: August 22nd, 2024 @ 8:30 am – GLTC Board Meeting Room

All





GLTC Board Agenda Detail

Item #: 2
Item Title: March 6th, 2024, Board Meeting Minutes
Action: Consideration of Approval

June 20th, 2024
8:30 A.M. – 10:30 A.M.
800 Kemper St.
Lynchburg, VA 24501

Board members attending:

President: Cameron Howe
Vice President: Randy Woods
Secretary:
Members: Benjamin Blanks, Brian Landergan, Tab Sprouse, Gary Dupreist

GLTC staff attending: Josh Moore, Natalie Wilkins, Steve Overstreet, Millie Martin, Chris Poindexter, Mitch Hazen

Board Meeting

a) FY24 Audit Engagement Letter

Mr. Moore informed the board members that the audit process would begin June 24th, 2024 with Brown Edwards Certified Public Accountants. He asked the board members for authorization to begin the audit processes. Mr. Woods made a motion to approve the audit authorization, Mr. Landergan seconded, the motion was passed unanimously.

b) FY25 Allocated Budget

Mr. Moore reviewed the FY25 allocated budget. GLTC lost \$137,940 or 7% from the DRPT Operating Assistance allocation. He stated that GLTC will not continue membership with APTA. GLTC eliminated two open fixed route full time positions and one open full time position to increase savings.

Mr. Landergan asked what other options exist to save on expenses? Mr. Moore stated that service changes to select fixed routes would be initiated as an option.

Mr. Woods asked how will the decrease in funding impact the microtransit demonstration grant? Mr. Moore explained that the microtransit program is funded 100% within state operating assistance. Mr. Blanks asked if GLTC would need to have a fare increase due to rising inflation cost? Mr. Moore replied that a fare increase would be used as a last option. Ms. Howe stated that she was not in favor of a fare increase. Mr. Woods suggested creating more partnerships with local agencies as a strategy for revenue growth. Mr. Moore stated that Central Virginia Community College and Lynchburg House Authority are the current partnerships that purchase mobile ticketing packages. Mr. Landergan asked what the current arrangement is with Amherst Co? Mr. Moore commented Amherst Co pays roughly 52% of the operating cost for its fixed route. Mr. Woods asked if the line item labeled "City Operating Assistance" total was the same amount submitted to the City of Lynchburg? Mr. Moore replied yes 1,724,463.00 – which includes wage growth totaling a 9% increase. Mr. Moore explained that utilities are currently underbudget. Mr. Blanks asked about shelter replacement plans? Mr. Moore stated that the state would not fund the replacement of the shelter at the Walmart location since GLTC does not own the property. However they would fund the C.V.C.C. shelter. Ms. Howe asked if the GLTC could use a City of Lynchburg engineer for



shelter upgrades? Mr. Moore agreed to ask for assistance from the city of Lynchburg. He stated that contracts also give options to hire engineers by submitting a task order which include negotiated rates.

Mr. Woods made a motion to approve the FY25 allocated budget and the Capital Improvement Plan, motion was seconded by Mr. Blanks. The motion passed unanimously.

c) Funding / Cashflow Discussion

Mr. Moore led the discussion by informing the board that the city of Lynchburg had agreed to advance funding for the first two quarters of the year. Cashflow levels are sufficient until the end of the fiscal year.

Mr. Landergan asked if the first two month advancement arrangement would become a long term agreement? Mr. Moore could not confirm the duration.

Mr. Moore informed the board that the last year's surplus amount and a \$500K loan will not have to be paid immediately to the city of Lynchburg. Additional conversations are scheduled to understand the complexities associated with payment schedule. Mr. Woods requested more information on the repayment terms. Mr. Moore agreed to present the exact terms when the details are confirmed. He invited Mr. Woods to arrange a time to review financials. Mr. Woods agreed to meet and proposed a meeting with Mr. Patrick also.

AR/AP Write-offs

Mr. Hazen re-introduced a revised list of write offs and possible collections items. He categorized the write offs into 3 separate list. Those list include a revised list of write-offs spanning FY 2009 to mid FY 2019, a write-Off list from 2019+ that pertains to GLTC's most recent AR transactions, and a further research list that contains AR transactions that need to be researched further.

Mr. Dupreist asked who is responsible for handling the payment and debt for the advertising on buses. Mr. Moore stated that it is partially the general manager's responsibility in combination GLTC's financial staff.

Ms. Howe made a motion to approve 54 writeoff items totaling \$18,417.88. The motion was seconded by Mr. Woods, the approval to complete the writeoff items was unanimous.

Mr. Hazen explained Mr. Tim Brazil would continue researching 14 outstanding accounts. If more information is discovered those items would be re-presented to the board which could be less than \$10K. The board discussed whether to make an immediate vote to write off the "Research Further" items. Mr. Woods made a motion to delay making a decision on the titled "Research Further" list totaling an estimated \$10K. The motion was passed, the motion to delay a decision was approved. Ms. Howe voted nay, she did not agree on the decision to wait for the final list of items.

Mr. Woods made a motion to approve a selected amount of write offs totalling \$236.00 from the "Write-Off 2019+" list of items. The motion was seconded by Mr. Landergan, the motion was passed unanimously.

Mr. Hazen presented a drafted collections policy for advertisements. He explained the multi-tiered arrangement that separates amounts owed to GLTC. The tiers discussed are the following

- \$249.99 or less
- \$250.00-\$1,999.99
- \$2,000.00-\$4,999.99

Mr. Hazen highlighted the potential timelines for collections:

Days from Billing

- 30 days

Greater Lynchburg Transit Company

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- 60 days
- 90 days

Mr. Woods asked if GLTC staff could provide more frequent routine reporting on advertising receiveables/ collections items. Mr. Moore replied yes. He would like to provide such reports on a quarterly basis. His intentions are to perform possible write offs once a year. Mr. Moore stated that the GLTC advertising policy would be revamped at a later time to better align with the collections policy.

Work Session

FY22-23 DRPT Compliance Review

Mr. Moore presented the final DRPT compliance review. The review ensures the state funds are used correctly. The overall review was successful. Only two minor vehicle Vin number records needed to be changed. Mr. Moore stated that the correct changes had been submitted.

President Report

No report made. Ms. Howe asked about the 2024 GLTC Car Show event. Mr. Moore stated that the car show was completed. Funds were collected, however the exact number of funds collected was not available. Mr. Moore reminded the board members that the July 3rd, 2024 board meeting was canceled. Ms. Howe noted that Charles Spense name should be removed from the board member directory on the board member agenda.

Ms. Sprouse made a motion to adjourn. Motion was seconded by Mr. Landergan and Mr. Blanks. The meeting ended.

#8 - Next Meeting Dates

The next board meeting will be on – July 18th, 2024, 8:30 AM at the GLTC Transfer Center.

Secretary/Treasurer

GLTC Board Agenda Detail

Item #: 3
Item Title: Committee & Partner Reports
Action: None

Committee Reports

- a) Ride Solutions

Partner Reports

- a) CVPDC Transportation Planner

Contacts: Josh Moore

Attachments: None



Action Required: None





GLTC Board Agenda Detail

Item #: 4a

Item Title: Staff Reports

Action: For Your Information

The General Manager's report for the previous month is provided below:

- Worked with staff to implement our microtransit roll out and hold the required public hearings for the proposed service changes
- Ongoing meetings with transit colleagues to discuss the current and proposed funding allocation shortfalls this year and next and devise possible alternatives to help offset these issues
- Beginning work on the FY26 Proposed Budget

The Assistant General Manager's report for the previous month is provided below:

- Continued work on DBE updates
- Attended the Lynchburg City Multimodal Plan Kickoff
- Attended the Microtransit Public meetings

The Transportation Manager's report for the previous month is provided below:

- Preparing for operational changes that will occur with microtransit service startup
- Trained operators and began microtransit service on schedule
- Preparing for Fall Run Bid in August

The Maintenance Manager's report for the previous month is provided below:

- Worked with Operations and IT to prepare the vehicles for microtransit service
- Had Matt Haller from Transdev Maintenance on-site for best practice analysis

The Finance and Grants Manager's report for the previous month is provided below:

- Working with the auditor on June year-end financial statements and possible adjustments
- Providing intern with information on NTD reporting which we will work together to complete
- Providing schedules and other information for auditors
- Verifying and inputting yearly and quarterly balances for FFR (FTA) reports.

