Industry & Local 338 Pension Plan Funding Improvement Plan / Rehabilitation Plan Design

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Today's Discussion

- **Remediation Plan: Requirements & Design Consideration**
- **Funding Improvement Plan**
- **Rehabilitation Plan**
- **Appendix**
  - Contribution Rate Summaries
  - Benefit Examples
  - Supplemental Endangered and Critical Status Information
  - Projection Assumptions and Methods

Remediation Plan
Requirements & Design Considerations

7/1/2016 Valuation Projection

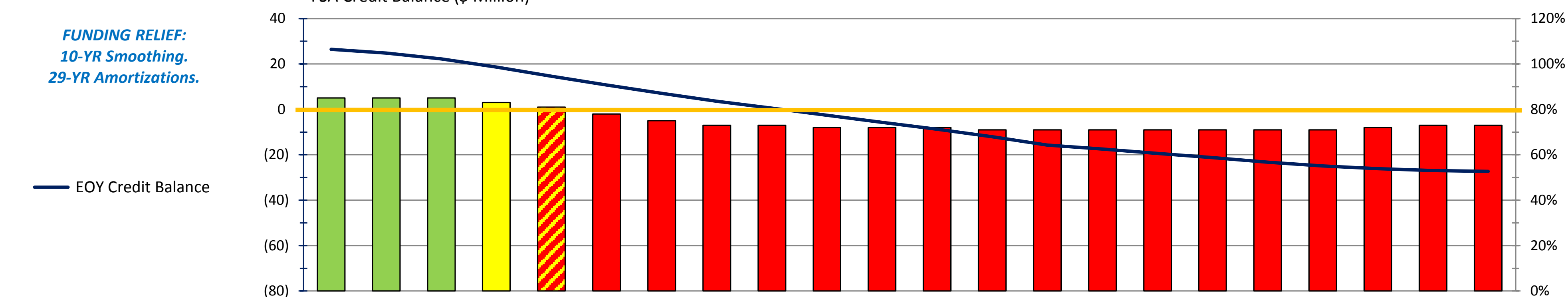
0.9% of Contributions Formula

-1.58% Asset Return in PYB 2015 | 7.50% Return PYB 2016+ | 10.0 Thousand Weeks Worked beginning PYB 2017 | Current CBA Contribution Increases PLUS Perpetual 5.0% Annual Contribution Rate Increases[1]

Contribution Rate Increases in Current CBAs PLUS:
5.0% per year indefintely beginning PYB 2017 (63% of contracts)
5.0% per year indefintely beginning PYB 2019 (37% of contracts)

Industry and Local 338 Pension Plan
Funding Standard Account Credit Balance ($Million) = Left Axis
Funded Percentage = Right Axis

Preliminary Market Value of Assets as of 6/30/2016: $84,060,000



(1)	Plan Year beginning 7/1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
(2)	Asset Return during Year (%)	15.86	3.10	(1.58)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
(3)	Weekly Contribution Rate	203	223	236	250	262	280	295	309	325	341	358	376	395	414	435	457	480	504	529	555	583	612
(4)	Weeks Worked (Thousands)	15.7	13.9	12.6	11.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(5)	Contributions in Plan Year ($M)	3.37	3.28	3.15	2.88	2.62	2.81	2.95	3.10	3.25	3.42	3.59	3.77	3.96	4.15	4.36	4.58	4.81	5.05	5.30	5.57	5.84	6.14
(6)	PYE Credit Balance ($M)	26	25	22	19	15	11	7	4	1	(3)	(6)	(9)	(12)	(16)	(17)	(19)	(21)	(23)	(25)	(26)	(27)	(27)
(7)	Actuarial Value of Assets ($M)	87	91	94	93	91	88	86	84	84	84	84	84	84	84	84	85	85	86	87	88	90	91
(8)	Unit Credit Accd. Liability ($M)	102	107	110	111	112	112	113	114	115	115	116	116	117	118	118	119	119	120	121	122	123	124
(9)	PPA Funded Percentage at 7/1	85%	85%	85%	83%	81%	78%	75%	73%	73%	72%	72%	72%	71%	71%	71%	71%	71%	71%	71%	72%	73%	73%

Notes

1) Effective July 1, 2016, all contributions (and future rate increases, if any) are benefit-bearing.

Endangered Status: Funding Improvement Plan (FIP)

- **Funding Improvement Plan**
  - Must be adopted by Trustees within 240 days after due date of certification of Endangered Status
  - Trustees present the bargaining parties with one or more schedules of contribution increases and cuts in future benefit accruals, as needed to achieve the FIP goals
    - FIP Goal:
      - The Plan's underfunding improves by one-third by the end of the 10-year Funding Improvement Period
        - ***Roughly 83% + (100% - 83%) / 3 = 89% by June 30, 2029***
      - Credit Balance may not be negative in the last year of the Funding Improvement Period
        - Excise taxes may be imposed if there is a negative credit balance during the Funding Improvement Period
    - Schedules include:
      - One schedule with reductions in the amount of future benefit accruals before contribution increases are required ("Default Schedule")
      - One schedule with contribution increases without reduction in future benefit accruals ("Preferred Schedule")
      - Alternative schedule with other benefit and contribution changes
      - Changes to future benefits requires 204(h) Notice 15 days prior to the effective date of the change

Critical Status: Rehabilitation Plan (RP)

- **Rehabilitation Plan**
  - Must be adopted by Trustees within 240 days after due date of certification of Critical Status
  - Trustees present the bargaining parties with one or more schedules of contribution increases and cuts in future benefit accruals, as needed to achieve the RP goals
    - RP Goals:
      - Benefit changes and contribution increases such that the Plan is expected to emerge from Critical Status by the end of the 10-year Rehabilitation Period
      - ***Positive Credit Balance projected for current and 9 additional years***
        - Credit Balance may be negative during the Rehabilitation Period
        - Protection from excise tax as long as the Plan is making progress under the terms of the RP
      - Alternatively, declare "All Reasonable Measures"
    - Schedules include:
      - One schedule with reductions in the adjustable benefits before contribution increases are required. Future benefit accruals can be reduced to the lower of 1% of contributions or the current accrual rate (Default Schedule)
      - Alternative schedules with other benefit and contribution changes

Parameters Used in Developing a Remediation Plan

- **Timing**
  - 2016/2017: Funding Improvement Plan
    - Adopt by 5/25/2017; Provide to bargaining parties by 6/24/2017
  - 2017/2018: Rehabilitation Plan
    - Adopt early in the plan year, 10/2017; Provide to bargaining parties 11/2017
- **Future Investment Earnings**
  - 7.50% per year, net of investment-related expenses
- **Future Work Levels**
  - 11,500 weeks in 2016/2017; 10,000 weeks each plan year thereafter
- **Possible Benefit Cuts**
  - Funding Improvement Plan: None
  - Rehabilitation Plan: Adjustable benefits – Subsidies on accrued benefits
    - Terminated vested participants
    - Active participants
- **Contribution Increases**
  - Maximum 10% per year, compounded
  - Flat dollar amount applied to all contracts, by year

Including the FIP / RP in Contracts:

Projection Assumptions

Contributing Employer	7/1/2016 Active Count	7/1/2016 TV Count	Next Contract Start Date	Estimated RP Schedule Adoption	Assumed Adj. Benefit Changes	Surcharges Assumed in 2017-2018 Plan Year
College New Rochelle	13	8	9/1/2013	12/2017	7/2018	None
Crowley LaFargeville	100	52	11/1/2017	12/2017	7/2018	None
Culinart	19	1	1/1/2017	12/2017	7/2018	None
Freisland	63	23	1/1/2019	12/2018	7/2019	7 months
LP Transport	27	13	8/16/2019	8/2019	7/2020	7 months
Montefiore New Rochelle	12	6	2/26/2017	12/2017	7/2018	None
Paraco Gas	8	3	2/1/2018	1/2018	7/2018	2 months
Westchester L860	1	1	10/1/2013	12/2017	7/2018	None
All Other	N/A	140	N/A			
	243	247				

