

KANSAS CITY AREA TRANSPORTATION AUTHORITY

Request for Proposals (RFP) #G24-7017-28A

Kansas City Area Transportation Authority (KCATA)
Union Employees' Pension Plan Actuarial Services

ADDENDUM #1

Issue Date: July 24, 2024

This Addendum is hereby made a part of the Request for Proposals and Project Documents to the same extent as if it were originally included therein and is intended to modify and/or interpret the bidding documents by additions, deletions, clarifications, or corrections. The Proposer shall acknowledge receipt of this Addendum on the "Receipt of Addenda" form (herein attached) and shall include the form in their proposal submittal.

PROPOSAL CHANGES/NOTICES

1. The closing date for proposals has been changed to **Wednesday, July 31, 2024, at 2:00 p.m. Central.**
2. The Sample Contract Terms & Conditions (Attachment A of RFP) are being provided in Word format. The document will be included with the distribution of this Addendum and is on KCATA's bid website for this project at the following link:

[KCATA Union Employees' Pension Actuarial Services | Business Opportunities with KCATA | KCATA](#)
3. KCATA will accept Proposers' submittals **in pdf format only** via email up to the proposal deadline published in the RFP or subsequent addendum. ***If the pdf documents are password protected, they will be rejected.*** The email is to be addressed to Denise Adams and include the RFP number and Title in the Subject line. Per the RFP, hard copy proposals are required to be submitted as instructed in Section 3.

PROPOSER QUESTIONS

1. Q: What were the actuarial fees paid during the past 12 months?

A: Information regarding fees, contracts, etc., must be submitted as a FOIA request to Ms. Jill Spurling at jspurling@kcata.org
2. Q: How many participants are covered by the retirement plan? Please provide counts by status: actively employed; terminated from employment with deferred payments of benefits; and currently receiving benefit payments.

A: 460 actives, 18 terminated, 151 Retirees, 37 beneficiaries, and 42 on disability
3. Q: How well funded is the retirement plan and what size of the trust fund supporting the plan?

A: 84% Funded
4. Q: Would you please provide the most recent actuarial valuation reports requested in the RFP?

A: Excerpts from the report are attached.

5. Q: What is the process today for putting a participant leaving active employment into retirement with monthly payments?

A: Apply calculations and benefit options.

6. Q: Please confirm that KCATA is seeking services to determine benefits when participants leave employment as well as annual benefit statements while employed?

A: Yes.

7. Q: Would outsourcing of retirement plan recordkeeping and administration to support benefit delivery and financial reporting be desirable?

A: No.

8. Q: Would web-based technology such that the employer and the participants can go online to see individual benefits and project possible outcomes be desirable?

A: Yes.

9. Q: How many full-time and part-time employees currently support the operation of the retirement plan?

A: Full Time employees only; see Question #2.

10. Q: The RFP mentions PBGC coverage. Is the plan covered by ERISA?

A: It is not covered by ERISA.

11. Q: The RFP states the pension plan is governmental, but PBGC premium calculations are needed. Please clarify as to why.

A: KCATA is a quasi-governmental agency.

12. Q: The RFP states: "It is the Authority's intent to follow ERISA guidelines for Plan administration." Which guidelines apply to plan administration? Will the actuary be involved in those activities?

A: No.

13. Q: Have there been any changes to the plan or its actuarial assumptions since the last valuation?

A: No

14. Q: Who is your payroll provider?
A: ADP
15. Q: In Section 2.3(M), the general requirements stipulate that some individuals at KCATA should have access to use an Actuarial Estimator tool/platform. Are you currently using an online actuarial estimator or is this a new service to be provided? Can you please provide further details of what type of tool is requested and the desired functionality of the estimator? Is this to estimate individual benefit calculations or to estimate future actuarial funding/accounting liabilities?
A: KCATA is already using this tool. The purpose of this tool is to calculate an employee's pension benefit options. It should be able to model different benefit types at different DOH, Seniority Dates, and Retirement Dates.
16. Q: Can you elaborate further on Code Valuation and Quality Assurance of Results on Attachment D?
A: This line item is removed in the Revised Attachment D included with this Addendum.
17. Q: Why are proposals for pension plan actuarial services being requested at this time? How long has the current provider been serving the pension plan? Are there any issues/concerns with the current actuarial services provider?
A: KCATA's Procurement policy limits contract terms. Foster & Foster has been performing this work under the current contract since 2019. They are invited to submit a proposal for this project as well.
18. Q: Can you please provide the last two GASB 67/68 valuation reports?
A: The most recent GASB 67/68 is included in this Addendum as a separate document.
19. Q: Can you please provide a copy of a recent employee benefit statement?
A: See sample attached.
20. Q: 1) Can you please provide a copy of a recent "calculation of participant annuity/lump sum to determine retirement options" described in Section 2.3(E)? 2) How many calculations are expected to be needed each year?
A: Already provided.
21. Q: 1) In Pricing Table 1 in Attachment D, Benefit Calculations are typically charged on a per calculation basis. 2) Should the "Benefit Calculation" row in Pricing Table 1 be populated with (a) a per calculation charge or (b) an annual charge based on an assumed number of Benefit Calculations to be performed each year? If (b), how many calculations per year should be assumed for this purpose ?
A: Proposers should assume 15 calculations per year for pricing purposes.