The IT Manager's report for the previous month is provided below:

- Completing work on streamlining copier usage and servicing to reduce costs
- Working with Maintenance and Operations staff to complete microtransit setup

The Human Resources Manager's report for the previous month is provided below:

- Working on benefit renewal and preparing for the open enrollment period
- Assisting admin staff with yearly performance evaluations
- Attended CTAV Conference

The Marketing Manager's report for the previous month is provided below:

- Hosted RIC Meeting
- Attended the microtransit public hearings



- Designed and promoted various microtransit items
- Filmed microtransit demonstrations
- Planned ribbon cutting ceremony for microtransit service





GLTC Board Agenda Detail

Item #: 4b

Item Title: Financials

Action: For Your Information

Staff are working on finalizing the June statements with the final information from the auditors. Staff will forward a draft income statement and operating statement as soon as a draft is available.

Contacts: Josh Moore

Attachments: None

Action Required: None





GLTC Board Agenda Detail

Item #: 4c

Item Title: June 2024 Ridership & Operational Statistics

Action: For Your Information

Summary:

Maintenance Activities are summarized below with associated graphs depicting year over year statistics following.

Ridership was up 19.4% compared with our monthly average and was down 12.82% from last month.

Ridership:

Total Fixed Route Ridership for the month of June was 46,464. Paratransit ridership for June was 1,647.

Service Impacts:

System wide on-time performance was 77.1%, which was up from May by 0.6%

8.24% of the service was lost due to missed trips.

Routes not listed have on-time performance greater than 85%

Route	1A	1B	3A	3B	4	5	7	8	10
On-time	68.8%	64.8%	74.8%	80.6%	77.2%	83.7%	66.7%	65.6%	70.3%

Route	12
On-time	83.2%

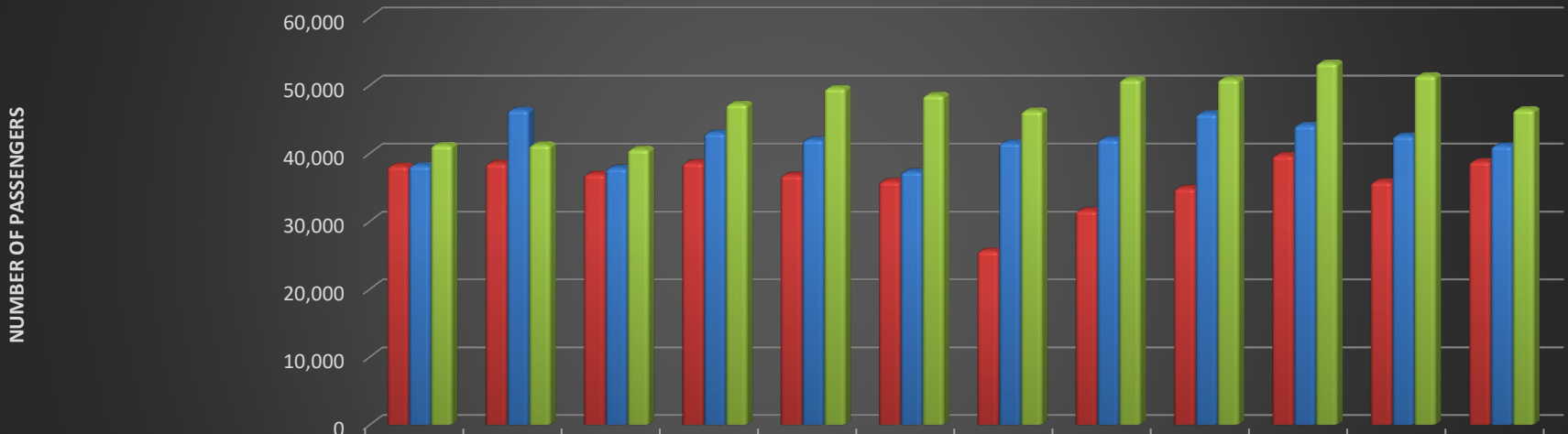
Maintenance:

Maintenance activities are reported as follows for May 2024:

- Total mileage for fixed route – 82,439
- Paratransit total mileage – 13,698
- On-time performance for preventative maintenance activities – 80%
- Fleet downtime – 1.33%



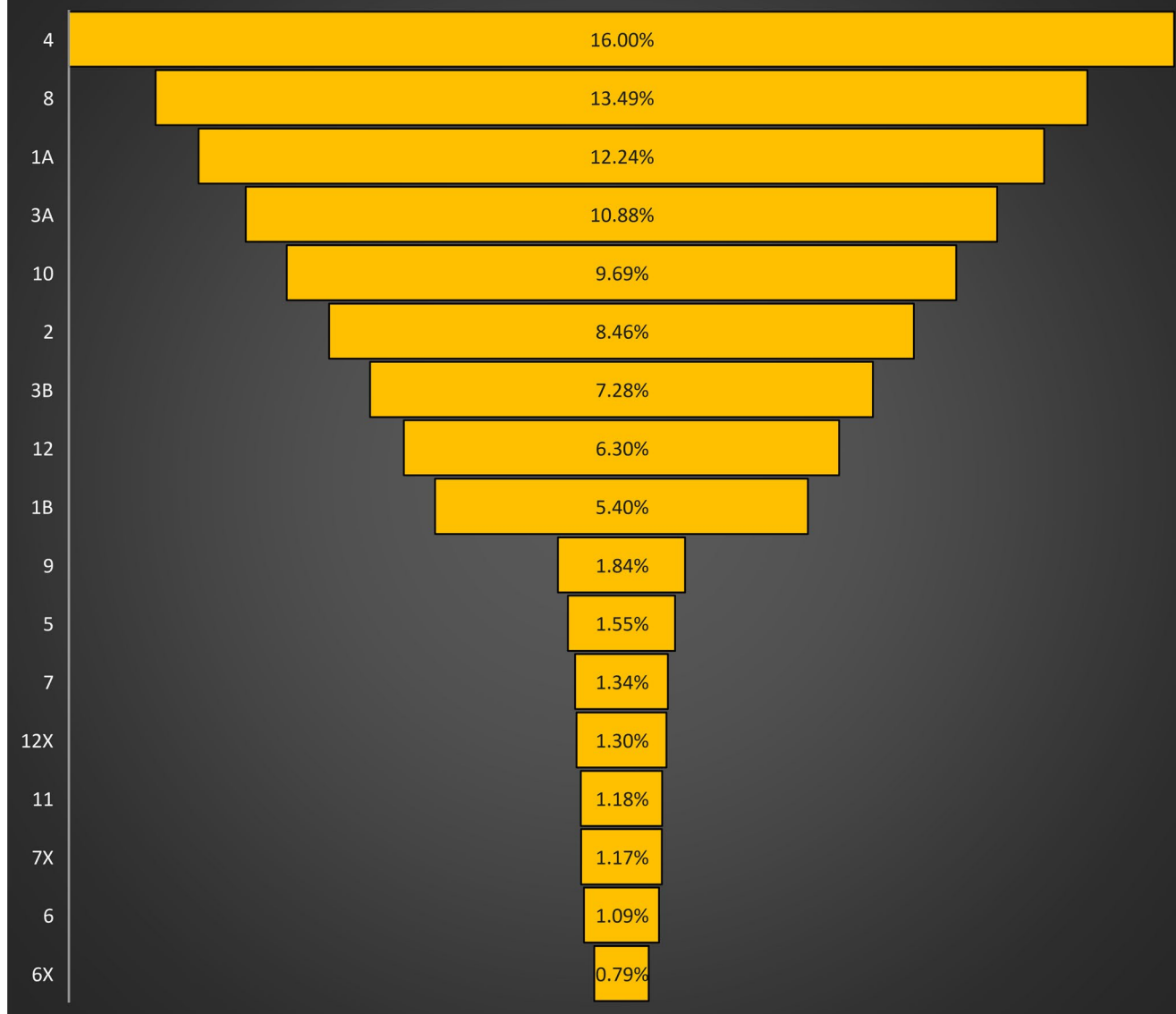
Monthly System Ridership FY22 - FY24



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
■ Total Ridership 2021 - 2022 (FY '22)	38,162	38,579	36,960	38,662	36,828	35,918	25,671	31,610	34,886	39,727	35,850	38,831
■ Total Ridership 2022 - 2023 (FY '23)	38,224	46,410	37,859	43,017	42,017	37,324	41,571	42,068	45,856	44,175	42,604	41,139
■ Total Ridership 2023 - 2024 (FY '24)	41,237	41,289	40,641	47,281	49,620	48,580	46,285	50,881	50,914	53,337	51,452	46,464