Assumption: Elect Early Critical Status at July 1, 2017

7/1/2016 - 6/30/2017 Plan Year	
Endangered Status Certification	9/28/2016
Notice of Endangered Status	10/28/2016
Adopt FIP	5/25/2017
FIP to Bargaining Parties	6/24/2017
Funding Improvement Period Begins	7/1/2019
Effective Date of Benefit Changes	*TBD*

7/1/2017 - 6/30/2018 Plan Year	
Endangered/Critical Status Certification	9/28/2017
Election of Critical Status	*10/28/2017*
Notice of Critical Status	*10/28/2017*
Imposition of Surcharges	*11/28/2017*
Adopt RP	*10/28/2017*
RP to Bargaining Parties	*11/28/2017*
Rehabilitation Period Begins	*7/1/2020*
Effective Date of Benefit Changes	*TBD*

Summary of Plan Provisions & Participant Eligibility

Plan Provision	Description			7/1/2016 Actives	7/1/2016 Inactives
Valuation Population				243	247
Accrual Rate	0.9% of Contributions (Effective 7/1/2016)			243	N/A
Vesting Service	4 months worked during a Plan year	Non-vested		55	N/A
		Vested, less than 15 Credits		112	201
		Vested, at least 15 Credits		76	46
	Age 55 with 15 Pension Credits:			41	34
Early Retirement	2% per year, prior to age 65 (accrued prior to July 1, 2010)				
	6% per year, prior to age 65 (accrued on and after July 1, 2010)				
	20 Pension Credits: benefit reduced by 50%		Subsidies	13	9
	25 Pension Credits: benefit reduced by 10%			12	5
Service Pension	30 Pension Credits: benefit reduced by 5%			6	3
	35 Pension Credits: unreduced benefit			8	0
Disability Retirement	10 Pension Credits & Totally and Permanently Disabled:			133	N/A
	Actuarially reduced benefit, not less than $400		Ancillary Benefits		
Death Benefit for	A 120-Month Certain Benefit	Married		141	141
Unmarried Participants		Single / Unknown		102	102
Normal Form	For unmarried participants, a Life Annuity with 120-month certain period.		Subsidy	102	102
	For married participants, a 75% J&S Annuity with 120-month certain period.			141	141

Projection Assumptions

- **All scenarios assume:**
  - Contribution rate increases begin following CBA expiration dates.
    - 37% of hours worked under 3-year contracts beginning in 2017 (Paraco & LaFargeville)
    - 63% of hours worked under 3-year contracts beginning in 2016 (All Other Employers)
  - All contribution rate increases are benefit-bearing.
  - All contribution rate increases are compounded.
  - Improvement Periods:
    - Funding Improvement Period: 7/1/2019 – 6/30/2029
    - Rehabilitation Period: 7/1/2020 – 6/30/2030
  - No assumption changes to account for possible changes to participant behavior due to proposed benefit changes.
  - No changes to valuation methods / no amortization extensions.

Funding Improvement Plan

FIP Design

- **Preferred Schedule**
  - Contribution Rate Increases Only
- **Default Schedule**
  - Contribution Rate Increases plus Maximum Benefit Changes
    - Eliminate Subsidies: Future Benefit Accruals Only
      - Ancillary Benefits
        - Death Benefit for Single Participants
        - Disability
      - Normal Form of Payment
        - Single Participants: 120 Payments Guaranteed
        - Married Participants: 75% Joint and Survivor (with 120 Payments Guaranteed)
      - Early Retirement Subsidies
        - Age 55 and 15 Years of Service
        - Service Pension - 20, 25, 30, 35 Years
    - Decrease Benefit Accrual Rate
    - 15-Day Notice Required

Projection Roadmap: FIP Design

Scenario	Contribution Requirement	Benefit Change[1]	Investment Return[2] PYE 2017	Valid FIP Requires 89% % Funded at 7/1/2029	RP Requires Emergence 7/1/2030 Emerge	EOY FSA Balance	% Funded 7/1/2030	Wkly Contrib Rate 7/1/2030
Baseline	5.0% per year	No Change	7.50%	71%	No	($23M)	71%	$504
Valid Funding Improvement Plan								
1	12.5% per year	No Change	7.50%	89%	2028	$10M	94%	$1,241
2	5.0% per year for 3 years, 18.0% per year thereafter	No Change	7.50%	89%	2028	$15M	95%	$1,673
3	11.0% per year	No Subsidies on Future Accruals	7.50%	90%	2028	$11M	94%	$1,041

Notes

1) Benefit changes assumed effective July 1, 2017.
2) All Scenarios assume investment return of 7.50% for plan years beginning on and after 7/1/2017.
3) All Scenarios assume 11,500 weeks worked in plan year ending 6/30/2017 and 10,000 weeks worked for plan years beginning on and after 7/1/2017.
4) Average weekly contribution rate effective 7/1/2016 is $250.

FIP Contribution Increase Illustration

- **Preliminary Design**
  - All contributions (including increases) continue to be benefit-bearing (beginning July 1, 2016)
  - Flat dollar amount across employers for a given year
  - Compound rate increases, determined as percentage of prior year average

Year-by-Year, Compound Contribution Rate Increases (Flat Dollar Amounts by Contract, Vary by Year)

Plan Year Beginning		7/1/2017	7/1/2018	7/1/2019	...	7/1/2024	...	7/1/2029	7/1/2030	Total Increase 7/1/2030	Average Rate 7/1/2030
Baseline	*5.0%*	$ 12.50	$ 13.13	$ 13.78	...	$ 17.59	...	$ 22.45	$ 23.57	$ 244.98	$ 494.98
Scenario 1	*12.5%*	31.25	35.16	39.55	...	71.27	...	128.43	144.49	1,050.40	1,300.40
Scenario 2	*5.0% / 18.0%*	12.50	13.13	13.78	...	101.00	...	231.06	272.65	1,537.35	1,787.35
Scenario 3	*11.0%*	27.50	30.53	33.88	...	57.09	...	96.21	106.79	827.61	1,077.61

Notes

1) Based on Plan average contribution rate of $250.00 as of July 1, 2016.
2) Contribution rate increases illustrated without regard to existing contract terms or resulting changes in average contribution rate. Final (aggregate) average contribution rates as of July 1, 2030 illustrated above differ from roadmap on previous slide.
3) Increases shown above assumed to take effect July 1 of each year. Actual contribution rate increase amounts and effective dates may vary.