22. Q: Is Pricing Table 2 in Attachment D related to the potential “Additional Services” described in Section 2.6? If so, since these services “must be performed on a time and expense basis according to a schedule of fees which is to be contained in this proposal” per Section 2.6(B), it would seem that Pricing Table 2 should be populated with hourly rates as opposed to an annual total. Please explain the way Pricing Table 2 should be completed.
- A: Proposers are asked to provide hourly rates and is reflected in the Revised Attachment D included with this Addendum.

ATTACHMENTS

- Sample Employee Benefit Statement
- Excerpts from Annual Valuation Report
- Revised Attachment D – Price Proposal Form
- Receipt of Addenda Form
- GASB 67/68 for Union Employees’ Pension Fund – INCLUDED AS SEPARATE DOCUMENT

END OF ADDENDUM

SAMPLE BENEFITS STATEMENT

Kansas City Area Transportation Authority Retirement Plan for Salaried Employees

Notification of Vested, Deferred: Normal Retirement Benefits (Estimate as of June 18, 2024)

IMPORTANT: While every effort has been made to ensure that calculations provided to you in this manner are accurate, data and systems errors can occur. Statutes, documents, official interpretations, and accurate data necessarily govern the final determination of any benefit.

Participant Data

Participant's Name:		Date of Calculation:	June 30, 2024
Date of Birth:		Beneficiary's Date of Birth:	October 15, 2019
Full-time, Non-Probationary Date of Hire:	April 15, 2019	Normal Retirement Date (NRD):	September 1, 2045
		Benefit Commencement Date (BCD):	September 1, 2045

Benefit Calculation

I. Years of Credited Service (CS):	5.1667	III. Monthly Pension Benefit at NRD	
II. Average Monthly Earnings (AME):		1.45% x AME x CS =	453.19
Annual Pay:	72,589.92	IV. Early Retirement Benefit At BCD	
Monthly Earnings:	6,049.16	Months Prior to NRD:	N/A
		Early Retirement Factor:	N/A
		Monthly Benefit At BCD:	N/A

Optional Forms of Benefit Payable at Benefit Commencement Date

	Payable to Participant	Payable to Surviving Beneficiary
Life Only	453.19	
Five Year Certain and Life	450.02	450.02
Ten Year Certain and Life	441.36	441.36
Fifteen Year Certain and Life	428.58	428.58
50% Joint & Survivor with Pop-up ¹	387.57	193.79
66 2/3% Joint & Survivor with Pop-up ¹	N/A	N/A
75% Joint & Survivor with Pop-up ¹	N/A	N/A
100% Joint & Survivor with Pop-up ¹	N/A	N/A
50% Joint & Survivor	387.57	193.79
66 2/3% Joint & Survivor	N/A	N/A
75% Joint & Survivor	N/A	N/A
100% Joint & Survivor	N/A	N/A
Full Lump Sum Benefit Payable June 30, 2024	13,537.51	
(Factor used to calculate Lump Sum)	29.8716	

Optional Forms of Benefit Payable at Benefit Commencement Date if 25% Lump Sum is Elected

25% Lump Sum Benefit Payable September 1, 2045 (Also Select from Annuity Options Below)	14,687.16	
	Payable to Participant	Payable to Surviving Beneficiary
Life Only	339.89	
Five Year Certain and Life	337.51	337.51
Ten Year Certain and Life	331.02	331.02
Fifteen Year Certain and Life	321.44	321.44
50% Joint & Survivor with Pop-up ¹	290.68	145.34
66 2/3% Joint & Survivor with Pop-up ¹	N/A	N/A
75% Joint & Survivor with Pop-up ¹	N/A	N/A
100% Joint & Survivor with Pop-up ¹	N/A	N/A
50% Joint & Survivor	290.68	145.34
66 2/3% Joint & Survivor	N/A	N/A
75% Joint & Survivor	N/A	N/A
100% Joint & Survivor	N/A	N/A

¹ If you are predeceased by your Joint Annuitant, your benefit amount will increase to the corresponding Life Only benefit amount.

EXCERPTS FROM VALUATION REPORT

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>1/1/2024</u>	<u>1/1/2023</u>
A. Participant Data		
Number Included		
Actives	460	443
Service Retirees	151	154
Beneficiaries	37	34
Disability Retirees	42	44
Terminated Vested	<u>18</u>	<u>22</u>
Total	708	697
Total Annual Payroll	\$37,338,672	\$32,018,926
Payroll Under Assumed Ret. Age	32,866,916	28,269,507
Annual Rate of Payments to:		
Service Retirees	2,386,683	2,352,138
Beneficiaries	369,197	345,792
Disability Retirees	393,544	395,650
Terminated Vested	90,802	78,763
B. Assets		
Actuarial Value	59,387,199	56,863,363
Market Value	55,739,935	49,341,017
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	45,924,340	40,373,024
Disability Benefits	2,486,490	2,193,422
Death Benefits	518,521	471,590
Vested Benefits	7,818,625	6,937,765
Service Retirees	23,660,973	23,530,415
Beneficiaries	3,204,445	3,067,089
Disability Retirees	3,788,937	3,714,848
Terminated Vested	<u>782,462</u>	<u>804,766</u>
Total	88,184,793	81,092,919