Ridership Percentage by Route

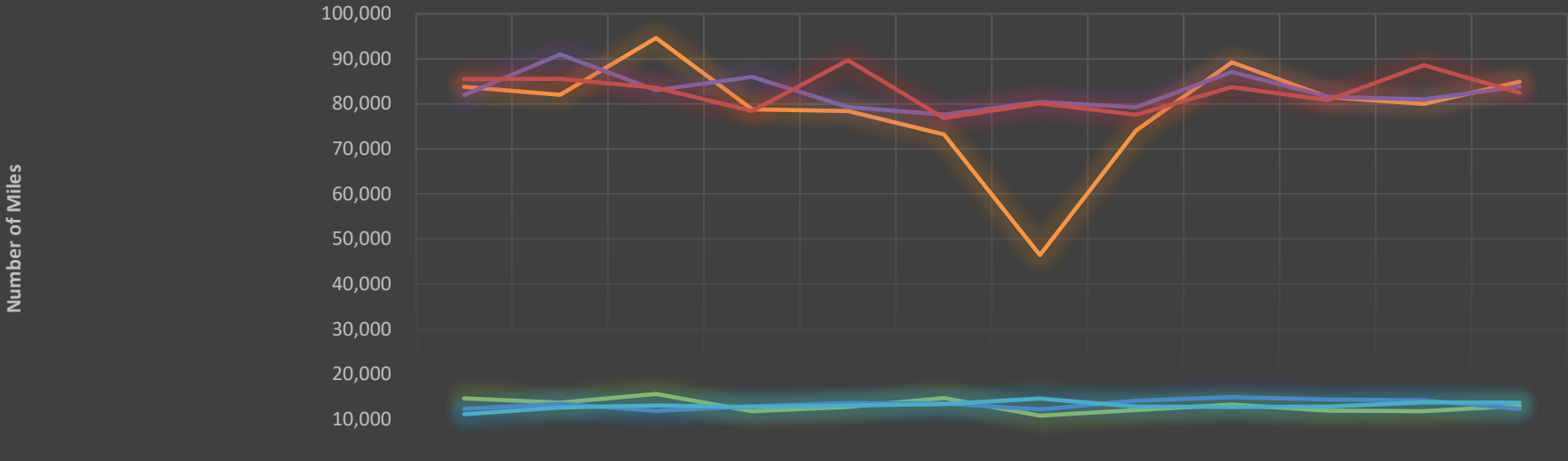


Jun-24

Route	Ridership	Percentage
4	7,435	16.00%
8	6,268	13.49%
1A	5,687	12.24%
3A	5,055	10.88%
10	4,502	9.69%
2	3,931	8.46%
3B	3,383	7.28%
12	2,927	6.30%
1B	2,509	5.40%
9	855	1.84%
5	720	1.55%
7	623	1.34%
12X	604	1.30%
11	548	1.18%
7X	544	1.17%
6	506	1.09%
6X	367	0.79%
Total	46,464	100.00%



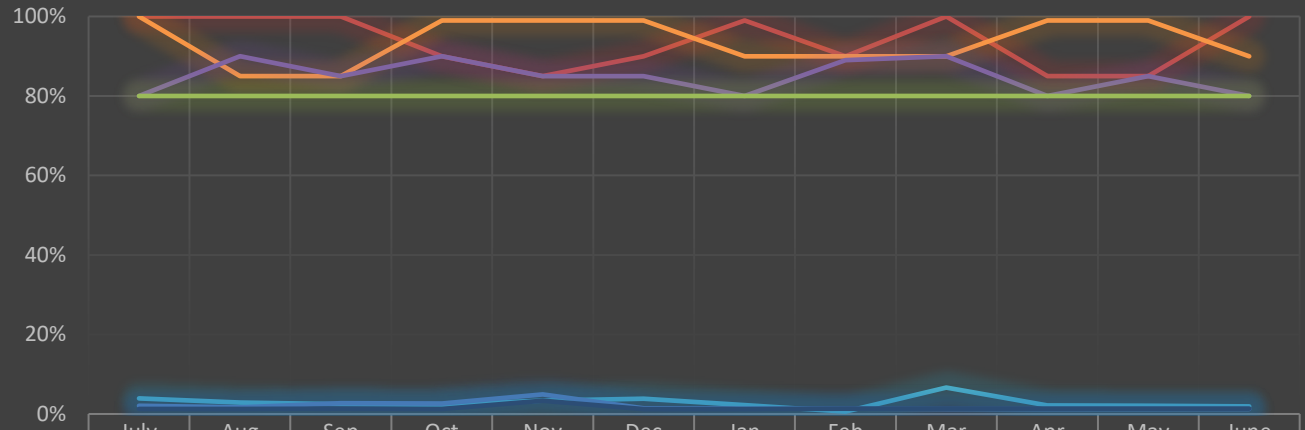
GLTC Mileage FY22, FY23, FY24



	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Fixed Route Mileage 2021-2022 (FY-22)	83,795	82,020	94,617	78,785	78,407	73,253	46,434	74,050	89,199	81,531	80,011	84,929
Fixed Route Mileage 2022-2023 (FY-23)	81,923	90,977	83,050	86,014	79,276	77,601	80,415	79,252	87,060	81,566	81,019	83,870
Fixed Route Mileage 2023-2024 (FY-24)	85,467	85,585	83,593	78,407	89,692	76,838	80,107	77,564	83,742	80,800	88,567	82,439
Paratransit Mileage 2021-2022 (FY-22)	14,613	13,702	15,601	11,776	12,714	14,704	10,791	12,042	13,229	11,877	11,807	12,987
Paratransit Mileage 2022-2023 (FY-23)	12,280	13,397	11,857	12,872	13,596	13,508	12,158	14,142	14,905	14,369	14,161	12,298
Paratransit Mileage 2023-2024 (FY-24)	11,107	12,583	13,042	12,714	13,035	13,353	14,586	12,780	12,744	12,780	13,766	13,698



Maintenance Performance FY22, FY23, FY24



	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
On Time Performance FY'22 (FTA Requires 80%)	100%	100%	100%	90%	85%	90%	99%	90%	100%	85%	85%	100%
On Time Performance FY'23 (FTA Requires 80%)	100%	85%	85%	99%	99%	99%	90%	90%	90%	99%	99%	90%
On Time Performance FY'24 (FTA Requires 80%)	80%	90%	85%	90%	85%	85%	80%	89%	90%	80%	85%	80%
FTA Required On Time Performance	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Fleet Downtime FY'22 (Industry Average 5%)	3.90%	2.90%	2.48%	2.30%	3.33%	3.80%	2.20%	0.60%	6.64%	2.15%	2.04%	1.89%
Fleet Downtime FY'23 (Industry Average 5%)	2.07%	1.69%	2.70%	2.59%	4.92%	1.41%	1.34%	1.36%	1.24%	1.24%	1.24%	1.27%
Fleet Downtime FY'24 (Industry Average 5%)	1.30%	1.30%	1.35%	1.30%	3.33%	1.23%	1.23%	1.31%	1.31%	1.34%	1.34%	1.33%





GLTC Board Agenda Detail

Item #: 4d

Item Title: Capital Projects

Action: For Your Information

Summary:

Staff are working on closing Fiscal Year 2024 and will have a new Capital Projects statement as soon as a draft end-of-year is completed for FY2024.

Contacts: Josh Moore

Attachments: None

Action Required: None





GLTC Board Agenda Detail

Item #: 5a

Item Title: Old Business

Action: None

No Old Business

Contacts:

Attachments:

Action Required:





GLTC Board Agenda Detail

Item #: 6a

Item Title: New Business

Action: Discussion and Approval

Microtransit Transition Changes

Attached are the recommendations from staff for the changes to GLTC service in combination with the start of our new microtransit service. Staff have held three public hearings on different dates and have not to date received any public comments. There will be one additional virtual and in-person public hearing on August 7th, 2024 at the start of the GLTC Board Meeting.

Attached are detailed synopsis of the proposed changes and timelines.