FIP Contribution Increase Example (by Contract)

Scenario 2 - Compound Contribution Rate Increases (Flat Dollar Amounts by Contract, Vary by Year)

Plan Year Beginning	7/1/2016	7/1/2017	7/1/2018	7/1/2019	...	7/1/2024	...	7/1/2029	7/1/2030
Average Rate	$ 250.00	$ 262.50	$ 275.63	$ 289.41	...	$ 662.09	...	$ 1,514.70	$ 1,787.35
Increase (%)		5.0%	5.0%	5.0%	...	18.0%	...	18.0%	18.0%
Annual Increase		12.50	13.13	13.78	...	101.00	...	231.06	272.65
Accumulated Increase		12.50	25.63	39.41	...	412.09	...	1,264.70	1,537.35
College of New Rochelle	$ 174.00	$ 186.50	$ 199.63	$ 213.41	...	$ 586.09	...	$ 1,438.70	$ 1,711.35
Increase (%)		7.2%	7.0%	6.9%	...	20.8%	...	19.1%	19.0%
Crowley LaFargeville	$ 272.79	$ 285.29	$ 298.42	$ 312.20	...	$ 684.88	...	$ 1,537.49	$ 1,810.14
Increase (%)		4.6%	4.6%	4.6%	...	17.3%	...	17.7%	17.7%
Culinart	$ 226.91	$ 239.41	$ 252.54	$ 266.32	...	$ 639.00	...	$ 1,491.61	$ 1,764.26
Increase (%)		5.5%	5.5%	5.5%	...	18.8%	...	18.3%	18.3%
Freisland Campina	$ 205.09	$ 217.59	$ 230.72	$ 244.50	...	$ 617.18	...	$ 1,469.79	$ 1,742.44
Increase (%)		6.1%	6.0%	6.0%	...	19.6%	...	18.7%	18.5%
LP Transport	$ 276.80	$ 289.30	$ 302.43	$ 316.21	...	$ 688.89	...	$ 1,541.50	$ 1,814.15
Increase (%)		4.5%	4.5%	4.6%	...	17.2%	...	17.6%	17.7%
Montefiore New Rochelle	$ 234.06	$ 246.56	$ 259.69	$ 273.47	...	$ 646.15	...	$ 1,498.76	$ 1,771.41
Increase (%)		5.3%	5.3%	5.3%	...	18.5%	...	18.2%	18.2%
Paraco Gas	$ 227.60	$ 240.10	$ 253.23	$ 267.01	...	$ 639.69	...	$ 1,492.30	$ 1,764.95
Increase (%)		5.5%	5.5%	5.4%	...	18.7%	...	18.3%	18.3%
Westchester L 860	$ 205.21	$ 217.71	$ 230.84	$ 244.62	...	$ 617.30	...	$ 1,469.91	$ 1,742.56
Increase (%)		6.1%	6.0%	6.0%	...	19.6%	...	18.7%	18.5%

Scenario 2: Contribution Only FIP

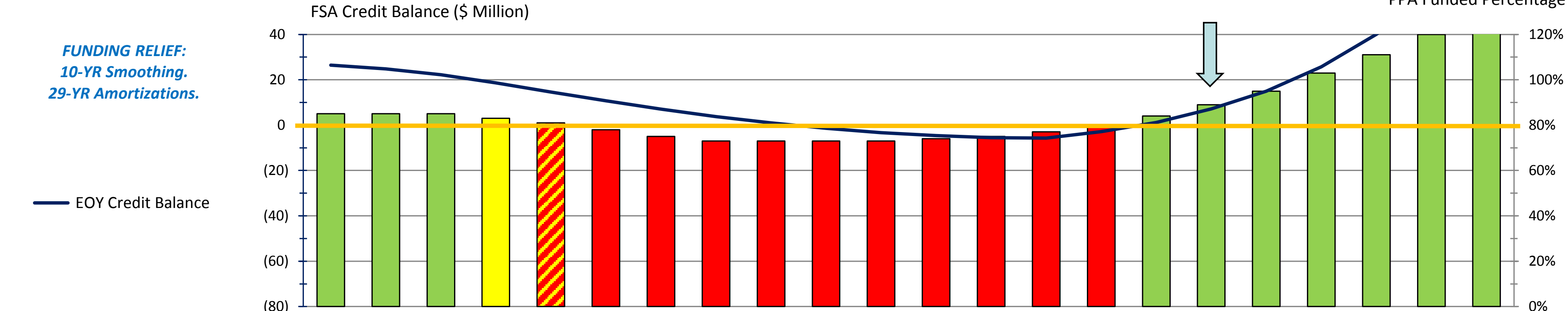
0.9% of Contributions Formula

7.50% Return PYB 2016 and thereafter | 10.0 Thousand Weeks Worked beginning PYB 2017 | Current CBA Contribution Increases PLUS 5% for 3 years + Perpetual 18.0% Annual Contribution Rate Increases[1]

Contribution Rate Increases in Current CBAs PLUS:
5.0% per year for 3 years beginning PYB 2017 (63% of contracts)
5.0% per year for 3 years beginning PYB 2019 (37% of contracts)

Industry and Local 338 Pension Plan
Funding Standard Account Credit Balance ($Million) = Left Axis
Funded Percentage = Right Axis

Preliminary Market Value of Assets
as of 6/30/2016: $84,060,000



(1) Plan Year beginning 7/1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
(2) Asset Return during Year (%)	15.86	3.10	(1.58)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
(3) Weekly Contribution Rate	203	223	236	250	262	280	295	333	377	445	525	620	731	863	1,018	1,201	1,418	1,673	1,974	2,329	2,748	3,243
(4) Weeks Worked (Thousands)	15.7	13.9	12.6	11.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(5) Contributions in Plan Year ($M)	3.37	3.28	3.15	2.88	2.62	2.81	2.95	3.34	3.78	4.46	5.26	6.21	7.33	8.65	10.20	12.04	14.21	16.77	19.78	23.34	27.55	32.51
(6) PYE Credit Balance ($M)	26	25	22	19	15	11	7	4	1	(1)	(3)	(5)	(6)	(6)	(3)	1	7	15	26	40	58	82
(7) Actuarial Value of Assets ($M)	87	91	94	93	91	88	86	84	84	85	86	88	91	95	100	108	118	131	147	168	194	227
(8) Unit Credit Accd. Liability ($M)	102	107	110	111	112	112	113	114	115	116	117	118	119	122	124	127	132	137	143	151	161	173
(9) PPA Funded Percentage at 7/1	85%	85%	85%	83%	81%	78%	75%	73%	73%	73%	73%	74%	75%	77%	80%	84%	89%	95%	103%	111%	120%	130%

Notes

1) Effective July 1, 2016, all contributions (and future rate increases, if any) are benefit-bearing.
See graph for detail regarding assumed rate increases.

Rehabilitation Plan

RP: Alternatives Modeled

- **Contribution Rate Increases Only**
- **Contribution Rate Increases plus Benefit Changes**
  - Terminated Vested Participants: Eliminate Adjustable Benefits
  - Active Participants: Eliminate Adjustable Benefits (Multiple Scenarios)
    - Accrued (and Future) Benefits
      - Ancillary Benefits
        - Death Benefit for Single Participants
        - Disability
      - Normal Form of Payment
        - Single Participants: 120 Payments Guaranteed
        - Married Participants: 75% Joint and Survivor (with 120 Payments Guaranteed)
      - Early Retirement Subsidies
        - Age 55 and 15 Years of Service
        - Service Pension: 20, 25, 30, 35 Years
  - 30-Day Notice Required

Projection Roadmap: RP Design

Scenario	Contribution Requirement	Benefit Change[1]	Investment Return[2] PYE 2017	Valid FIP Requires 89% % Funded at 7/1/2029	RP Requires Emergence 7/1/2030 Emerge	EOY FSA Balance	% Funded 7/1/2030	Wkly Contrib Rate 7/1/2030
Baseline	5.0% per year	No Change	7.50%	71%	**No**	($23M)	71%	$504
Valid Rehabilitation Plan								
4	11.0% per year	No Change	7.50%	85%	**2030**	$2M	89%	$1,041
5	9.5% per year	Eliminate Adjustable Benefits: TVs Only	7.50%	86%	**2030**	$2M	89%	$871
6	9.5% per year	Scenario 5 *PLUS* Minimum Death & Disability Benefits for Actives	7.50%	86%	**2029**	$3M	90%	$871
7	9.0% per year	Scenario 6 *PLUS* Change Normal Form to SLA for Actives	7.50%	86%	**2030**	$1M	89%	$821
8	8.0% per year	Scenario 7 *PLUS* Unsubsidized Early Retirement for Actives	7.50%	86%	**2030**	$2M	89%	$728
9	6.5% per year	Scenario 8 *PLUS* Eliminate Service Pensions for Actives	7.50%	87%	**2029**	$2M	89%	$606

Notes

1) Actual benefit change effective dates may vary by contract, but generally assumed to be effective July 1, 2018.
2) All Scenarios assume investment return of 7.50% for plan years beginning on and after 7/1/2017.
3) All Scenarios assume 11,500 weeks worked in plan year ending 6/30/2017 and 10,000 weeks worked for plan years beginning on and after 7/1/2017.
4) Average weekly contribution rate effective 7/1/2016 is $250.