C. Liabilities - (Continued)	<u>1/1/2024</u>	<u>1/1/2023</u>
Present Value of Future Salaries	271,713,677	230,324,508
Present Value of Future Member Contributions	10,189,263	8,637,169
Normal Cost (Retirement)	1,570,296	1,359,283
Normal Cost (Disability)	101,757	88,034
Normal Cost (Death)	23,492	21,161
Normal Cost (Vesting)	<u>641,271</u>	<u>576,538</u>
Total Normal Cost	2,336,816	2,045,016
Present Value of Future Normal Costs	18,167,326	15,667,170
Accrued Liability (Retirement)	34,059,888	30,264,807
Accrued Liability (Disability)	1,672,641	1,501,658
Accrued Liability (Death)	334,576	308,149
Accrued Liability (Vesting)	2,513,545	2,234,017
Accrued Liability (Inactives)	<u>31,436,817</u>	<u>31,117,118</u>
Total Actuarial Accrued Liability	70,017,467	65,425,749
Unfunded Actuarial Accrued Liability (UAAL)	10,630,268	8,562,386
Funded Ratio (AVA / AL)	84.8%	86.9%

	<u>1/1/2024</u>	<u>1/1/2023</u>
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	31,436,817	31,117,118
Actives	9,516,542	8,260,836
Member Contributions	<u>14,798,123</u>	<u>13,842,118</u>
Total	55,751,482	53,220,072
Non-vested Accrued Benefits	<u>2,912,631</u>	<u>2,765,381</u>
Total Present Value Accrued Benefits	58,664,113	55,985,453
Funded Ratio (MVA / PVAB)	95.0%	88.1%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	3,367,106	
Benefits Paid	(4,191,284)	
Interest	3,502,838	
Other	<u>0</u>	
Total	2,678,660	

Valuation Date Applicable to Fiscal Year Ending	1/1/2024 <u>12/31/2025</u> ¹	1/1/2023 <u>12/31/2024</u> ¹
E. Pension Cost		
Normal Cost	\$2,411,567	\$2,110,433
% of Total Annual Payroll	6.12	6.26
Administrative Expenses	78,228	78,699
% of Total Annual Payroll	0.20	0.23
Payment Required to Amortize Unfunded Actuarial Accrued Liability Liability over 15 years (as of 1/1/2024)	1,152,408	905,584
% of Total Annual Payroll	2.92	2.69
Total Recommended Contribution	3,642,203	3,094,716
% of Total Annual Payroll	9.24	9.18
Expected Member Contributions	1,478,387	1,264,184
% of Total Annual Payroll	3.75	3.75
Expected Employer Contribution	2,163,816	1,830,532
% of Total Annual Payroll ²	5.49	5.43
F. Past Contributions		
Plan Years Ending:	<u>12/31/2023</u>	
Total Recommended Contribution	4,056,809	
Employer Requirement	2,665,782	
Actual Contributions Made:		
Members (excluding transfers)	1,391,027	
Employers	<u>2,665,782</u>	
Total	4,056,809	
G. Net Actuarial (Gain)/Loss	3,136,080	

¹ Contributions developed above have been adjusted to account for assumed interest.

² Per Bargaining Agreement, the minimum Employer Contribution rate is 7.50%.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2024	10,630,268
2025	10,131,964
2026	9,601,269
2030	7,110,381
2035	2,970,554
2039	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	12/31/2023	12.76%	5.29%
Year Ended	12/31/2022	6.68%	5.29%
Year Ended	12/31/2021	-0.95%	4.25%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	12/31/2023	4.82%	6.50%
Year Ended	12/31/2022	2.71%	6.50%
Year Ended	12/31/2021	8.74%	7.00%

STATEMENT OF FIDUCIARY NET POSITION
December 31, 2023

<u>ASSETS</u>	<u>MARKET VALUE</u>
Total Cash and Equivalents	0
Receivables:	
Member Contributions	1,105
Employer Contributions	150,719
Investments Sold	275,249
Total Receivable	427,073
Investments:	
Mutual Funds	55,405,471
Total Investments	55,405,471
Total Assets	55,832,544
 <u>LIABILITIES</u>	
Total Liabilities	92,609
Net Assets:	
Active and Retired Members' Equity	55,739,935
NET POSITION RESTRICTED FOR PENSIONS	55,739,935
TOTAL LIABILITIES AND NET ASSETS	55,832,544

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED December 31, 2023
Market Value Basis

ADDITIONS

Contributions:

Member	1,391,027
Employer	2,665,782

Total Contributions 4,056,809

Investment Income:

Net Realized Gain (Loss)	794,968	
Unrealized Gain (Loss)	6,056,713	
Net Increase in Fair Value of Investments		6,851,681
Interest & Dividends		225
Less Investment Expense ¹		(242,710)

Net Investment Income 6,609,196

Total Additions 10,666,005

DEDUCTIONS

Distributions to Members:

Benefit Payments	3,854,269
Refund of Contributions/Transfers	337,015

Total Distributions 4,191,284

Administrative Expenses 75,803

Total Deductions 4,267,087

Net Increase in Net Position 6,398,918

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 49,341,017

End of the Year 55,739,935

¹ Investment Related expenses include investment advisory, custodial and performance monitoring fees.

**ATTACHMENT D – REVISED 7/23/2024
PRICE PROPOSAL
RFP #G24-7017-28A – KCATA UNION EMPLOYEES’ PENSION ACTUARIAL SERVICES**

Proposers shall provide total fees for general actuarial duties, valuations, consultation and advisory services as detailed in the Scope of Services. The Proposer shall complete the following Pricing Table(s) and provide firm, fixed pricing (inclusive of all labor, overhead, and expenses) to meet the requirements of the RFP. No additional charges will be allowed.

Price Proposals submitted on any other form may be considered non-responsive and therefore rejected. The authorized signer shall initial any erasures, corrections, or other changes appearing on this form.