Contacts: Josh Moore

Attachments: Microtransit Transition Memo and Map

Action Required: Discussion and Approval





GREATER LYNCHBURG TRANSIT COMPANY

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July 31st, 2024

Re: Microtransit Transition and Proposed Route Changes

Dear GLTC Board of Directors,

GLTC has held multiple information sessions on various dates and three public hearings on the proposed route changes and microtransit transition on July 20th, July 22nd, and July 30th, with the last public hearing held during the Board of Directors Meeting on August 7th, 2024. To date we have not received any comments from the public, although we are expecting one written comment before the August 6th deadline.

Proposed Route Changes

GLTC staff are proposing the following route changes. Staff feel that these changes will benefit both existing riders as well as attracting new riders by reducing trip times to Wal-Mart on Old Forest Rd and adding an additional option to reach that destination, as well as realigning to eliminate some locations where routes experience delays and add in new areas where service has not existed for some time on Memorial Ave.

An interactive map can be located on our planning platform at the address below:

<https://platform.remix.com/project/923ce918?latlng=37.39804,-79.21325,12,p0,b-44.91&sp.id=62d1df72-de4f-4112-a6c1-22bd34cfe463>

- Route 4:
 - Will not service Lynchburg Airport (now serviced by microtransit). The bus will now always head inbound to the Transfer Station from Khol's.
- Route 5:
 - Will now exit the Transfer Station Via 7th St. to a Left onto Pierce St. to a Right onto 5th St. to Downtown.
 - Inbound from Main St. the bus will Make a Left onto 5th St. to a left onto Pierce St. To a Right onto 7th St. to the Transfer Station.
- Route 8:
 - Will not service the Jefferson Ridge area (now serviced by microtransit). The bus will now always run the loop that it does when it doesn't service Jefferson Ridge.
- Route 11:
 - Will now exit the Transfer Station Via 7th St. to a Left onto Pierce St. to a Left onto 5th St. and will continue straight all the way through Memorial Ave. to Fort Ave.
 - Inbound form Fort Ave the bus will bear Left onto Memorial Ave. and continue straight to Enter the Transfer Station Via Pierce St.





GREATER LYNCHBURG TRANSIT COMPANY

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- The bus will no longer service the Social Security stop in the parking lot, but stop on the road after 5:00pm.
- Route 12:
 - Will not service Graves Mill Rd, Enterprise Dr, J-Crew, or 221 and will be moved to the :45 connection.
 - From Lakeside Dr. the bus will now make a right onto Old Forest Rd. to a Right onto Whitehall Rd.
 - From Whitehall Rd. the bus will head to the Old Forest Rd. Walmart Via Old Forest Rd.
 - From Walmart the bus will head back to Whitehall Rd. Via Old Forest Rd. then to the Transfer Station following the current Rt. 12.
- Routes 6,7, & 6/7X
 - **No longer in service.**

Recommendation

GLTC staff is recommending that the board adopt these changes to the routes listed above. These changes will go into effect on September 1st, 2024. This will allow time for GLTC operators to bid on new runs and to ensure that we are able to communicate the changes to our riders before they become active.

Sincerely,

Josh Moore
General Manager





GLTC Board Agenda Detail

Item #: 6b

Item Title: New Business

Action: Discussion and Approval

OPEB Fund Transfer

Staff received the completed FY24 Other Post-Employment Benefits (OPEB) Actuarial Study. Our current OPEB balance is slightly over the required balance needed to balance FY24. Staff are recommending that we move this balance of \$5,951 to the reserve account.

Contacts: Josh Moore

Attachments: OPEB Balance Statement and Report

Action Required: Discussion and Approval



Greater Lynchburg Transit Company

Actuarial Valuation Report (GASB 75)

Actual Valuation Date July 1, 2022

Updated for the Year Ending June 30, 2024

Prepared by:
Jefferson Solutions, Inc.
www.jefsi.com

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Overview of GASB 74 and 75

GASB - Acronym that stands for Governmental Accounting Standards Board. This is the accounting board that sets standards for governmental entities. Following GASB standards allows for the preparation of financial statements that are in conformity with Generally Accepted Accounting Principles (GAAP).

GASB statements 74 and 75 establish the reporting standards for Other Postemployment Benefit ("OPEB") plans. It is designed to recognize the Other Postemployment Benefits earned by employees throughout their working career vs. when they are paid in retirement - accrual accounting vs. "pay-as-you-go" accounting. Additionally, each eligible active employee earns benefits each year representing benefits to be paid in retirement or a "Service Cost". These amounts are reflected in the financial statement each year so that OPEB benefits for an eligible employee shall be fully charged to the financial statement when that eligible employee terminates employment.

In 2012 GASB issued GASB Statements 67 and 68 to update and standardize the financial reporting of pension liabilities. This increased the transparency of pension liabilities by moving them to the balance sheet and made financial statement disclosures of pension liabilities more comparable between municipal entities. GASB Statements 74 and 75 are designed to have the same effect on OPEB plans.

GASB 74 and 75 require retiree medical plans to disclose information about asset and liability levels and show historical contribution information. GASB 74 only applies in situations where a separate trust is established to prefund these benefits. GASB 75 requires employers to perform periodic actuarial valuations to determine annual accounting costs and to keep a running tally of the extent to which these amounts are over or under funded.

GASB 74 and 75 apply to those benefits provided after retirement, except for pension benefits, such as medical, dental and life insurance. The philosophy behind the accounting standard is that these postemployment benefits are part of the compensation earned by employees in return for their services, and the cost of these benefits should be recognized while employees are providing those services, rather than after they have retired. This philosophy has already been applied for years to defined benefit pensions. GASB 74 and 75 extend this practice to all other postemployment benefits.

The process of determining the liability for OPEB benefits is based on many assumptions about future events. The key actuarial assumptions are:

- Turnover and retirement rates: How likely is it that an employee will qualify for postemployment benefits and when will they start?
- Medical inflation and per capita cost assumptions: When an employee starts receiving postemployment benefits many years from now, how much will be paid each year for the benefits and how rapidly will the costs grow?
- Mortality assumption: How long is a retiree likely to receive benefits?
- Discount rate assumption: What is the present value of those future benefit payments in terms of today's dollars?

Since the liability is being recognized over the employee's whole career with the Company, the present value is divided into three pieces: the part that is attributed to past years (the "Total OPEB Liability" or "Past Service Liability"), the part that is being earned this year (the "Service Cost"), and the part that will be earned in future years (the "Future Service Liability").

Actuarial Valuation Opinion

This report presents results of the actuarial valuation of the Greater Lynchburg Transit Company Retiree Health Benefit Program (“the Plan”) as of July 1, 2022 rolled forward for the year ending June 30, 2024. In our opinion, this report is complete and accurate and represents fairly the actuarial position of the Plan for the purposes stated herein.

The Greater Lynchburg Transit Company provided the participant data, financial information and plan descriptions used in this valuation. The actuary has analyzed the data and other information provided for reasonableness but has not independently audited the data or other information provided. The actuary has no reason to believe the data or other information provided is not complete and accurate and knows of no further information that is essential to the preparation of the actuarial valuation.

Actuarial information under Government Accounting Standards Board Statement No. 75 (GASB No. 75) is for the purpose of fulfilling employer financial accounting requirements. The results have been prepared on a basis consistent with our understanding of GASB No. 75 and are based upon assumptions prescribed by the Company. Determinations for purposes other than meeting employer financial accounting requirements may be significantly different from the results reported herein.

In our opinion, all costs, liabilities, rates of interest, and other factors underlying these actuarial computations have been determined on the basis of actuarial assumptions and methods that are each reasonable (or consistent with authoritative guidance) for the purposes herein taking into account the experience of the Plan and future expectations.

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 operations 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 program provisions or applicable law.

Our scope for this actuarial valuation did not include analyzing the potential range of such future measurements, and we did not perform that analysis.

The undersigned with actuarial credentials collectively meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This report was prepared solely for the benefit and internal use of the plan sponsor. This report is not intended for the benefit of any other party and may not be relied upon by any third party for any purpose, and Jefferson Solutions, Inc. accepts no responsibility or liability with respect to any party other than the plan sponsor.

To the best of our knowledge, no employee of Jefferson Solutions, Inc. is an officer or director of the employer. In addition, we are not aware of any relationship between the Jefferson Solutions, Inc. and the employer that may impair or appear to impair the objectivity of the work detailed in this report.

Jefferson Solutions, Inc.

