

## AGENDA

### WASHOE COUNTY, NEVADA OPEB TRUST FUND BOARD OF TRUSTEES

August 10, 2012 at 10:00 a.m.

Room A-120 (Human Resources Large Conference Room)  
Washoe County Administrative Complex, Building A  
1001 E. 9th Street - Reno, Nevada 89512

**NOTE:** Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another later meeting; moved to or from the Consent section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Items listed in the Consent section of the agenda are voted on as a block and will not be read or considered separately unless removed from the Consent section.

Facilities in which this meeting is being held are accessible to the disabled. Persons with disabilities who require special accommodation or assistance (e.g. sign language, interpreters or assisted listening devices) at the meeting should notify the Washoe County Manager's Office at 328-2000, 24 hours prior to the meeting.

**Time Limits.** Public comments are welcomed during the Public Comment periods for all matters, whether listed on the agenda or not, and are limited to two minutes per person. Additionally, public comment of two minutes per person will be heard during individual action items on the agenda. Persons are invited to submit comments in writing on the agenda items and/or attend and make comment on that item at the Trustee's meeting. Persons may not allocate unused time to other speakers.

**Forum Restrictions and Orderly Conduct of Business.** The Washoe County OPEB Trust Board of Trustees conducts the business of the OPEB Trust Fund during its meetings. The presiding officer may order the removal of any person whose statement or other conduct disrupts the orderly, efficient or safe conduct of the meeting. Warnings against disruptive comments or behavior may or may not be given prior to removal. The viewpoint of a speaker will not be restricted, but reasonable restrictions may be imposed upon the time, place and manner of speech. Irrelevant and unduly repetitious statements and personal attacks which antagonize or incite others are examples of speech that may be reasonably limited.

**Responses to Public Comments.** The Board of Trustees can deliberate or take action only if a matter has been listed on an agenda properly posted prior to the meeting. During the public comment period, speakers may address matters listed or not listed on the published agenda. The Open Meeting Law does not expressly prohibit responses to public comments by the Board. However, responses from Trustees to unlisted public comment topics could become deliberation on a matter without notice to the public. On the advice of legal counsel and to ensure the public has notice of all matters the Board of Trustees will consider, Trustees may choose not to respond to public comments, except to correct factual inaccuracies, ask for staff action or to ask that a matter be listed on a future agenda. The Board may do this either during the public comment item or during the following item: “\*Commissioners’/Manager’s Announcements, Requests for Information, Topics for Future Agendas and Statements Relating to Items Not on the Agenda”.

This Agenda for the meeting has been posted at the following locations: Washoe County Administration Building (1001 E. 9th Street, Bldg. A), Washoe County Courthouse-Clerk's Office (Court and Virginia Streets), Washoe County Downtown Reno Library (301 S. Center Street), Sparks Justice Court (630 Greenbrae Drive) and on the Washoe County Website at [www.washoecounty.us/finance/OPEB.htm](http://www.washoecounty.us/finance/OPEB.htm).

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Supporting documentation for items on the Agenda provided to the Washoe County, Nevada OPEB Trust Board members is available for viewing by members of the public at the Washoe County Comptroller's Office, 1001 E. 9<sup>th</sup> Street, Room D-120 Reno, Nevada.

All items numbered or lettered below are hereby designated **for possible action** as if the words "for possible action" were written next to each item (NRS 241.020). An item listed with asterisk (\*) is an item for which no action will be taken.