PRICING TABLE 1 – REQUIRED SERVICES

Description of Services	BASE CONTRACT TERM			OPTIONS YEARS	
	Year One 2024 – 2025	Year Two 2025-2026	Year Three 2026-2027	Option Year #1 2027-2028	Option Year #2 2028-2029
Actuarial Valuation	\$	\$	\$	\$	\$
Benefit Calculations <i>Assume 15 Per Year</i>	\$	\$	\$	\$	\$
Benefit Statements	\$	\$	\$	\$	\$
On-Line Actuarial Estimator	\$	\$	\$	\$	\$
ANNUAL TOTAL	\$	\$	\$	\$	\$
TOTAL SUM – BASE CONTRACT					
TOTAL OVERALL SUM					
					\$

ATTACHMENT D – CONTINUED
PRICE PROPOSAL – KCATA UNION EMPLOYEES’ PENSION ACTUARIAL SERVICES

PRICING TABLE 2: OTHER REQUIRED PRICING

Proposer shall provide all other applicable costs necessary to satisfy the requirements of the RFP. Unless stated in this Pricing Proposal, the KCATA shall assume that absolutely no other fees or charges will be assessed to the KCATA in connection with this project.

Detailed Description of Services	HOURLY RATES -- BASE CONTRACT TERM			HOURLY RATES -- OPTIONS YEARS	
	Year One 2024 – 2025	Year Two 2025-2026	Year Three 2026-2027	Option Year #1 2027-2028	Option Year #2 2028-2029
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
ANNUAL TOTAL	\$	\$	\$	\$	\$

The undersigned, acting as an authorized agent or officer for the Offeror, does hereby agree to the following:

1. The offer submitted is complete and accurate, including all forms required for submission in accordance with the terms and conditions listed in this Request for Proposals and any subsequent Addenda. The offeror shall immediately notify the KCATA in the event of any change.
2. We hereby agree to provide the services on which prices are listed above and in accordance with the terms and conditions listed in the KCATA RFP.

Company Name (Type/Print) _____ Date Submitted _____

Authorized Signature _____ Printed Name _____ Title _____

Email Address _____ Telephone # _____ Fax # _____

KANSAS CITY AREA TRANSPORTATION AUTHORITY (KCATA)

Request For Proposals (RFP) #G24-7017-28A

Kansas City Area Transportation Authority (KCATA)
Union Employees' Pension Plan Actuarial Services

RECEIPT OF ADDENDA

Proposers shall return this form when submitting their Proposal Submittal. The form shall be signed and dated by an authorized representative of the firm. Failure to submit this form may deem the Proposer non-responsive. As additional addenda are issued, please notate date received below.

We hereby acknowledge that the Addenda noted below was received with all information that has been incorporated into the Request for Proposals as required.

Addendum #1 dated July 24, 2024

Date Received _____

Addendum #2 dated _____

Date Received _____

Addendum #3 dated _____

Date Received _____

Company Name _____ Date _____

Address/City/State/Zip _____

Authorized Signature _____ Printed Name _____

Telephone _____ Fax _____ Email _____

KANSAS CITY AREA TRANSPORTATION AUTHORITY UNION EMPLOYEES' FUNDED
PENSION PLAN

GASB 67/68 DISCLOSURE INFORMATION
MEASUREMENT DATE: DECEMBER 31, 2023

GASB 68 REPORTING
AS OF DECEMBER 31, 2023



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS



February 26, 2024

Mr. Adam Sweet
Kansas City Area Transportation Authority Union Employees' Funded Pension Plan

RE: GASB Statements No. 67 and No. 68 – Kansas City Area Transportation Authority Union Employees' Funded Pension Plan

Dear Mr. Sweet:

We are pleased to present this report of the GASB Statements No. 67 and No. 68 measured as of December 31, 2023 for the Kansas City Area Transportation Authority Union Employees' Funded Pension Plan.

The calculation of the liability associated with the benefits referenced in this report was performed to satisfy the requirements of GASB No. 67 and No. 68 and is not applicable for other purposes, such as determining the plan's funding requirements. Use of the results for other purposes may not be applicable and may produce significantly different results.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of January 1, 2023. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ending December 31, 2023 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

In conducting the valuation, we have relied on personnel and plan design information supplied by the Plan and asset information supplied by the custodian bank. The actuarial assumptions and methods are described in the Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

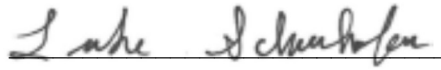
To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at (630) 620-2000.

Respectfully submitted,
Foster & Foster, Inc.

A handwritten signature in cursive script, reading "Paul M. Baugher", positioned above a horizontal line.

Paul Baugher, FSA, EA, MAAA

A handwritten signature in cursive script, reading "Luke Schoenhofen", positioned above a horizontal line.