RP Contribution Increase Illustration

- **Preliminary Design**
  - All contributions (including increases) continue to be benefit-bearing (beginning July 1, 2016)
  - Flat dollar amount across employers for a given year
  - Compound rate increases, determined as percentage of prior year average

Year-by-Year, Compound Contribution Rate Increases (Flat Dollar Amounts by Contract, Vary by Year)

Plan Year Beginning		7/1/2017	7/1/2018	7/1/2019	...	7/1/2024	...	7/1/2029	7/1/2030	Total Increase 7/1/2030	Average Rate 7/1/2030
Baseline	*5.0%*	$ 12.50	$ 13.13	$ 13.78	...	$ 17.59	...	$ 22.45	$ 23.57	$ 244.98	$ 494.98
Scenario 4	*11.0%*	27.50	30.53	33.88	...	57.09	...	96.21	106.79	827.61	1,077.61
Scenario 5	*9.5%*	23.75	26.01	28.48	...	44.83	...	70.57	77.28	640.71	890.71
Scenario 6	*9.5%*	23.75	26.01	28.48	...	44.83	...	70.57	77.28	640.71	890.71
Scenario 7	*9.0%*	22.50	24.53	26.73	...	41.13	...	63.28	68.98	585.43	835.43
Scenario 8	*8.0%*	20.00	21.60	23.33	...	34.28	...	50.36	54.39	484.30	734.30
Scenario 9	*6.5%*	16.25	17.31	18.43	...	25.25	...	34.60	36.85	353.72	603.72

Notes

1) Based on Plan average contribution rate of $250.00 as of July 1, 2016.
2) Contribution rate increases illustrated without regard to existing contract terms or resulting changes in average contribution rate. Final (aggregate) average contribution rates as of July 1, 2030 illustrated above differ from roadmap on previous slide.
3) Increases shown above assumed to take effect July 1 of each year. Actual contribution rate increase amounts and effective dates may vary.

RP Contribution Increase Example (by Contract)

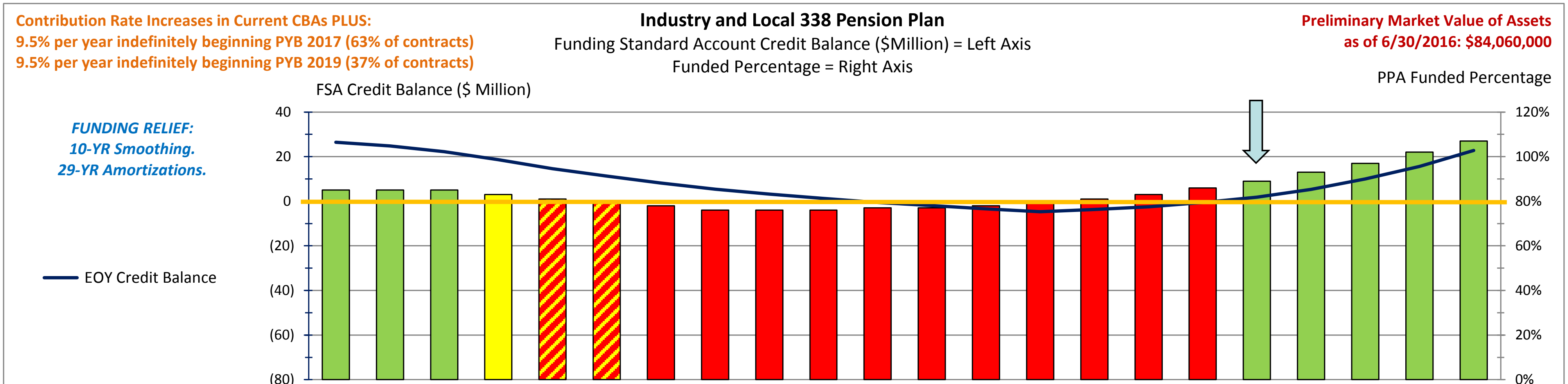
Scenario 8 - Compound Contribution Rate Increases (Flat Dollar Amounts by Contract, Vary by Year)

Plan Year Beginning	7/1/2016	7/1/2017	7/1/2018	7/1/2019	...	7/1/2024	...	7/1/2029	7/1/2030
Average Rate	$ 250.00	$ 270.00	$ 291.60	$ 314.93	...	$ 462.73	...	$ 679.91	$ 734.30
Increase (%)		8.0%	8.0%	8.0%	...	8.0%	...	8.0%	8.0%
Annual Increase		20.00	21.60	23.33	...	34.28	...	50.36	54.39
Accumulated Increase		20.00	41.60	64.93	...	212.73	...	429.91	484.30
College of New Rochelle	$ 174.00	$ 194.00	$ 215.60	$ 238.93	...	$ 386.73	...	$ 603.91	$ 658.30
Increase (%)		11.5%	11.1%	10.8%	...	9.7%	...	9.1%	9.0%
Crowley LaFargeville	$ 272.79	$ 292.79	$ 314.39	$ 337.72	...	$ 485.52	...	$ 702.70	$ 757.09
Increase (%)		7.3%	7.4%	7.4%	...	7.6%	...	7.7%	7.7%
Culinart	$ 226.91	$ 246.91	$ 268.51	$ 291.84	...	$ 439.64	...	$ 656.82	$ 711.21
Increase (%)		8.8%	8.7%	8.7%	...	8.5%	...	8.3%	8.3%
Freisland Campina	$ 205.09	$ 225.09	$ 246.69	$ 270.02	...	$ 417.82	...	$ 635.00	$ 689.39
Increase (%)		9.8%	9.6%	9.5%	...	8.9%	...	8.6%	8.6%
LP Transport	$ 276.80	$ 296.80	$ 318.40	$ 341.73	...	$ 489.53	...	$ 706.71	$ 761.10
Increase (%)		7.2%	7.3%	7.3%	...	7.5%	...	7.7%	7.7%
Montefiore New Rochelle	$ 234.06	$ 254.06	$ 275.66	$ 298.99	...	$ 446.79	...	$ 663.97	$ 718.36
Increase (%)		8.5%	8.5%	8.5%	...	8.3%	...	8.2%	8.2%
Paraco Gas	$ 227.60	$ 247.60	$ 269.20	$ 292.53	...	$ 440.33	...	$ 657.51	$ 711.90
Increase (%)		8.8%	8.7%	8.7%	...	8.4%	...	8.3%	8.3%
Westchester L 860	$ 205.21	$ 225.21	$ 246.81	$ 270.14	...	$ 417.94	...	$ 635.12	$ 689.51
Increase (%)		9.7%	9.6%	9.5%	...	8.9%	...	8.6%	8.6%

Scenario 5: RP Eliminates All Adj. Benefits (TVs Only)

0.9% of Contributions Formula

7.50% Return in PYB 2016 and thereafter | 10.0 Thousand Weeks Worked beginning PYB 2017 | Current CBA Contribution Increases PLUS Perpetual 9.5% Annual Contribution Rate Increases[1]