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- \* 1. Roll call.
- \* 2. Public Comments. Comments heard under this item will be limited to two minutes per person and may pertain to matters both on and off the Board of Trustee's agenda. The Board will also hear public comment during individual action items, with comment limited to two minutes per person. Comments are to be made to the Board as a whole.
- 3. Approval of minutes from the April 26, 2012 meeting.
- \* 4. Review preliminary financial results and investment status for fiscal year 2011/2012.
- 5. Review and approval of claims and reimbursements to employers through June 30, 2012.
- \* 6. Discussion and updates on the status of actuarial reports for the Trust's plans.
- 7. Discussion and possible action to approve proposed fiscal year 2012/2013 budget.
- 8. Discussion and possible action for the approval to charge the Trust for administrative support and supplies using County service cost allocations instead of direct-time charges.
- 9. Discussion and possible action on planned transfers to the State of Nevada Retiree Benefit Investment Fund.
- 10. Discussion and possible action to amend administrative procedures for approval of claims between meetings.
- 11. Discussion and possible action to seek other vendor proposals for audit services for fiscal year 2012/2013, and, if approved, direction to staff for possible inclusion in the County's RFP for audit services.
- \* 12. Update and discussion on Sierra Fire and Truckee Meadow Fire Protection Districts merger and possible impact to the Trust.
- \* 13. Discuss the process used by Health Benefits to identify retirees who have expired, or who should no longer receive health benefits payments.

- \* 14. Trustee's/Staff Announcements, Requests for Information, Topics for Future Agendas, Statements relating to Items not on the Agenda and any ideas and suggestions for greater efficiency, cost effectiveness and innovation in providing for the benefits of Washoe County, Nevada OPEB Trust Participants in accordance with the Benefit Plans. (No discussion on this item will take place among Trustees.)
  - \* 15. Public Comments. Comments heard under this item will be limited to two minutes per person and may pertain to matters both on and off the Board of Trustee's agenda. The Board will also hear public comment during individual action items, with comment limited to two minutes per person. Comments are to be made to the Board as a whole.
16. Adjourn

**BOARD OF TRUSTEES, WASHOE COUNTY, NEVADA OPEB TRUST FUND**

**THURSDAY, APRIL 26, 2012, 9:00 A.M.**

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**Present:**

John Sherman, Chairman  
Sheri Mendez, Trustee  
Trish Gonzales, Trustee

**Staff:**

Cynthia Washburn, Chief Deputy Comptroller  
Mary Solorzano, Senior Accountant  
Sandra McGarva, Secretary  
Terrance Shea, Legal Counsel

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The Board convenes in regular session at approximately 9:05 a.m. at the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, Building C, Room C110. Roll is called, all Trustees are present. It is noted for the record that Mary Walker of Walker and Associates is also in attendance.

**Public comment.**

There is no public comment.

**Approve minutes from January 26, 2012 meeting.**

There are no changes to the minutes as transcribed from the January 26, 2012 meeting. Trustee Mendez moves to approve the minutes of January 26, 2012. Trustee Gonzales seconds the motion. No objections are raised and the motion carries.

**Unfinished business:**

Take action to appoint Chairperson and Vice Chairperson of the OPEB Trust Board of Trustees.

Chairman Sherman states he requested this be placed on the Agenda for this meeting as he felt it appropriate to have all members present for the Chair/Vice Chair appointments.

There is discussion. Trustee Mendez moves to appoint John Sherman as Chairperson, and Trish Gonzales as Vice Chairperson. Trustee Gonzales seconds the motion. All are in favor. The motion carries.

**Review and approve Plan expenses for the quarter ended March 31, 2012 and authorize reimbursement to Washoe County for retiree health plan expenses.**

Ms. Washburn guides discussion to page 7 of the Trustees' packet, indicating that final amounts for Plan expenses are typically a month in arrears. She states the figures shown indicate what Washoe County has incurred for the two Plans (Washoe County RHBP and Washoe County PEBP) through March 31, 2012. She points out that the summary of Plan expenses includes previous reimbursements to the County as a reference. Staff is seeking approval to reimburse \$2.9 million to Washoe County.

Chairman Sherman asks if this is for all members of the Plan, or is it just Washoe County. Ms. Washburn explains at the current time, Washoe County's two plans are administering the Plans and requesting reimbursement. The fire units are directly paying their retiree costs out of the Trust. They are not administering their plans separately, but actually using the Trust funds to reimburse their employees.

Trustee Gonzales asks for clarification on the Federal grant reimbursements noted on the sheet, and Ms. Solorzano explains those are primarily health care/Medicare reimbursements.