July 22, 2024

Randolph Herzfeld, FSA, MAAA

Specialist Leader and Consulting Actuary

Raymond R. Cerrone

Project Leader

Executive Summary

Governmental Accounting Requirements and Report Purposes

The Governmental Accounting Standards Board released the Statement of Governmental Accounting Standards No. 74 and No. 75 in June 2015. These statements require trusts (GASB No. 74) and employers (GASB No. 75) to accrue the cost of post-employment benefits other than pensions ("OPEB") while eligible employees are providing services to the employer.

The purposes of this actuarial valuation report are to provide the Company with:

- 1) Status of the retiree health benefit program's accrued liabilities (Total OPEB Liability) using the most recent census data and health plan rates;
- 2) Projected cash contributions (pay-as-you-go costs); and
- 3) Projected GASB No. 75 expense for the current fiscal year. GASB No. 75 disclosure information to fulfill the Company's financial reporting requirements is provided in this valuation report.

Funding Policy

Currently, the Company does not pre-fund retiree health benefits and instead provides for benefits on a pay-as-you-go basis.

The key measures from the actuarial valuation of retiree health benefits with valuation date of July 1, 2022 and measurement dates of June 30, 2023 and June 30, 2024 are:

		July 1, 2022		July 1, 2023
Present Value of Future Benefits	\$	537,352	\$	496,191
Total OPEB liability	\$	275,048	\$	268,176

		Fiscal Year Ending	
		June 30, 2023	June 30, 2024
OPEB Expense	\$	48,571	\$ 50,206
Projected cash and implicit contributions	\$	47,015	\$ 46,946

OPEB Liability and Participant Information:

		July 1, 2022		July 1, 2023		Head Count
Active	\$	254,814	\$	245,602		20
Retired (Inactive)		20,234		22,574		4
Total OPEB liability	\$	275,048	\$	268,176		24

Significant Changes from the Previous Actuarial Valuation

- Increasing the discount rate from 3.65% to 3.93%.
- The election rate was changed to 95% based on future expectations.
- Initial trend rates were advanced, the model for trends in subsequent years is based on the Getzen Model as updated through October 2023.

Continued

JEFFERSON SOLUTIONS, INC.

Executive Summary (Continued)

Key Assumptions:

Census Collection Date	July 1, 2022
Discount Rate (March 31, 2023 / March 31, 2023)	3.65% / 3.93%
Year 1 Inflation Rate	5.00%
Year 2 Inflation Rate	7.50%
Ultimate Inflation Rate	4.54%
Year Ultimate Inflation Rate is Reached (Pre 65 / Post 65)	2090
Actuarial Cost Method	Entry Age Normal (Percent of Salary)

Discount Rate Comment:

As prescribed by GASB No. 75, the discount rate will be based on the index rate for 20-year tax-exempt general obligation municipal bond index rate with an average rating of AA/Aa or higher as of the measurement date. To comply with this provision, the *Bond Buyer 20-Bond General Obligation Index* will be used. The discount rate of 3.65% is the June 30, 2023, and 3.93% is the June 30, 2024 value of this index.

Cash Costs vs. Implicit Rate Subsidy:

GASB No. 75 requires that employers recognize the expected claims of the retiree population less the expected contributions by those retirees. This is not necessarily the same determination as the expected cash payments of the employer for retiree health benefits. The difference is that many post-employment health plans (including the Company’s program) charge the same premium rates for all participants in a non-Medicare plan regardless of their age. This single premium rate is called a blended premium rate because it blends the expected claims of both active and retired participants. Retirees are generally older than the average participant in a non-Medicare plan, which means they are expected to generate higher claims than the average participant of the plan; therefore, they are receiving a subsidy even if they pay 100% of the blended premium rate because they would be paying less in premiums than their claims costs. This subsidy is referred to as the “Implicit Rate Subsidy.”

Another way of considering the Implicit Rate Subsidy is to assume the retirees were removed from a blended plan and, instead, separately rated. In this scenario, the premium rate for the remaining active population would be lower; therefore, the retirees’ premium rate is being subsidized by the premiums for active employees. Since the employer generally pays a portion of the premiums for the active employees, this subsidy creates a liability for the employer.

By comparison, the cash costs are the actual dollars paid by the employer to cover a portion or all the retirees’ premium rates. This is sometimes referred to as the “Explicit Rate Subsidy.” This is the benefit that is explicitly stated by the Company that will be paid on behalf of retirees.

GASB 75 reports are required to value both the Implicit Rate Subsidy and the Explicit Rate Subsidy. This report values both the Explicit Subsidy and the Implicit Rate Subsidy.

Overview of OPEB Plan

1. **BENEFITS PROVIDED (SALARIED EMPLOYEES):** The Company provides medical, dental, vision and life-insurance benefits to its eligible retirees. These benefits are limited to the salaried employee group. The benefits are provided through fully insured plans.
2. **ELIGIBILITY (MEDICAL, DENTAL AND VISION):** Salaried employees need to be 62 or older to receive the medical subsidy. Once an employee is eligible for Medicare they are no longer permitted to remain in the plan at retirement. Non-salaried employees are ineligible for this benefit.
3. **ELIGIBILITY (LIFE-INSURANCE):** Salaried employees need 15 years of service to qualify for the full benefit which has a maximum death benefit of \$50,000. Employees with 5 to 15 years of service will receive 75% of the maximum benefit. Non-salaried employees are ineligible for this benefit. A salaried employee that retires due to a disability will receive a \$4,000 death benefit.
4. **BENEFIT COST SHARING (MEDICAL, DENTAL AND VISION):** Employees taking retirement at age 62 or older (not eligible for Medicare), will contribute 20% of cost of the premiums for medical elections prior to retirement for a period of one month for each year of service.
See examples for the calculation of the per capita cost on page 20.
5. **DURATION OF BENEFITS (MEDICAL, DENTAL AND VISION):** The explicit benefits are payable for one month for each year of service. For example, an employee retiring with 24 years of service will receive a 20% subsidy for 24 months. All explicit benefits cease at age 65.
6. **SURVIVING SPOUSE BENEFIT:** Surviving spouses continue to receive coverage after the death of the eligible retired employee but are required to continue to pay 100% of the premiums.
7. **ANNUAL GROSS PREMIUMS:**

Plan	July 1, 2022		July 1, 2023		July 1, 2024	
	Single	Two Person	Single	Two Person	Single	Two Person
Anthem BC/BS	\$9,709.56	\$22,720.44	\$9,855.24	\$23,061.24	\$10,347.96	\$24,214.32
Anthem Dental	\$252.36	\$515.04	\$261.24	\$533.04	\$271.68	\$554.40
Anthem Vision	\$71.64	\$143.28	\$71.64	\$136.08	\$71.64	\$136.08
Anthem Life	\$426.00	NA	\$432.00	NA	\$468.00	NA

Principal Results

This section provides a summary of the actuarial valuation results. All information is provided as of the measurement date except for census data. The valuation results were based on July 1, 2022 census data. All liabilities are net of expected retiree contributions.

	July 1, 2022	July 1, 2023
Present Value of Future Benefits		
Actives	\$ 517,118	\$ 473,617
Retired	20,234	22,574
Total	<u>\$ 537,352</u>	<u>\$ 496,191</u>

Total OPEB Liability (Individual Entry Age Normal)

Active	\$ 254,814	\$ 245,602
Retired	20,234	22,574
Total	<u>\$ 275,048</u>	<u>\$ 268,176</u>

	Fiscal Year Ending	
	June 30, 2023	June 30, 2024
OPEB Costs:		
Service Cost	\$ 24,108	\$ 24,444
Interest	10,061	10,577
Deferred (Inflows)/Outflows from Expected & Actual Experience	24,651	24,651
Deferred (Inflows)/Outflows from Changes in Assumptions	(10,249)	(9,466)
Net OPEB Expense	<u>\$ 48,571</u>	<u>\$ 50,206</u>

Funded Ratio	NA	NA
Annual Covered Payroll	\$1,152,272	\$1,192,602
Total OPEB Liability / Net OPEB Liability (Asset) as % of Covered Payroll	23.87%	22.49%
Discount Rate	3.65%	3.93%

Summary of Assets

The plan Retiree Health Benefit Program is currently funded on a pay-as-you-go basis. Therefore, at all times the net assets available for plan benefits is zero.