(1)	Plan Year beginning 7/1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
(2)	Asset Return during Year (%)	15.86	3.10	(1.58)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
(3)	Weekly Contribution Rate	203	223	236	250	267	293	321	352	385	422	462	505	553	606	664	727	796	871	954	1,045	1,144	1,253
(4)	Weeks Worked (Thousands)	15.7	13.9	12.6	11.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(5)	Contributions in Plan Year ($M)	3.37	3.28	3.15	2.88	2.68	2.94	3.22	3.52	3.86	4.22	4.63	5.07	5.55	6.07	6.65	7.28	7.97	8.73	9.56	10.47	11.46	12.55
(6)	PYE Credit Balance ($M)	26	25	22	19	15	11	8	5	3	1	(1)	(2)	(3)	(5)	(4)	(3)	(1)	2	5	10	16	23
(7)	Actuarial Value of Assets ($M)	87	91	94	93	91	88	86	84	85	86	86	88	89	92	94	98	102	107	114	122	131	142
(8)	Unit Credit Accd. Liability ($M)	102	107	110	111	112	109	110	110	111	112	112	113	114	115	116	117	118	120	122	125	128	131
(9)	PPA Funded Percentage at 7/1	85%	85%	85%	83%	81%	80%	78%	76%	76%	76%	77%	77%	78%	79%	81%	83%	86%	89%	93%	97%	102%	107%

Notes

1) Effective July 1, 2016, all contributions (and future rate increases, if any) are benefit-bearing.
   See graph for detail regarding assumed rate increases.

Scenario 9: RP Eliminates All Adjustable Benefits

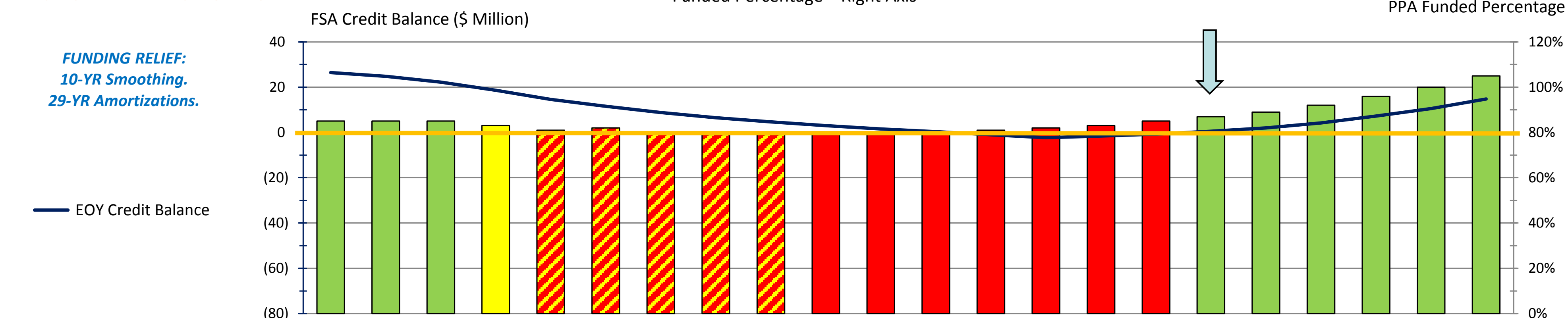
0.9% of Contributions Formula

7.50% Return in PYB 2016 and thereafter | 10.0 Thousand Weeks Worked beginning PYB 2017 | Current CBA Contribution Increases PLUS Perpetual 6.5% Annual Contribution Rate Increases[1]

Contribution Rate Increases in Current CBAs PLUS:
6.5% per year indefinitely beginning PYB 2017 (63% of contracts)
6.5% per year indefinitely beginning PYB 2019 (37% of contracts)

Industry and Local 338 Pension Plan
Funding Standard Account Credit Balance ($Million) = Left Axis
Funded Percentage = Right Axis

Preliminary Market Value of Assets as of 6/30/2016: $84,060,000



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
(2) Asset Return during Year (%)	15.86	3.10	(1.58)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
(3) Weekly Contribution Rate	203	223	236	250	263	285	303	323	344	366	390
(4) Weeks Worked (Thousands)	15.7	13.9	12.6	11.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(5) Contributions in Plan Year ($M)	3.37	3.28	3.15	2.88	2.64	2.85	3.04	3.24	3.45	3.67	3.91
(6) PYE Credit Balance ($M)	26	25	22	19	15	12	9	7	5	3	2
(7) Actuarial Value of Assets ($M)	87	91	94	93	91	88	86	84	84	84	85
(8) Unit Credit Accd. Liability ($M)	102	107	110	111	112	107	107	106	106	106	106
(9) PPA Funded Percentage at 7/1	85%	85%	85%	83%	81%	82%	80%	79%	79%	79%	79%

(1) Plan Year beginning 7/1	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
(2) Asset Return during Year (%)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
(3) Weekly Contribution Rate	415	442	471	502	534	569	606	646	687	732	780
(4) Weeks Worked (Thousands)	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(5) Contributions in Plan Year ($M)	4.16	4.43	4.72	5.03	5.36	5.70	6.07	6.47	6.89	7.34	7.82
(6) PYE Credit Balance ($M)	0	(1)	(2)	(2)	(1)	1	2	4	7	11	15
(7) Actuarial Value of Assets ($M)	85	86	86	87	89	90	92	95	98	102	106
(8) Unit Credit Accd. Liability ($M)	106	105	105	104	104	103	103	102	101	101	101
(9) PPA Funded Percentage at 7/1	80%	81%	82%	83%	85%	87%	89%	92%	96%	100%	105%

Notes

1) Effective July 1, 2016, all contributions (and future rate increases, if any) are benefit-bearing.
   See graph for detail regarding assumed rate increases.

Next Steps

- **Funding Improvement Plan**
  - Adopt Final Design **(No later than May 25, 2017)**
    - Benefit changes - None
    - Future contribution rate increases
  - Draft Plan Amendment
  - Prepare and Distribute Notice to Relevant Parties **(No later than June 24, 2017)**
- **Rehabilitation Plan: Preliminary**
  - Finalize Design
    - Benefit changes
    - Future contribution rate increases

2016 – 2017 Plan Year Timeline

Requirement	Description	Deadline
2016 PPA Certification	90 days into plan year (Endangered); Critical Status projected within 5 years	9/28/2016
2016 Notice of Endangered Status	30 days after actuarial certification of zone status	10/28/2016
Imposition of Surcharges (Critical Status only)	30 days after notice of surcharge is sent to employers (may be later than certification notice)	N/A
Adoption of Funding Improvement Plan	240 days after due date for actuarial certification	5/25/2017
Send FIP Schedules to Bargaining Parties	30 days after adoption of FIP	6/24/2017
Funding Improvement Period Begins	After expiration of contracts covering at least 75% of active participants, not later than first of plan year following second anniversary of adoption of FIP	7/1/2019
Effective Date of Benefit Changes	Only non-411(d)(6) protected benefit changes can be made: Future benefit accruals and ancillary benefits	TBD