Trustee Mendez asks how the \$9 million in the Washoe County RHBP compares with last year's YTD. Ms. Washburn responds that at the nine-months mark last year, Washoe County's Plan had \$8.3 million. It is noted that while we're a little higher right now, until the lag time in getting the numbers is caught up, this may not reflect a true full-year trend.

There is discussion. It is confirmed that the Trustees would like to see comparatives in the financial statements of future Plan financial summaries/reviews.

Trustee Gonzales moves to authorize the reimbursement of Plan expenses in the amount of \$2,948,664.71. Trustee Mendez seconds the motion. All are in favor, motion carries.

**Approve Kafoury, Armstrong and Company as auditors for the fiscal year ending June 30, 2012.**

Chairman Sherman states that he has seen the contract and noted that the fee is slightly higher than last year. It is explained that the contract is worded, "not to exceed" \$6,000, which is up by \$500 from the prior year.

Trustee Mendez requests that we ask for other vendor proposals for next year's audit. Chairman Sherman asks if the County will be seeking other vendor proposals next year for their audit/CAFR, and it is confirmed that they will. He asks if it would be appropriate to bundle that together, or is it preferred that there be separate auditors.

The Comptroller confirms that she does not believe we would require the same auditor, so we could combine the request for quote, but keep PEBP separate. Trustee Mendez states her thoughts are that we're [OPEB Trust] not getting a big discount when we consider that the claims are all audited through the County's audit, conveying their price is a little steep. She'd like to see them bid on individual pieces so we can include it in the County's audit fee but do it as a separate proposal.

Trustee Gonzales agrees with the scrutiny of the fee, stating that a greater discount should be offered since they are already auditing the information when they perform the County's audit, so the work is nearly done in one job. Ms. Solorzano confirms that yes, it is intimately associated with "her favorite Note in the CAFR." There is more discussion. Chairman Sherman states we could probably take that up under Item #10, even though it's not an action item or on the Agenda, Trustee Mendez can suggest that it be a future Agenda Item.

Trustee Mendez moves to approve the engagement agreement from Kafoury Armstrong and Company to audit the OPEB financial statements for the FYE 2012. Trustee Gonzales seconds the motion. All are in favor, the motion carries.

**Review financial results through March 31, 2012.**

Mary Walker is recognized from the Chair, and Chairman Sherman states he noticed that on the financials, TMFPD is just drawing down from the assets to pay claims. He notes that the total net assets didn't change a whole lot, and asks if Ms. Walker can talk about that activity.

Ms. Walker responds, stating that they've placed transfers from the Truckee Meadows or Sierra Fire Protection Districts to the OPEB Trust on hold, waiting until the final negotiations with the City are finalized. She adds that they did finalize it today, but they [Reno] did not accept the \$1.2 for automatic aid. Part of the offer was that they would assume the liability for the former 10 employees' OPEB liability. Currently, in the agreement and that is memorialized, if we terminate we still have to pay the City of Reno for retiree health for the former 10 employees based upon years of service. So right now the City of Reno pays 50% of our liability. Because they didn't accept the agreement, that will remain.

Chairman Sherman asks if Reno can do a pay-as-you-go method for their part of the liability. Ms. Walker states they are not prefunding anyway. Chairman Sherman states that even though many of these people may no longer even work there because they have to downsize their workforce, they will still be required to pay that obligation. An offer from TMFPD was to pay 100%, regardless as to whether those former employees came back to TMFPD or retired or whatever. Ms. Walker states that approximately 40 people have retired, 97 transferred over to Reno, about 40 of them have retired or have terminated, and there's about 40+ left. This year Reno's paying about \$90,000, which is a rough estimate for what the City of Reno will pay for those TMFPD employees, based upon years of service and each one calculated out. The agreement commits us to take over that \$90,000 per year, plus we're going to be hiring Reno employees, so they're going to be either old TMFPD employees or not, most of them are not, we would accept their future retiree health liability. So now what we have to do is see how many people from Reno will actually come over to TMFPD.