Development of Total OPEB Liability

	July 1, 2022	July 1, 2023
Present Value of Future Benefits		
Active Participants	\$ 517,118	\$ 473,617
Retired Participants	20,234	22,574
Total Present Value of Future Benefits	\$ 537,352	\$ 496,191
Less Total Present Value of Future Normal Costs	262,304	228,015
Total OPEB Liability	\$ 275,048	\$ 268,176

Actuarially Determined Contribution

	Fiscal Year Ending	
	June 30, 2023	June 30, 2024
Service Cost with Interest at 3.65% / 3.93%	\$ 24,989	\$ 25,405
30-year amortization of Net OPEB Liability	15,237	15,377
Actuarially Determined Contribution	\$ 40,226	\$ 40,782
Actual Contribution	(47,015)	(46,946)
Contribution surplus	\$ (6,789)	\$ (6,164)
Covered payroll	\$1,152,272	\$1,192,602
Actuarially determined contribution as a % of covered payroll	3.49%	3.42%

Actuarial Gain / Loss

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2024
Total OPEB Liability, Beginning of Year	\$ 150,765	\$ 262,202
Service Cost	24,108	24,444
Plan Change	-	-
Interest @ 3.65% / 3.93%	10,061	10,577
Contributions	(47,015)	(46,946)
Changes in Assumptions	(88,452)	5,974
Expected Net OPEB Obligation, End of Year	\$ 49,467	\$ 256,251
Loss attributable to experience	212,735	-
Net OPEB Liability, End of Year	\$ 262,202	\$ 256,251

Schedule of Deferred Outflows and Deferred Inflows of Resources

Differences between expected and actual experience

Measurement Period Ended	Initial Amount	Amortization Period	Annual Recognition	Amortized Through 06/30/2023	Amortized in Fiscal Year Ending							
					06/30/2024	06/30/2025	06/30/2026	06/30/2027	06/30/2028	06/30/2029	There After	
06/30/2023	\$212,735	8.63	\$24,651	\$24,651	\$24,651	\$24,651	\$24,651	\$24,651	\$24,651	\$24,651	\$24,651	\$40,178
Net	<u>\$212,735</u>		<u>\$24,651</u>	<u>\$24,651</u>	<u>\$24,651</u>	<u>\$24,651</u>	<u>\$24,651</u>	<u>\$24,651</u>	<u>\$24,651</u>	<u>\$24,651</u>	<u>\$24,651</u>	<u>\$40,178</u>

Changes in assumptions

Measurement Period Ended	Initial Amount	Amortization Period	Annual Recognition	Amortized Through 06/30/2023	Amortized in Fiscal Year Ending							
					06/30/2024	06/30/2025	06/30/2026	06/30/2027	06/30/2028	06/30/2029	There After	
6/30/2023	(\$88,452)	8.63	(\$10,249)	(\$10,249)	(\$10,249)	(\$10,249)	(\$10,249)	(\$10,249)	(\$10,249)	(\$10,249)	(\$10,249)	(\$16,709)
6/30/2024	\$5,974	7.63	\$783	-	\$783	\$783	\$783	\$783	\$783	\$783	\$783	\$1,276
Net	<u>(\$82,478)</u>		<u>(\$9,466)</u>	<u>(\$10,249)</u>	<u>(\$9,466)</u>	<u>(\$9,466)</u>	<u>(\$9,466)</u>	<u>(\$9,466)</u>	<u>(\$9,466)</u>	<u>(\$9,466)</u>	<u>(\$9,466)</u>	<u>(\$15,433)</u>

Deferred Balances June 30, 2024

	Outflows	(Inflows)	Net
Changes in assumptions		\$5,191	(\$67,954)
Differences between expected and actual experience		\$163,433	\$163,433
		<u>\$168,624</u>	<u>(\$100,670)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending	Amortization
06/30/2025	\$15,185
06/30/2026	\$15,185
06/30/2027	\$15,185
06/30/2028	\$15,185
06/30/2029	\$15,185
There After	<u>\$24,745</u>
	<u>\$100,670</u>

10-Year Projection of Employer Benefit Payments

Presented in this section are the projected employer benefit payments for the next ten years based on the program design effective in the 2022 - 2023 fiscal year. These projected benefit payments are based on the actuarial methods and assumptions are described in the section(s) Actuarial Methods on page 16 and Assumptions And Methodology beginning on page 17. If actual experience differs from those expected by the actuarial assumptions, the actual benefit payments will vary from those presented below.

Period	Explicit Subsidy	Implicit Subsidy	Total
06/30/2024	\$29,913	\$17,033	\$46,946
06/30/2025	\$32,208	\$19,540	\$51,748
06/30/2026	\$20,001	\$7,418	\$27,419
06/30/2027	\$20,255	\$11,277	\$31,532
06/30/2028	\$22,824	\$8,420	\$31,244
06/30/2029	\$6,459	\$0	\$6,459
06/30/2030	\$6,411	\$0	\$6,411
06/30/2031	\$24,610	\$9,194	\$33,804
06/30/2032	\$6,747	\$0	\$6,747
06/30/2033	\$6,667	\$0	\$6,667

Assumption Sensitivity

This section provides information about the sensitivity of the Total OPEB Liability to certain assumptions made in this actuarial valuation. The discount rate and benefit cost trend rate are the most significant assumptions used in this valuation. The table below shows the effect of increasing and decreasing those assumptions by 100 basis points above/below their projected levels in all future years.

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2024
Discount Rate Plus 1.00%		
Current OPEB Liability	\$262,202	\$256,251
OPEB Liability - Discount Plus 1.00%	\$244,320	\$235,068
Decrease	\$17,882	\$21,183
Percent Decrease	6.82%	8.27%
Discount Rate Minus 1.00%		
Current OPEB Liability	\$262,202	\$256,251
OPEB Liability - Discount Minus 1.00%	\$282,335	\$280,267
Increase	\$20,133	\$24,016
Percent Increase	7.68%	9.37%
Trend Plus 1.00%		
Current OPEB Liability	\$262,202	\$256,251
OPEB Liability - Trend Plus 1.00%	\$289,184	\$295,385
Increase	\$26,982	\$39,134
Percent Increase	10.29%	15.27%
Trend Minus 1.00%		
Current OPEB Liability	\$262,202	\$256,251
OPEB Liability - Trend Minus 1.00%	\$235,906	\$224,120
Decrease	\$26,296	\$32,131
Percent Decrease	10.03%	12.54%

Summary of Demographic Information

This section details the statistics related to the participants in the post-employment benefit plan. The census collection date is July 1, 2022.

The file that was used to prepare the GASB 75 valuation was provided by the Company. Our understanding is that this file represents the population of the Company's active and retired employees as of July 1, 2022, the census collection date.

CENSUS RECONCILIATION COMMENT: The census file contained 26 records. The GASB 75 valuation excluded 2 records because the employee may have been hired after the census collection date (July 1, 2022) or the records represented individuals that are not entitled to benefits.

All Active and Retired Employees:

	Actives	Retirees and Surviving Spouses	Total
Male	9	3	12
Female	11	1	12
Total	20	4	24

Active Employees:

Age	Not Currently Eligible to Retire	Currently Eligible to Retire ¹	TOTAL
29 and Under	2	-	2
30 - 34	-	-	-
35 - 39	2	-	2
40 - 44	2	-	2
45 - 49	-	-	-
50 - 54	3	-	3
55 - 59	1	1	2
60 - 64	3	4	7
65 and Over	1	1	2
Total	14	6	20
Average Age	52.6		
Average Service	8.3		

Continued

¹ These active employees have met the minimum age and service requirements needed to vest in an OPEB benefit upon retirement.

Summary of Demographic Information (Continued)

Current Retirees:

Age	Retirees and Surviving Spouses	Spouses	TOTAL
54 and Under	-	-	-
55 - 59	-	-	-
60 - 64	-	-	-
65 - 69	2	1	3
70 - 74	1	-	1
75 - 79	1	-	1
80 and Over	-	-	-
Total	4	1	5

Average Age for Retired Employees: 71.1

Continued

Summary of Demographic Information (Continued)

Age	Years of Service								TOTAL
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 Plus	
<20	-	-	-	-	-	-	-	-	-
20 to 24	-	-	-	-	-	-	-	-	-
25 to 29	1	1	-	-	-	-	-	-	2
30 to 34	-	-	-	-	-	-	-	-	-
35 to 39	1	1	-	-	-	-	-	-	2
40 to 44	2	-	-	-	-	-	-	-	2
45 to 49	-	-	-	-	-	-	-	-	-
50 to 54	1	1	1	-	-	-	-	-	3
55 to 59	1	-	1	-	-	-	-	-	2
60 to 64	2	1	2	-	2	-	-	-	7
65 Plus	-	1	1	-	-	-	-	-	2
TOTAL	8	5	5	-	2	-	-	-	20

Average Age 52.6

Average Service 8.3

Actuarial Methods

Actuarial Cost Method

The Actuarial Cost Method used to determine the Total OPEB Liability, and the Annual Required Contribution is the Entry Age Normal (EAN) method as prescribed by GASB No. 75. This method is in the family of future benefit cost methods, which requires an estimate of the projected benefit payable at retirement to determine costs and liabilities.