Luke Schoenhofen, FSA, EA, MAAA

TABLE OF CONTENTS

Section	Title	Page
I	Summary	5
II	GASB Exhibits	
	a. Schedule of Changes in Net Pension Liability and Related Ratios	7
	b. Sensitivity to Changes in Discount Rate	8
	c. Pension Expense and Deferred Flows	9
III	Supplementary GASB 68 Expense Detail	11
IV	Additional Information	
	a. Schedule of Contributions	16
	b. Assumptions	17
	c. Summary of Current Plan	20

I. SUMMARY

Valuation Date	01/01/2023	01/01/2022
GASB 67/68 Measurement Date	12/31/2023	12/31/2022
GASB 68 Reporting Date	12/31/2023	12/31/2022
Plan Membership:		
Inactives Currently Receiving Benefits	232	232
Inactives Not Yet Receiving Benefits	22	23
Active Plan Members	<u>443</u>	<u>448</u>
Total	697	703
Covered Payroll	\$ 35,168,986	\$ 30,017,933
Net Pension Liability		
Total Pension Liability	\$ 67,528,865	\$ 64,066,406
Plan Fiduciary Net Position	<u>55,739,935</u>	<u>49,341,017</u>
Net Pension Liability	\$ 11,788,930	\$ 14,725,389
Plan Fiduciary Net Position		
As a Percentage of Total Pension Liability	82.54%	77.02%
Net Pension Liability		
As a Percentage of Covered Payroll	33.52%	49.06%
Total Pension Expense	\$ 1,283,119	\$ 1,815,808
Development of Single Discount Rate		
Single Discount Rate	6.50%	6.50%
Long-Term Expected Rate of Return	6.50%	6.50%
High-quality Municipal Bond Rate	4.00%	4.31%
Number of Years Future Benefit Payments Are Expected to be Paid	All Years	All Years

II. GASB EXHIBITS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

GASB 67/68 Measurement Date	12/31/2023	12/31/2022
GASB 68 Reporting Period Ending	12/31/2023	12/31/2022
Total Pension Liability		
Service Cost	2,045,017	1,935,189
Interest	4,161,026	3,954,762
Changes in Benefit Terms	0	0
Experience Gains/Losses	1,447,700	2,358,321
Changes of Assumptions	0	0
Benefit Payments	(4,191,284)	(6,178,331)
Net Change in Total Pension Liability	3,462,459	2,069,941
Total Pension Liability – Beginning	64,066,406	61,996,465
Total Pension Liability – Ending (a)	\$ 67,528,865	\$ 64,066,406
 Plan Fiduciary Net Position		
Contributions – Employer	2,665,782	2,342,515
Contributions – Employee	1,391,027	1,200,847
Net Investment Income	6,609,196	(8,347,212)
Benefit Payments	(4,191,284)	(6,178,331)
Administrative Expense	(75,803)	(76,260)
Other	0	0
Net Change in Plan Fiduciary Net Position	6,398,918	(11,058,441)
Plan Fiduciary Net Position – Beginning	49,341,017	60,399,458
Adjustment to beginning of year	0	0
Plan Fiduciary Net Position – Ending (b)	\$ 55,739,935	\$ 49,341,017
 Net Pension Liability – Ending (a) – (b)	\$ 11,788,930	\$ 14,725,389
 Plan Fiduciary Net Position		
As % of Total Pension Liability	82.54%	77.02%
 Covered Payroll	\$ 35,168,986	\$ 30,017,933
 Net Pension Liability		
As % of Covered Payroll	33.52%	49.06%

SENSITIVITY TO CHANGES IN DISCOUNT RATE

GASB 67/68 Measurement Date	12/31/2023	12/31/2022
GASB 68 Reporting Date	12/31/2023	12/31/2022
Discount Rate	6.50%	6.50%
+ 1% Discount Rate	7.50%	7.50%
- 1% Discount Rate	5.50%	5.50%
Sponsor's Net Pension Liability		
Current Discount Rate	\$ 11,788,930	\$ 14,725,389
1% Increase in Discount Rate	4,921,133	8,079,051
1% Decrease in Discount Rate	19,869,539	22,548,361

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF
RESOURCES RELATED TO PENSIONS
YEAR-END DECEMBER 31, 2023

For the year ended December 31, 2023, the Sponsor will recognize a Pension Expense of \$1,283,119. On December 31, 2023, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	2,925,399	2,758,836
Changes of assumptions	322,686	4,091,904
Net difference between projected and actual earnings on pension plan investments	3,629,961	0
Total	\$ 6,878,046	\$ 6,850,740

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

Year-ended December 31:		
2024	\$	65,934
2025	\$	328,235
2026	\$	620,846
2027	\$	(1,738,240)
2028	\$	543,717
Thereafter	\$	206,814

III. SUPPLEMENTARY GASB 68 EXPENSE DETAIL

COMPONENTS OF PENSION EXPENSE
YEAR-END DECEMBER 31, 2023

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Beginning Balance	\$ 14,725,389	\$ 12,660,294	\$ 11,079,192	
Total Pension Liability Factors:				
Service Cost	2,045,017	0	0	2,045,017
Interest	4,161,026	0	0	4,161,026
Changes in Benefit Terms	0	0	0	0
Experience Gains/Losses	1,447,700	1,447,700	0	0
Current Year Amortization	0	(543,719)	(880,036)	(336,317)
Changes of Assumptions	0	0	0	0
Current Year Amortization	0	(568,142)	(1,022,976)	(454,834)
Benefit Payments	(4,191,284)	0	0	0
Net Change	<u>3,462,459</u>	<u>335,839</u>	<u>(1,903,012)</u>	<u>5,414,892</u>
Plan Fiduciary Net Position:				
Contributions - Employer	2,665,782	0	0	0
Contributions – Employee	1,391,027	0	0	(1,391,027)
Projected Net Investment Income	3,200,332	0	0	(3,200,332)
Difference in Projected and Actual Earnings	3,408,864	0	3,408,864	0
Current Year Amortization	0	(2,437,012)	(2,053,229)	383,783
Benefit Payments	(4,191,284)	0	0	0
Administrative Expenses	(75,803)	0	0	75,803
Other	0	0	0	0
Net Change	<u>6,398,918</u>	<u>(2,437,012)</u>	<u>1,355,635</u>	<u>(4,131,773)</u>
Adjustment to beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	\$ 11,788,930	\$ 10,559,121	\$ 10,531,815	\$ 1,283,119