2017 – 2018 Plan Year Timeline

Requirement	Description	Target	Deadline
2017 PPA Certification	Certification 90 days into plan year; Projected to be certified as Endangered; with Critical Status projected within 5 years	9/28/2017	9/28/2017
Election to be in Critical Status (Early)	If projected Critical within 5 years: Election to be made no later than 30 days after the Certification Date	10/28/2017 Critical	10/28/2017 (Optional)
Notice of Critical Status Election or Projection	30 days after actuarial certification of zone status	10/28/2017	10/28/2017
2017 Notice of Endangered/ Critical Status	30 days after actuarial certification of zone status	10/28/2017	10/28/2017
Imposition of Surcharges (Critical Status only)	30 days after notice of surcharge is sent to employers (may be later than certification notice)	11/28/2017	TBD
Adoption of Funding Improvement Plan or Rehabilitation Plan	240 days after due date for actuarial certification	10/28/2017	Early as 5/25/2018
Send FIP/RP Schedules to Bargaining Parties	30 days after adoption of FIP/RP	11/28/2017	6/24/2018
Funding Improvement or Rehabilitation Period Begins	After expiration of contracts covering at least 75% of active participants, not later than first of plan year following second anniversary of adoption of FIP/RP	RP 7/1/2020	7/1/2019 (if FIP) 7/1/2020 (if RP)
Effective Date of Benefit Changes	Adjustable benefits may be eliminated for eligible participants	TV: 7/1/2017 Active: CBA Renewal	TBD

Appendix

Historical Contribution Rates by Contract

Employer	Base Rate	2009	2010	2011	2012	2013	2014	2015	2016	2016 ÷ Base
		As of Plan Year Ending								
College of New Rochelle	$ 110.44	$ 118.44	$ 130.40	$ 143.60	$ 158.00	$ 174.00	$ 174.00	$ 174.00	$ 174.00	158%
Crowley LaFargeville	130.00	140.00	154.00	169.00	186.34	204.97	225.47	248.00	272.79	210%
Culinart	108.44	116.44	128.08	141.08	154.98	170.48	187.53	206.28	226.91	209%
Freisland Campina	100.12	110.12	121.13	133.25	146.57	161.23	177.35	195.09	205.09	205%
LP Transport	160.00	160.00	160.00	176.00	192.00	208.00	228.80	251.60	276.80	173%
Montefiore New Rochelle	120.12	132.12	145.33	159.86	175.85	193.44	212.78	234.06	234.06	195%
Paraco Gas	124.00	132.00	140.00	148.00	156.00	172.00	188.00	206.80	227.60	184%
Westchester L860	130.15	140.15	154.17	169.59	186.55	205.21	205.21	205.21	205.21	158%

Notes

1. Effective July 1, 2016, all contributions (and future rate increases, if any) are benefit-bearing.

Benefit Example – 30 Year Service

Early Retirement and Form of Payment Subsidy

		Partic Age	Spouse Age	
DOB	10/22/1955			
Last Day Wkd	8/23/2016	60.83	58.92	
Annuity Start Date	11/1/2016	61.00	59.08	
Spouse DOB	9/2/1957			
Accrued Benefit	Pre 7/1/1997	338.110		
	Post 6/30/1997	2,361.57	1,656.98	to 7/1/2010
			704.59	after 7/1/2010
	Total	**2,699.68**		

30 year Service Pension

4 Years Early

	Current Plan			Full Actuarial Equivalent			Change	
		Table Factor			Actuarial Equivalent		Increase / (Decrease)	% Increase / (Decrease)
Early Retirement Factor		0.95			0.647			
Pre 7/1/2010		N/A			N/A			
Post 6/30/2010		N/A			N/A			
Early Retirement Benefit		**2,564.70**	**120 mo guar**		**1,746.69**	**Single life**	N/A	N/A
Form of Payment:	Factor	Member Benefit	Spouse Benefit	Factor	Member Benefit	Spouse Benefit	$ Increase (Decrease)	% Increase (Decrease)
120 Months Guaranteed	**1.000**	**2,564.70**	**N/A**	**0.943**	**1,647.53**	**N/A**	**(917.17)**	**36%**
50% J&S	0.930	2,385.17	1,192.59	0.918	1,602.91	801.46	(782.26)	33%
75% J&S	1.000	2,564.70	1,923.53	0.901	1,573.09	1,179.82	(991.61)	39%
100% J&S	0.934	2,395.43	2,395.43	0.884	1,544.36	1,544.36	(851.07)	36%
Single Life Annuity	N/A	N/A	N/A	1.000	1,746.69	N/A	N/A	N/A

Benefit Example – Age 55 & 15 Pension Credits

Early Retirement and Form of Payment Subsidy

		Partic Age	Spouse Age	
DOB	10/22/1955			
Last Day Wkd	8/23/2016	60.83	58.92	
Annuity Start Date	11/1/2016	61.00	59.08	
Spouse DOB	9/2/1957			
Accrued Benefit	Pre 7/1/1997	338.110		
	Post 6/30/1997	2,361.57	1,656.98	to 7/1/2010
			704.59	after 7/1/2010
	Total	**2,699.68**		

Early Retirement Pension (Age 55 & 15 Pension Credits)

4 Years Early

		Current Plan				Full Actuarial Equivalent		Change	
		Table Factor				Actuarial Equivalent		Increase / (Decrease)	% Increase / (Decrease)
Early Retirement Factor		N/A				0.647			
	Pre 7/1/2010	0.920				N/A			
	Post 6/30/2010	0.760				N/A			
Early Retirement Benefit		**2,370.97**	**120 mo guar**			**1,746.69**	**Single life**	N/A	N/A

Form of Payment:	Factor	Member Benefit	Spouse Benefit	Factor	Member Benefit	Spouse Benefit	$ Increase (Decrease)	% Increase (Decrease)
120 Months Guaranteed	**1.000**	**2,370.97**	**N/A**	**0.943**	**1,647.53**	**N/A**	**(723.44)**	**31%**
50% J&S	0.930	2,205.00	1,102.50	0.918	1,602.91	801.46	(602.09)	27%
75% J&S	1.000	2,370.97	1,778.23	0.901	1,573.09	1,179.82	(797.88)	34%
100% J&S	0.934	2,214.49	2,214.49	0.884	1,544.36	1,544.36	(670.13)	30%
Single Life Annuity	N/A	N/A	N/A	1.000	1,746.69	N/A	N/A	N/A

Endangered Status: Funding Improvement Plan (FIP)

- **Funding Improvement Plan**
  - Must be adopted by Trustees within 240 days after due date of certification of Endangered Status
  - Trustees present the bargaining parties with one or more schedules of contribution increases and cuts in future benefit accruals, as needed to achieve the FIP goals
    - FIP Goal:
      - The Plan's underfunding improves by one-third by the end of the 10-year Funding Improvement Period
        - ***Roughly 83% + (100% - 83%) / 3 = 89% by June 30, 2029***
      - Credit Balance may not be negative in the last year of the Funding Improvement Period
        - Excise taxes may be imposed if there is a negative credit balance during the Funding Improvement Period
    - Schedules include:
      - One schedule with reductions in the amount of future benefit accruals before contribution increases are required (Default Schedule)
      - One schedule with contribution increases without reduction in future benefit accruals
      - Alternative schedule with other benefit and contribution changes
      - Changes to future benefits requires 204(h) Notice 15 days prior to the effective date of the change

Endangered Status: Funding Improvement Plan

- **Funding Improvement Plan**
  - Imposition of Default Schedule
    - For a contract in effect with the plan entered endangered status, Trustees can impose the Default Schedule if a FIP schedule is not adopted within 180 days of the expiration of the contract.
  - Other Restrictions:
    - During the Funding Plan adoption period, the Trustees cannot:
      - Accept a contract that calls for a reduction in the level of contributions for any participants, suspension of contributions for any period of service, or a new exclusion of a group of participants. or
      - Amend the Plan to increase benefits or change the rate at which benefits vest unless required by law.
    - Contribution increases required by a FIP that are effective for plan years beginning after December 31, 2014 are not included for purposes of determining withdrawal liability or withdrawal liability payment amounts.