The Normal Cost (or Service Cost) is the annual allocation required for each participant from entry date to the assumed retirement date so that the accumulated allocation at retirement is equal to the liability for the projected benefit. The projected benefits are based on estimates of future years of service and projected health benefit costs. The normal cost is developed as a level percent of compensation as prescribed by GASB No. 75.

The Present Value of Future Benefits is equal to the value of the projected benefit payable at retirement discounted back to the participant's current age. Discounts include such items as interest and mortality. The present value of future normal cost allocations is equal to the discounted value of the normal costs allocated from the member's current age to retirement age.

The difference between the Present Value of Future Benefits and the present value of future normal cost allocations represents the Total OPEB Liability at the participant's current age.

The Total OPEB Liability for participants currently receiving payments is calculated as the actuarial present value of future benefits expected to be paid. No normal cost is allocated for these participants.

Financial and Census Data

The Company provided the participant data, financial information and plan descriptions used in this valuation. The actuary has checked the data for reasonableness but has not independently audited the data. The actuary has no reason to believe the data is not complete and accurate and knows of no further information that is essential to the preparation of the actuarial valuation.

Plan Fiduciary Net Position

The market value of assets as of the measurement date is zero because the plan is funded on a pay-as-you-go basis.

Method Changes Since Last Year

None.

Assumptions and Methodology

Economic Assumptions

1. **DISCOUNT RATE:** An interest rate of 3.65% was used to calculate the net OPEB expense for the fiscal year ending June 30, 2023, and 3.93% for the fiscal year ending June 30, 2024.
2. **PAYROLL GROWTH:** 3.50% per year.
3. **PRE 65 MEDICAL TREND:** Health care costs were modeled in accordance with the Society of Actuaries Getzen Model of Long-Run Medical Cost Trends as updated through October 2023 for 2024 thru 2090 + .

The long-term trend rates were based on the following assumptions:

- Rate of Inflation: 3.10%
- Rate of Growth in Real Income / GDP per capita: 1.40%
- Income Multiplier for Health Spending: 0.90%
- Health Share of GDP Resistance Point: 25.00%
- Year after which medical costs are limited to rate of growth in GDP 2090

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical US medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group. The above schedule represents a reasonable medical trend projection for the current plan provisions and demographics of the Retiree Welfare Benefits Plan, and no changes to these baseline assumptions are necessary.

Period	Trend Rate	Period	Trend Rate
2024	7.50%	2070	5.21%
2025	7.00%	2071	5.20%
2026	6.50%	2072	5.19%
2027	6.00%	2073	5.18%
2028	5.91%	2074	5.17%
2029	5.83%	2075	5.16%
2030	5.74%	2076	5.15%
2031	5.66%	2077	5.14%
2032	5.57%	2078	5.13%
2033 to 2058	5.48%	2079	5.13%
2059	5.46%	2080	5.12%
2060	5.39%	2081	5.05%
2061	5.36%	2082	4.99%
2062	5.33%	2083	4.93%
2063	5.31%	2084	4.87%
2064	5.29%	2085	4.82%
2065	5.28%	2086	4.76%
2066	5.26%	2087	4.71%
2067	5.25%	2088	4.65%
2068	5.23%	2089	4.60%
2069	5.22%	2090 +	4.54%

4. **DENTAL AND VISION TREND:** It was assumed that dental premiums will increase 3.75% for years 2024 and beyond. Vision premiums will increase at an annual rate of 2.50% for years 2024 and beyond.

Continued

Assumptions and Methodology (Continued)

Demographic Assumptions

5. **CENSUS COLLECTION DATE:** The census used in this report represents the eligible population as of July 1, 2022. The valuation date is July 1, 2022 and the measurement dates are June 30, 2023 and June 30, 2024.
6. **RETIREMENT RATES:** All employees are assumed to retire at age 64.
7. **WITHDRAWAL RATES:** are based on the Virginia Retirement System rates published in the June 30, 2020 actuarial valuation.
8. **DISABILITY RATES:** are based on the Virginia Retirement System rates published in the June 30, 2020 actuarial valuation.
9. **MORTALITY:** Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021.

Benefit Assumptions

10. **PARTICIPATION RATE:** It was assumed that 95% of future retirees eligible for coverage will elect coverage under the Anthem BC/BS plan.
11. **PERCENT MARRIED:** It was assumed that 50% of future retirees will be married with spouses who will also elect coverage under the Anthem BC/BS plan, with male spouses assumed to be 2 years older than female spouses. For current retirees, actual census information was used.
12. **PER CAPITA COSTS:** The following rates were used in the development of per capita costs:

Plan	July 1, 2022		July 1, 2023		July 1, 2024	
	Single	Two Person	Single	Two Person	Single	Two Person
Anthem BC/BS	\$9,709.56	\$22,720.44	\$9,855.24	\$23,061.24	\$10,347.96	\$24,214.32
Anthem Dental	\$252.36	\$515.04	\$261.24	\$533.04	\$271.68	\$554.40
Anthem Vision	\$71.64	\$143.28	\$71.64	\$136.08	\$71.64	\$136.08
Anthem Life	\$426.00	NA	\$432.00	NA	\$468.00	NA

Continued

JEFFERSON SOLUTIONS, INC.

Assumptions and Methodology (Continued)

13. **IMPLICIT SUBSIDY:** GASB No. 75 requires that employers recognize the expected claims of the retiree population less the expected contributions by those retirees. This is not necessarily the same determination as the expected cash payments of the employer for retiree health benefits. The difference is that many post-employment health plans (including the Company's program) charge the same premium rates for all participants in a non-Medicare plan regardless of their age. This single premium rate is called a blended premium rate because it blends the expected claims of both active and retired participants. Retirees are generally older than the average participant in a non-Medicare plan, which means they are expected to generate higher claims than the average participant of the plan; therefore, they are receiving a subsidy even if they pay 100% of the blended premium rate because they would be paying less in premiums than their claims costs. This subsidy is referred to as the "Implicit Rate Subsidy."

The following age-based factors were used to adjust for the implicit subsidy and are based on an average age of 51 calculated as of July 1, 2022. These inputs are from the Society of Actuaries' June 2013 research report "Health Care Costs - From Birth to Death" by Dale Yamamoto (<https://www.soa.org/research-reports/2013/research-health-care-birth-death/>)

Age	Annual Increase Factor	Age Adjusted Claim Factor
40	1.88%	0.7516
45	3.05%	0.8250
50	4.31%	0.9587
55	4.05%	1.1839
60	4.28%	1.4438

See example of how this implicit subsidy is applied on page 20.

Other Assumptions

14. **ACTUARIAL VALUE OF ASSETS:** None
 15. **ADMINISTRATIVE EXPENSES:** None

Calculation of Per Capita Costs

This is an example for a female employee assumed to be age 58 with a spouse assumed to be age 61 with a contribution rate of 20.00%.

	2023 - 2024		2024 - 2025	
	Retiree	Spouse	Retiree	Spouse
1. Medical Premium (Anthem BC/BS)	\$9,855.24	\$23,061.24	\$10,347.96	\$24,214.32
2. Less Individual Premium	-	\$9,855.24	-	\$10,347.96
3. Adjusted cost for Medical Premium (1 - 2)	\$9,855.24	\$13,206.00	\$10,347.96	\$13,866.36
4. Age adjustment factor	1.33361	1.50562	1.38763	1.57006
5. Age Adjusted Medical (3 * 4)	\$13,143.08	\$19,883.21	\$14,359.09	\$21,771.01
Anthem Dental, net of individual premium	\$261.24	\$533.04	\$271.68	\$554.40
Anthem Vision, net of individual premium	\$71.64	\$136.08	\$71.64	\$136.08
8. Gross OPEB (5 + 6 + 7)	\$13,475.96	\$20,552.33	\$14,702.41	\$22,461.49
9. Contribution Percentage	20.00%	20.00%	20.00%	20.00%
10. Retiree Contribution (3 * 9)	\$2,037.62	\$2,775.02	\$2,138.26	\$2,911.37
11. Life Insurance Premium	\$432.00	-	\$468.00	-
Net Cost to Company (8 - 10 + 11)	\$11,870.34	\$17,777.31	\$13,032.15	\$19,550.12

Glossary

Brief explanations of terms used in this report:

Annual OPEB Expense

The amount recognized by an employer in each accounting period for contributions to a defined benefit OPEB plan on the modified accrual basis of accounting.