AMORTIZATION SCHEDULE – EXPERIENCE

Year	Initial Base	Recognition Period	2023	2024	2025	2026	2027	Thereafter
2023	\$ 1,447,700	7	\$ 206,816	\$ 206,814	\$ 206,814	\$ 206,814	\$ 206,814	\$ 413,628
2022	2,358,321	7	336,903	336,903	336,903	336,903	336,903	336,903
2021	(1,546,989)	7	(220,998)	(220,998)	(220,998)	(220,998)	(220,998)	0
2020	(2,849,681)	8	(356,210)	(356,210)	(356,210)	(356,210)	(356,210)	0
2019	(670,910)	8	(83,864)	(83,864)	(83,864)	(83,864)	0	0
2018	(1,290,395)	7	(184,342)	(184,342)	0	0	0	0
2017	(193,109)	7	(27,587)	0	0	0	0	0
2015	(77,383)	11	(7,035)	(7,035)	(7,035)	0	0	0
Net Increase (Decrease) in Pension Expense			\$ (336,317)	\$ (308,732)	\$ (124,390)	\$ (117,355)	\$ (33,491)	\$ 750,531

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

Year	Initial Base	Recognition Period	2023	2024	2025	2026	2027	Thereafter
2021	\$ (7,160,835)	7	\$ (1,022,976)	\$ (1,022,976)	\$ (1,022,976)	\$ (1,022,976)	\$ (1,022,976)	0
2019	47,506	8	5,938	5,938	5,938	5,938	0	0
2017	2,868,379	7	409,768	0	0	0	0	0
2015	1,676,801	11	152,436	152,436	152,436	0	0	0
Net Increase (Decrease) in Pension Expense			\$ (454,834)	\$ (864,602)	\$ (864,602)	\$ (1,017,038)	\$ (1,022,976)	0

AMORTIZATION SCHEDULE – INVESTMENTS

Year	Initial Base	Recognition Period	2023	2024	2025	2026	2027	Thereafter
2023	\$ (3,408,864)	5	\$ (681,772)	\$ (681,773)	\$ (681,773)	\$ (681,773)	\$ (681,773)	0
2022	12,185,062	5	2,437,012	2,437,012	2,437,012	2,437,012	0	0
2021	(2,190,058)	5	(438,012)	(438,012)	(438,012)	0	0	0
2020	(389,796)	5	(77,959)	(77,959)	0	0	0	0
2019	(4,277,430)	5	(855,486)	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$ 383,783	\$ 1,239,268	\$ 1,317,227	\$ 1,755,239	\$ (681,773)	0

IV. ADDITIONAL INFORMATION

SCHEDULE OF CONTRIBUTIONS

Plan Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contrib. as % of Covered Payroll
12/31/2023	\$ 2,665,782	\$ 2,665,782	\$ 0	\$ 35,168,986	7.58%
12/31/2022	\$ 2,342,515	\$ 2,342,515	\$ 0	\$ 30,017,933	7.80%

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending December 31, 2023:

Calculation Timing	The Actuarially Determined Contribution is calculated using a January 1, 2022 valuation date.
Interest Rate	6.50%
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the January 1, 2022 Actuarial Valuation Report for the Kansas City Area Transportation Authority Union Employees' Funded Pension Plan prepared by Foster & Foster Actuaries and Consultants.

ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate	6.50% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.
Mortality Rate	<p>Active Lives: PubG-2010 Employee mortality, projected generationally with 75% of Scale MP-2021.</p> <p>Inactive Lives: PubG-2010 Healthy Retiree mortality, projected generationally with 75% of Scale MP-2021.</p> <p>Beneficiaries: PubG-2010 Survivor mortality, projected generationally with 75% of Scale MP-2021.</p> <p>Disabled Lives: PubG-2010 Disabled mortality, projected generationally with 75% of Scale MP-2021.</p> <p>The mortality assumptions sufficiently accommodate anticipated future mortality improvements.</p>
Retirement Age	See table later in this section. These rates are based on a 2020 experience study performed for the plan.
Disability Rate	See table later in this section. These rates are based on a 2020 experience study performed for the plan.
Termination Rate	See table later in this section. These rates are based on a 2020 experience study performed for the plan.
Inflation	2.50%.
Salary Increases	See table later in this section. These rates are based on a 2020 experience study performed for the plan.
Form of Payment	
- Retirement	60% elect lump sum 20% elect single life annuity 20% elect 75% joint & survivor annuity
- Termination	100% elect lump sum
Marital Status	100% of Members are assumed to be married.
Spouse's Age	Males are assumed to be three years older than females.

Funding Method

Entry Age Normal Cost Method.

Decrement Tables

<u>% Terminating During the Year</u>		<u>% Becoming Disabled During the Year</u>			<u>% Retiring During the Year</u>		<u>Salary Scale</u>	
<u>Service</u>	<u>Rate</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
0-4	10.00%	20	0.015%	0.020%	55-59	4%	0-4	12.00%
5-19	5.50%	25	0.015%	0.025%	60-61	15%	5-11	4.00%
20+	2.00%	30	0.020%	0.030%	62	30%	12+	2.50%
		35	0.025%	0.040%	63-69	25%		
		40	0.035%	0.050%	70+	100%		
		45	0.050%	0.075%				
		50	0.090%	0.130%				
		55	0.180%	0.245%				
		60	0.450%	0.605%				

Development of the Discount Rate

The projection of cash flows used to determine the Discount Rate assumed that current Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate.

Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments (6.50 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

No projected benefit payments were discounted using a high-quality municipal bond rate of 4.00 percent. The high-quality municipal bond rate was based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index.

The single equivalent Discount Rate was 6.50 percent.

SUMMARY OF CURRENT PLAN

<u>Effective Date of Plan</u>	November 1, 1971.
<u>Eligibility</u>	Employee who is a permanent employee in a bargaining unit represented by Local No. 1287 of the Amalgamated Transit Union.
<u>Continuous Service</u>	Full years of uninterrupted employment with KCATA.
<u>Credited Service</u>	Granted for each week in which a member received wages from KCATA, received a weekly indemnity allowance, or is on an approved leave of absence.
<u>Average Monthly Earnings</u>	Average monthly earnings for the highest five calendar years of employment. Earnings is the member's gross W-2 earnings, reduced by any allowances, incentives, or awards, plus all amounts excludable from gross income under Sections 125, 414(h), and 457 of the Internal Revenue Code.
<u>Normal Retirement</u>	
Date	First day of the month coincident with or next following the earlier of attainment of 1) age 62 and completion of 10 years of Continuous Service, and 2) age 60 and completion of 30 years of Continuous Service.
Benefit	1.28% of Average Monthly Earnings times Credited Service.
Form of Benefit	The normal form is a Single Life Annuity. Alternate forms of payment are available for the member to elect, including certain and life, joint and survivor, lump sum, and 25% lump sum with annuity.
<u>Early Retirement</u>	
Date	First day of the month coincident with or next following attainment of age 55 and completion of 15 years of Continuous Service.
Benefit	Normal Retirement Benefit reduced actuarially for the period that retirement precedes Normal Retirement Date.
Form of Benefit	Same as Normal Retirement.

Disability Leave

Eligibility

Member becomes totally and permanently disabled following completion of 1) 10 years of Continuous Service, or 2) 5 years of Continuous Service and disability is due to an occupational injury or illness.

Benefit

Immediate commencement of the unreduced Normal Retirement Benefit.

Vesting (Termination)

Eligibility

Members are 100% vested upon completion 10 years of Continuous Service.

Benefit

Follows amount and timing of Normal Retirement or Early Retirement upon completion of those eligibility requirements.

Pre-Retirement Death

The beneficiary of an eligible member who dies prior to retirement shall receive a benefit equal to the greater of 1) the member's contributions with accumulated interest, and 2) 50 percent of the actuarial value of the member's benefit had he/she terminated employment on the date of death and deferred commencement to the earliest possible retirement date.

Employee Contributions

Members are required to contribute 3.75% of Earnings.

Benefit Changes

No benefit changes have been reflected since the prior year.

KCATA Union - GASB Statement 67/68 Crossover Projection
90 Year Projection of the Pension Plan's Fiduciary Net Position
Based on the January 1, 2024 Actuarial Valuation at 6.50%

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2024	55,739,935	3,110,798	5,228,797	75,803	3,551,797	57,097,930
2025	57,097,930	3,062,144	5,628,553	73,729	3,625,561	58,083,353
2026	58,083,353	3,154,806	5,808,205	71,504	3,686,859	59,045,309
2027	59,045,309	3,294,918	5,786,025	69,374	3,754,729	60,239,557
2028	60,239,557	3,180,228	5,678,120	67,741	3,832,188	61,506,112
2029	61,506,112	3,137,629	5,719,806	66,115	3,911,828	62,769,648
2030	62,769,648	3,067,575	6,270,875	64,774	3,973,815	63,475,389
2031	63,475,389	3,013,853	6,192,852	63,186	4,020,529	64,253,733
2032	64,253,733	2,936,844	6,502,983	61,620	4,058,590	64,684,564
2033	64,684,564	2,877,003	6,441,731	60,083	4,086,690	65,146,443
2034	65,146,443	2,825,897	6,427,376	58,731	4,115,562	65,601,795
2035	65,601,795	2,770,772	6,578,859	57,274	4,138,492	65,874,926
2036	65,874,926	2,730,495	6,444,427	55,865	4,159,352	66,264,481
2037	66,264,481	2,140,979	6,359,659	54,512	4,168,313	66,159,602
2038	66,159,602	1,767,231	6,475,320	53,222	4,145,632	65,543,923
2039	65,543,923	1,808,637	6,489,277	51,834	4,106,550	64,917,999
2040	64,917,999	1,645,431	6,544,229	50,517	4,058,817	64,027,501
2041	64,027,501	1,435,821	6,384,650	49,101	3,999,355	63,028,926
2042	63,028,926	1,187,773	6,399,840	47,584	3,925,942	61,695,217
2043	61,695,217	1,201,654	6,306,455	46,147	3,842,783	60,387,052
2044	60,387,052	1,134,259	6,382,171	44,609	3,753,151	58,847,682
2045	58,847,682	1,069,282	6,236,188	43,162	3,655,772	57,293,386
2046	57,293,386	1,005,258	6,123,688	41,615	3,556,369	55,689,710
2047	55,689,710	940,134	6,151,732	39,963	3,449,155	53,887,304
2048	53,887,304	875,960	6,058,619	38,415	3,332,990	51,999,220
2049	51,999,220	814,119	5,945,630	36,765	3,211,980	50,042,924
2050	50,042,924	752,399	5,826,397	35,009	3,086,747	48,020,664
2051	48,020,664	696,704	5,482,323	33,598	2,964,719	46,166,166
2052	46,166,166	638,208	5,515,475	31,861	2,841,254	44,098,292
2053	44,098,292	582,470	5,285,809	30,256	2,712,547	42,077,244
2054	42,077,244	530,640	5,094,562	28,798	2,585,757	40,070,281
2055	40,070,281	440,411	4,844,085	27,247	2,460,563	38,099,923
2056	38,099,923	394,820	4,619,171	25,859	2,338,363	36,188,076
2057	36,188,076	350,875	4,466,041	24,385	2,217,690	34,266,215
2058	34,266,215	64,292	4,310,291	22,822	2,088,567	32,085,961
2059	32,085,961	54,471	4,075,221	21,443	1,954,216	29,997,984
2060	29,997,984	44,548	3,957,660	19,981	1,822,043	27,886,934
2061	27,886,934	37,122	3,710,587	19,017	1,692,645	25,887,097
2062	25,887,097	30,541	3,514,535	17,693	1,568,856	23,954,266