Critical Status: Requirements

- **Benefit Restrictions**
  - The Plan may not pay lump sums or other accelerated payment forms
- **Surcharges**
  - Automatic Employer Contribution Surcharges are effective 30 days after Notice of Surcharges sent to bargaining parties
  - Surcharges equal 5% for the initial plan year of Critical Status, and 10% for the second and later plan years
  - Surcharges are NOT benefit bearing
  - Surcharges cease to apply upon adoption of RP schedule

Critical Status: Rehabilitation Plan (RP)

- **Rehabilitation Plan**
  - Must be adopted by Trustees within 240 days after due date of certification of Critical Status
  - Trustees present the bargaining parties with one or more schedules of contribution increases and cuts in future benefit accruals, as needed to achieve the RP goals
    - RP Goals:
      - Benefit changes and contribution increases such that the Plan is expected to emerge from Critical Status by the end of the 10-year Rehabilitation Period
      - ***<u>Positive Credit Balance projected for current and 9 additional years</u>***
        - Credit Balance may be negative during the Rehabilitation Period
        - Protection from excise tax as long as the Plan is making progress under the terms of the RP
      - Alternatively, declare “All Reasonable Measures”
    - Schedules include:
      - One schedule with reductions in the adjustable benefits before contribution increases are required. Future benefit accruals can be reduced to the lower of 1% of contributions or the current accrual rate (Default Schedule)
      - Alternative schedules with other benefit and contribution changes

Critical Status: Rehabilitation Plan

- **Rehabilitation Plan**
  - Imposition of Default Schedule
    - For a contract in effect with the plan entered Critical Status, Trustees can impose the Default Schedule if a RP schedule is not adopted within 180 days of the expiration of the contract.
  - Other Restrictions:
    - During the Rehabilitation Plan adoption period, the Trustees cannot:
      - Accept a contract that calls for a reduction in the level of contributions for any participants, suspension of contributions for any period of service, or a new exclusion of a group of participants. or
      - Amend the Plan to increase benefits or change the rate at which benefits vest unless required by law.
    - Contribution increases required by a RP that are effective for plan years beginning after December 31, 2014 are not included for purposes of determining withdrawal liability or withdrawal liability payment amounts.

Critical and Endangered Status: RP and FIP

- **Annual Updates**
  - Each year, the Trustees must review (and may need to update) the Funding Improvement or Rehabilitation Plan
  - Once the Funding Improvement or Rehabilitation Period begins, the actuary must certify whether the Plan is making "scheduled progress"
    - Form 5500: Progress as of the end of the plan year is reported
    - Annual Certification: the actuary certifies progress as of the beginning of the plan year
    - Consequences of no progress: Excise tax on accumulated funding deficiency if certified as not making progress for three years in a row

Projection Assumptions and Methods

- **Unless otherwise stated, the projection assumptions, methods, data and plan provisions used are the same as those used for the July 1, 2016 actuarial valuation and assume no future liability gains or losses.**
- **PPA continues in its current form, as amended by MPRA**
- **Investment Returns**
  - 7.50% per year beginning 7/1/2017, net of investment-related expenses, unless otherwise noted
- **Level Covered Employment in All Future Years**
  - 243 active participants (1,900 hours or 47.5 weeks per active participant), unless otherwise noted
- **Operating Expenses**
  - $375,000 for the plan year beginning July 1, 2016, increasing 3.0% per year
- **Contribution Rate Increases**
  - As required by current Collective Bargaining Agreements, unless otherwise noted:
    - 37% of hours worked under 3-year contracts beginning in 2017 (Paraco & LaFargeville)
    - 63% of hours worked under 3-year contracts beginning in 2016 (All Other Employers)
- **Plan changes**
  - None, unless otherwise noted
- **Other assumptions could produce different results.**

Data, Assumptions, Methods and Provisions

Please refer to the Appendix of Horizon Actuarial Services February 16, 2017 Valuation Presentation for more detail.

Actuarial Certification

We have prepared this actuarial report for use by the **Industry & Local 338 Pension Plan** (the "Plan"). This report has been prepared solely for the benefit of the Plan, and it is not complete without the accompanying discussion with a representative of Horizon Actuarial Services, LLC. This report should not be distributed to others not affiliated with the Plan or relied upon by any other person without prior written consent from Horizon Actuarial Services, LLC.

In preparing this report, we have relied on all the information and data provided by the Plan, including plan provisions and asset information, as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information provided, but we have reviewed the data for reasonableness to the extent that we believe appropriate based on the purpose for which it has been used.

The analysis contained in this report may involve actuarial calculations. Actuarial calculations require that we make assumptions about future events. We have used assumptions that we believe are reasonable and appropriate for the purpose for which they have been used. Other assumptions may also be reasonable and could result in substantially different results. Because it is not possible or practical to model all aspects of a situation, we may use summary information, estimates, or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are immaterial in our judgment.

Future events and actual experience will vary from any assumptions we have used, and calculations prepared with actual data will vary from estimates or summaries used for modeling purposes. Actual future results will differ from our projections. As these differences arise, contributions and/or benefits may need to be adjusted to take these changes into account.

In our opinion, any methods, assumptions, and calculations are in accordance with the applicable provisions of the Internal Revenue Code and ERISA, and the procedures followed and presentation of results conform with generally accepted actuarial principles and practices. The undersigned consultants of Horizon Actuarial Services, LLC with actuarial credentials meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the Plan and Horizon Actuarial Services, LLC that affects our objectivity.

Stanley I. Goldfarb, FSA, EA, MAAA
Actuary and Managing Consultant

Mary Ann Dunleavy

Mary Ann Dunleavy, ASA, EA, MAAA
Consulting Actuary

Anthony M. Ghabour, EA, MAAA
Consulting Actuary

Horizon
Actuarial Services, LLC

Industry & Local 338 Pension Plan

November 20, 2020

Discussion

- Benefit Accrual Description
- July 1, 2019 Distribution of Active Participants
- July 1, 2019 Contribution Margin
- Select Projection Graphs reviewed at September 22, 2019 Board Meeting

Benefit Accrual

The monthly amount of the Regular Pension is equal to:

Pension Credits earned (To a Maximum of 35)	Benefit Accrual per Pension Credit
After 6/30/2016	0.9% of total contributions
7/1/2010 – 6/30/2016	$37.00 per $1 of hourly contribution rate
7/1/1997 – 6/30/2010	$49.00 per $1 of hourly contribution rate
prior to 7/1/1997	Accrued Benefit based on prior plan formula • increased by 20.75% if active at 7/1/1997 • increased by 15.0% if inactive vested at 7/1/1997

For Pension Credits earned between September 28, 2006 and June 30, 2016, special supplemental contributions are not be included in the calculation of benefits.

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Appendix A: Additional Exhibits

Exhibit A.2 - Distribution of Active Participants

Measurement Date: July 1, 2019 [Form 5500 Sch. MB, Line 8b(2)]

Years of Credited Service

Age	Under 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 +	Total
Under 25	-	13	-	-	-	-	-	-	-	-	13
25 - 29	-	18	2	-	-	-	-	-	-	-	20
30 - 34	-	8	5	7	1	-	-	-	-	-	21
35 - 39	-	4	5	10	6	-	-	-	-	-	25
40 - 44	-	8	5	3	6	1	-	-	-	-	23
45 - 49	-	4	3	10	4	6	-	-	-	-	27
50 - 54	-	7	6	5	6	5	1	2	-	-	32
55 - 59	-	5	6	6	2	6	-	3	-	-	28
60 - 64	-	5	3	7	2	4	3	4	2	3	33
65 - 69	-	1	-	-	1	1	-	-	-	-	3
70 +	-	-	1	-	-	-	-	-	-	-	1
Total	-	73	36	48	28	23	4	9	2	3	226

Males	201
Females	25
Unknown	0
Total	226

Average Age	45.8
Average Credited Service	11.4
Number Fully Vested	157
Number Partially Vested	0

7/1/2019
Eligible for Svc 35 = 5
Possible grow-in = 110

Notes

- As of July 1, 2019, there were no active participants with unknown dates of birth in the data.
- As of July 1, 2019, there were no active participants with unknown gender.
- Active participants who have not accumulated at least one pension credit as of the valuation date have been excluded from the valuation.