Collective deferred outflows of resources and deferred inflows of resources related to OPEB

Deferred outflows of resources and deferred inflows of resources related to OPEB arising from certain changes in the collective net OPEB liability or collective total OPEB liability.

Covered Payroll

Annual compensation paid (or expected to be paid) to active employees covered by an OPEB plan, in aggregate.

Net OPEB liability (NOL)

The liability in *excess of the Fiduciary Net Position* of employers and nonemployer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria of the GASB Statements.

Normal Cost or Service Cost

The portion of the Total Present Value of Future Benefits attributed to employee service during the current fiscal year by the actuarial cost method. These terms are used interchangeably. Service cost appears as a component of the annual OPEB costs.

Other Postemployment Benefits (OPEB)

Retiree health care benefits and post-employment benefits provided separately from a pension plan (excluding termination offers and benefits).

Plan Fiduciary Net Position (FNP)

Set equal to the market value of assets as of the measurement date.

Present Value of Future Benefits (PVFB)

The value, as of the valuation date, of the projected benefits payable to all members for their accrued service and their expected future service, discounted to reflect the time value (present value) of money and adjusted for the probabilities of retirement, withdrawal, death, and disability.

Total OPEB liability (TOL)

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service in conformity with the GASB Statements. The TOL is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria of the GASB Statements.

Suggested Footnotes for OPEB

Plan Description:

The Company has a Retiree Healthcare Plan. However, no funds have yet been contributed to a trust fund. The plan provides medical, dental, vision, and life insurance to certain salaried employees and is closed to new entrants.

All the following OPEB disclosures are based on a measurement date of June 30, 2024.

Benefits Provided

The Company provides only one choice of medical, dental, and vision plans. At retirement, for employees who take retirement at age 62 but are not eligible for Medicare, the Company pays 80% of the cost of medical elections prior to retirement for a period of one month for each year of service. Employees with 15 years of service or more, the Company pays for the amount of life insurance the employee had prior to retirement, to a maximum of \$50,000. Employees with more than 5 years of service and less than 15 years of service, the Company pays 75% of the amount the employee had prior to retirement, to a maximum of \$50,000.

Funding Policy:

The Company's funding policy is a pay-as-you-go basis.

Employees covered by benefit terms:

As of July 1, 2022, the following employees were covered by the benefit terms:

<i>Inactive employees or beneficiaries currently receiving benefit payments</i>	4
<i>Inactive employees entitled to but not yet receiving benefit payments</i>	-
<i>Active Employees</i>	20
<i>Total Participants covered by OPEB Plan</i>	24

Total OPEB Liability:

For the years ended June 30, 2023 and 2024, the Authority's total OPEB liability totaled \$262,202 and \$256,251. The liability was measured as of June 30, 2023 and 2024, respectively, and each was determined by an actuarial valuation as of July 1, 2022.

Actuarial assumptions and other inputs:

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate (June 30, 2023 / June 30, 2024)	3.65% / 3.93%
Healthcare Cost Trend Rates:	
2023 Trend (Medical)	5.00%
2024 Trend (Medical)	7.50%
Ultimate Trend	4.54%
Year Ultimate Trend is Reached (Pre 65 / Post 65)	2090
Salary Increases	3.50%

Continued

JEFFERSON SOLUTIONS, INC.

Suggested Footnotes for OPEB (Continued)

The discount rates are based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20 year AA municipal bond rate as of June 30, 2023 and June 30, 2024.

Mortality rates: Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021.

Significant Changes from the Previous Actuarial Valuation

- Increasing the discount rate from 3.65% to 3.93%.
- The election rate was changed to 95% based on future expectations.
- Initial trend rates were advanced, the model for trends in subsequent years is based on the Getzen Model as updated through October 2023.

Changes in the Total OPEB Liability:

	Fiscal Year Ending	
	June 30, 2023	June 30, 2024
OPEB Liability Beginning of Year	\$ 150,765	\$ 262,202
Changes for the Year		
Service Cost	24,108	24,444
Plan Change	-	-
Interest	10,061	10,577
Assumption Changes	(88,452)	5,974
Difference Between Actual and Expected Experience	212,735	-
Benefit payments	(47,015)	(46,946)
OPEB Liability End of Year	\$ 262,202	\$ 256,251

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB Liability, calculated using the discount rate of 3.93%, as well as what the total OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Total OPEB Liability	Discount Rate		
	1% Decrease	Baseline	1% Increase
June 30, 2024	\$280,267	\$256,251	\$235,068

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:

The following presents the total OPEB Liability, calculated using the trend rate as well as what the total OPEB Liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

Total OPEB Liability	Healthcare Cost Trend Rates		
	1% Decrease	Baseline	1% Increase
June 30, 2024	\$224,120	\$256,251	\$295,385

Continued

Suggested Footnotes for OPEB (Continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Company recognized OPEB expense of \$50,206.

At June 30, 2024, the Company reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred (Inflows)</u>	<u>Net</u>
Changes in assumptions	\$5,191	(\$67,954)	(\$62,763)
Differences between expected and actual experience	<u>\$163,433</u>	<u>-</u>	<u>\$163,433</u>
	<u>\$168,624</u>	<u>(\$67,954)</u>	<u>\$100,670</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending</u>	<u>Amortization</u>
06/30/2025	\$15,185
06/30/2026	\$15,185
06/30/2027	\$15,185
06/30/2028	\$15,185
06/30/2029	\$15,185
There After	<u>\$24,745</u>
	<u>\$100,670</u>

Schedules of Required Supplementary Information

Schedule of Changes in the Company's Total OPEB Liability and Related Ratios

	Fiscal Year Ending	
	June 30, 2023	June 30, 2024
OPEB Liability Beginning of Year	\$ 150,765	\$ 262,202
Changes for the Year		
Service Cost	24,108	24,444
Plan Change	-	-
Interest	10,061	10,577
Assumption Changes	(88,452)	5,974
Difference Between Actual and Expected Experience	212,735	-
Benefit payments	(47,015)	(46,946)
OPEB Liability End of Year	\$ 262,202	\$ 256,251
Covered payroll	\$1,152,272	\$1,192,602
Total OPEB liability as a percentage of covered payroll	22.76%	21.49%



GLTC Board Agenda Detail

Item #: 6c
Item Title: New Business
Action: Discussion

Closed Session

A motion to convene a closed meeting pursuant to Section 2.2-3711 (7) of the Code of Virginia, the Board will go into closed session for the following purpose: Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body.

Contacts: Josh Moore

Attachments: None

Action Required: Discussion





GLTC Board Agenda Detail

Item #: 7

Item Title: Presidents Report

Action: Discussion

-- Optional Report/Comments by GLTC Board President --





GLTC Board Agenda Detail

Item #: 8

Item Title: Next Meeting & Adjournment

Action: Adjournment

-- Opportunity for any final Board Member Comments or Remarks --

The next GLTC Board Meeting is on September 4th, 2024, at 8:30 am

The next GLTC Work Session is scheduled to occur on
August 22nd, 2024, at 8:30 am

All meetings will be held at the GLTC Transfer Station, 800 Kemper Street, Lynchburg, VA.

Consider Adjournment





GLTC Board Agenda Detail

Item #: N/A
Item Title: Board Roster and Attendance Log
Action: None

GLTC BOARD OF DIRECTORS MEMBERSHIP ROSTER

Ben Blanks	bblanks@gltconline.com
Mary-Winston Deacon	mdeacon@gltconline.com
Gary DuPriest	cvdisability@gmail.com
Cameron Howe	chowe@gltconline.com
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Randy Woods	rwoods@gltconline.com
Vacant	Vacant

Members may be reached by mail by addressing items to:

[Board Member]
GLTC Board of Directors
PO Box 11286
Lynchburg, VA 24506