KCATA Union - GASB Statement 67/68 Crossover Projection
90 Year Projection of the Pension Plan's Fiduciary Net Position
Based on the January 1, 2024 Actuarial Valuation at 6.50%

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2063	23,954,266	25,611	3,268,330	16,599	1,451,099	22,146,047
2064	22,146,047	21,556	3,067,603	15,438	1,339,995	20,424,557
2065	20,424,557	18,903	2,823,659	14,210	1,235,980	18,841,571
2066	18,841,571	16,675	2,662,311	13,241	1,138,289	17,320,983
2067	17,320,983	14,098	2,535,711	12,215	1,043,514	15,830,669
2068	15,830,669	12,178	2,337,343	11,129	953,064	14,447,439
2069	14,447,439	11,060	2,152,188	10,338	869,161	13,165,134
2070	13,165,134	9,804	2,015,141	9,500	790,252	11,940,549
2071	11,940,549	8,890	1,839,497	8,614	716,361	10,817,689
2072	10,817,689	8,319	1,699,079	8,062	647,938	9,766,805
2073	9,766,805	7,715	1,563,188	7,476	584,046	8,787,902
2074	8,787,902	6,660	1,432,157	6,453	524,675	7,880,627
2075	7,880,627	6,399	1,306,295	6,201	469,793	7,044,323
2076	7,044,323	5,685	1,186,003	5,509	419,342	6,277,838
2077	6,277,838	4,930	1,071,618	4,778	373,237	5,579,609
2078	5,579,609	4,594	963,428	4,452	331,368	4,947,691
2079	4,947,691	3,767	861,699	3,651	293,598	4,379,706
2080	4,379,706	3,379	766,592	3,274	259,770	3,872,989
2081	3,872,989	2,969	678,188	2,877	229,706	3,424,599
2082	3,424,599	2,536	596,522	2,457	203,215	3,031,371
2083	3,031,371	2,599	521,529	2,518	180,092	2,690,015
2084	2,690,015	2,131	453,080	2,065	160,128	2,397,129
2085	2,397,129	1,638	390,998	1,588	143,108	2,149,289
2086	2,149,289	1,679	335,021	1,627	128,817	1,943,137
2087	1,943,137	1,148	284,851	1,112	117,047	1,775,369
2088	1,775,369	1,176	240,195	1,140	107,594	1,642,804
2089	1,642,804	603	200,736	584	100,259	1,542,346
2090	1,542,346	618	166,130	599	94,854	1,471,089
2091	1,471,089	633	136,049	614	91,200	1,426,259
2092	1,426,259	649	110,139	629	89,128	1,405,268
2093	1,405,268	665	88,058	645	88,481	1,405,711
2094	1,405,711	0	69,477	0	89,113	1,425,347
2095	1,425,347	0	54,045	0	90,891	1,462,193
2096	1,462,193	0	41,404	0	93,697	1,514,486
2097	1,514,486	0	31,206	0	97,427	1,580,707
2098	1,580,707	0	23,107	0	101,995	1,659,595
2099	1,659,595	0	16,785	0	107,328	1,750,138
2100	1,750,138	0	11,944	0	113,371	1,851,565
2101	1,851,565	0	8,314	0	120,082	1,963,333

KCATA Union - GASB Statement 67/68 Crossover Projection
90 Year Projection of the Pension Plan's Fiduciary Net Position
Based on the January 1, 2024 Actuarial Valuation at 6.50%

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2102	1,963,333	0	5,653	0	127,433	2,085,113
2103	2,085,113	0	3,750	0	135,410	2,216,773
2104	2,216,773	0	2,424	0	144,011	2,358,360
2105	2,358,360	0	1,525	0	153,244	2,510,079
2106	2,510,079	0	933	0	163,125	2,672,271
2107	2,672,271	0	555	0	173,680	2,845,396
2108	2,845,396	0	320	0	184,940	3,030,016
2109	3,030,016	0	179	0	196,945	3,226,782
2110	3,226,782	0	98	0	209,738	3,436,422
2111	3,436,422	0	52	0	223,366	3,659,736
2112	3,659,736	0	27	0	237,882	3,897,591
2113	3,897,591	0	14	0	253,343	4,150,920