Contribution Margin

Preliminary Valuation Results as of July 1, 2019

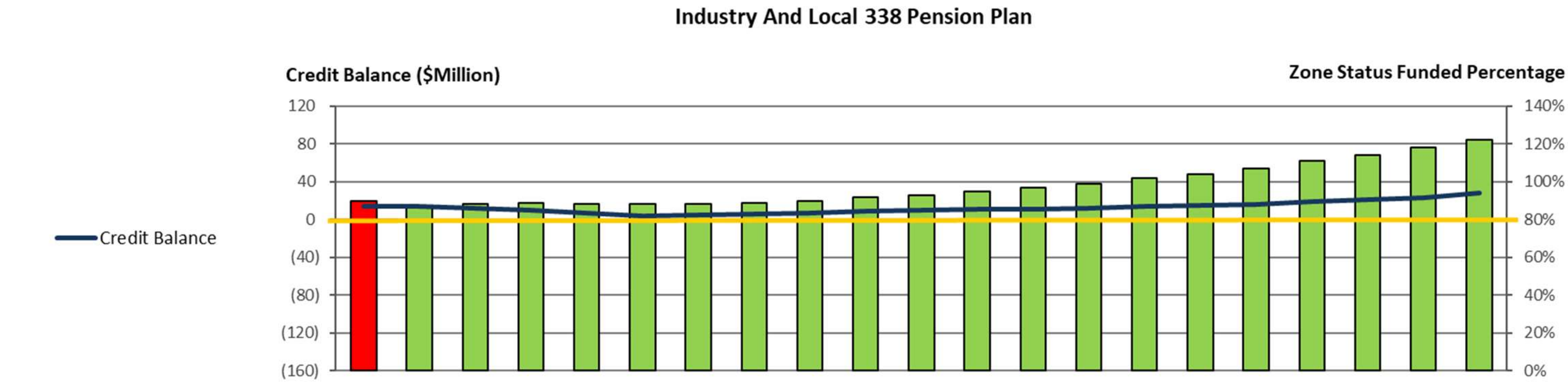
Measurement Date	July 1, 2019				July 1, 2018				July 1, 2017			
Interest Rate	7.25%				7.50%				7.50%			
A. Unfunded Actuarial Accrued Liability												
1. Actuarial Accrued Liability	$	105,859,803			$	102,392,918			$	113,387,634		
2. Actuarial Value of Assets		92,690,250				92,666,162				93,057,325		
3. Unfunded Liability	$	13,169,553			$	9,726,756			$	20,330,309		
B. Actuarial Cost												
1. Normal Cost			Per Week				Per Week				Per Week	
a. Cost of Benefit Accruals	$	1,016,240	$	91.55	$	971,467	$	83.03	$	1,312,921	$	112.22
b. Assumed Operating Expenses		375,000		33.78		375,000		32.05		375,000		32.05
c. Total	$	1,391,240		125.34	$	1,346,467		115.08	$	1,687,921		144.27
2. Unfunded Liability Amortization Payment		1,832,665		165.10		1,370,554		117.14		2,864,653		244.84
3. Total Actuarial Cost for Plan Year	$	3,223,905		290.44	$	2,717,020		232.22	$	4,552,574		389.11
Amortization Period		10				10				10		
C. Expected Employer Contributions												
1. Expected Weeks		11,100				11,700				11,700		
2. Average Contribution Rate per Week	$	302.62			$	274.36			$	261.13		
3. Expected Contributions	$	3,359,082			$	3,210,012			$	3,055,221		
Unfunded Amortization Contribution			$	1,967,842			$	1,863,545			$	1,367,300
Unfunded Amortization Period (years)				8.70				6.26				Perpetuity
D. Contribution Margin												
1. Contribution Margin for Plan Year	$	135,177			$	492,992			$	(1,497,353)		
2. Contribution Margin per Week	$	12.18			$	42.14			$	(127.98)		

1) The actuarial costs in B. above include an include interest adjustments to reflect payments throughout the year.
2) The July 1, 2019 information reflects the new interest rate assumption of 7.25% whereas prior information is based on the old 7.50% assumption.

Funding Policy Reflected

1.82% Return PYB 2019; 7.25% Return PYB 2020+ | 10,000 Weeks Worked beginning PYB 2020 |

Contribution Increases required by the Funding Policy



Plan Year Beginning 7/1	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
(1) Investment Return (%)	4.81	1.82	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
(2) Weeks Worked(Thousands)	11.9	10.3	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
(3) Weekly Contribution Rate ($)	274	303	317	328	337	346	356	366	376	387	397	409	420	432	444	457	470	483	497	511	526
(4) Contributions+EWL Payments($M)	3.4	5.6	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.3	4.4	4.6	4.7	4.8	5.0	5.1	5.3
(5) Actuarial Value of Assets ($M)	93	93	94	94	94	93	92	93	94	95	97	98	100	102	104	107	110	113	117	121	126
(6) Zone Status Liability ($M)	102	106	106	106	106	105	105	104	104	104	103	103	103	102	102	102	102	102	102	102	103
(7) Credit Balance ($M)	14	14	12	10	7	4	5	6	7	9	10	11	11	12	14	15	16	19	21	24	28
(8) Zone Status Funded Percentage	90%	87%	88%	89%	88%	88%	88%	89%	90%	92%	93%	95%	97%	99%	102%	104%	107%	111%	114%	118%	122%

Notes

1) Effective July 1, 2016, all contributions (and future rate increases, if any) are benefit-bearing. See graph for detail regarding assumed rate increases.
2) Benefit changes made by the RP are reflected beginning in the July 1, 2018 plan year.

Projection Roadmap 7.25% Discount Rate

Scenario	Investment Return PYB 2019 / PYB 2020 / PYB 2021+	Weeks Worked PYE 2019 / PYE 2020+	Projected 6/30/2021 Market Value of Assets	Projected Zone Status 2021-2022	Projected Status Reflecting the Funding Policy
Certification Basis: Contribution Rates Included in Current Collective Bargaining Agreements					
Baseline July 1, 2020 PPA Certification	1.82% / 7.25% / 7.25%	10,300 / 10,000	$90.5M	Green	Funding Policy (3%/year) provides increasing F%, F% = 122% 7/1/2038
2021 Basis: Anticipated Contribution Rates Negotiated in Upcoming Collective Bargaining Agreements 7/2020-6/2021					
A Low ROA That Results in Non-Green 2021	1.82% / -4.00% / 7.25%	10,300 / 10,000	$80.8M	Yellow	Funding Policy (3%/year) provides increasing F%, 7/1/2038 Red F% = 90%
B High ROA For 2020-2021	1.82% / 14.50% 7.25%	10,300 / 10,000	$96.9M	Green	Funding Policy (3%/year) provides increasing F%, 7/1/2038 Green F% = 142%

Other assumptions may be reasonable and could produce different results. Other risks can negatively impact the funded status of the plan such as participants living longer than assumed. Additional scenarios available upon request.

Data, Assumptions, Methods and Provisions

- **Please refer to**
  - Plan Document Restated 7-1-2014
  - Amendment 1 (Benefit Accrual Change, effective 7/1/2016)
  - Amendment 2 (Rehabilitation Plan, benefit changes effective 1/1/2018)
  - Horizon Actuarial Services July 1, 2019 Actuarial Valuation Report
  - September 22, 2020 Presentation to the Board