Chairman Sherman asks if it is known when the Reno people will move over, and Ms. Walker explains the process will begin in mid May when they'll start to make offers. She adds that the City of Reno has asked for an ARRA grant to hire 70 firefighters. Ms. Walker states that phone calls to Washington DC and other research discloses that governments are not going after those grants because they come with a tail: a two-year grant will fund the payroll for new-hires, and then the government agency must pick up the tab from there going forward. In the case of the City of Reno, it's nearly \$7 million. She clarifies the information by explaining that the City will get the grant to hire 70 people they must retain for no less than two years. The obligation requires that none of those employees who were hired through the ARRA grant are subject to lay-off, or the grant must be paid back by the City. Ms. Walker suggests further that if the grant goes through, the firefighters will most likely stay with the City because they'll get paid up to 7% over regional parity, and TM is at regional parity.

There is discussion. Summarizing the matter, there are still some unknowns in terms of the retiree health benefits liability for Truckee Meadows. Ms. Walker states that the Sierra Fire employees have finalized negotiations and that Truckee Meadows was given pretty much what they needed to be sustainable.

One of the things they did when they moved those employees from the State in 2006, was to allow the retiree health benefits the State had been providing to continue, because that was one of the few State benefits that they actually gave at the time, and TM didn't want to eliminate their benefits. So since 2006 they've had this group of employees – and now with the Sierra Fire employees coming over to TM – who have been hired since 2006 through 08/01/12 (about 11 of them), who will go into the retiree health plan. Once the transition has taken place, TM will cut it off again and exempt new employees from the RHBP. The net effect is about 4 or 5 people will have what was provided when the move took place in 2006.

Ms. Walker also advises that she has spoken to John Botsford and he is going to start the County's actuary first and then do Fire; she'll start him on SF at the end of the month.

At this point, Chairman Sherman opens for discussion items 8 and 9 of the Agenda, "Discussion of preliminary projections and budget for fiscal years 2011/2012 and 2012/2013," and "Status of actuarial reports for the current fiscal year," respectively, as relative questions and current discussion follow those topics.

Trustee Mendez asks, with regard to the contract between Truckee Meadows and Sierra Fire, will Sierra Fire retain the retiree health liability? Ms. Walker confirms this is correct. It is asked, then, if this means that Sierra Fire will still continue to be a Plan within the OPEB Trust. Ms. Walker states that it does, and the reason that it does is because at this point only operations and administration have been merged and not actual governments.

It is clarified that TM would not be absorbing that liability. Ms. Walker advises further that they are planning to expand the boundaries of TM to consume and eliminate SF as of July 1, 2013. It would have been this July, but with legal and all the other things that needed to be done, they couldn't get there.

Trustee Mendez states we will need to have our Trustee legal counsel advise on how to close out that Trust and merge it and make sure that we get all the agreements between TM and SF when the two are merged.

Chairman Sherman asks if the legal mechanics of doing that are fairly straightforward. Ms. Walker states the District Attorney has opined that there is a section with respect to dissolving 474 districts, but there's also other sections indicating that the County Commissioners have the legal authority to establish and terminate 474 districts, based upon boundaries.

There is discussion and it is noted that recent laws to improve transparency and disclosure have been passed requiring more steps the governments must go through when one is taking over for another one. It is noted many of the same issues prevailed in the TMWA merger, as well.

There is further discussion with regard to assumptions, as it is not known which way the fire districts will go. Chairman Sherman inquires if the County Commission is aware of both the ETC number and the fiscal year 2013 preliminary, and if they've weighed in on that?

It is noted they've been advised and considered the budget, which includes both of those numbers. Chairman Sherman asks if we are still at the \$22 million (at the arc), and it is confirmed that the actuarial done at the roll-forward is at \$22 million.

Preliminary Budget Assumptions for FY13 for discussion. Ms. Washburn distributes a discussion sheet for preliminary budget assumptions for FY13. She states that she printed out where we were last year as far as our actuarial. She believes Botsford is working on all of the actuaries, because those that weren't actually required still had some impact changes. She adds that we would have been required in any event to do the PEBP and the FPDs, but we are looking at getting some additional assumptions around the Washoe County Plan.

Trustee Mendez states that's in preparation of the 12/13 Budget. We have the roll-forward already for the 10/11, but he includes the 12 in there, so we'll have to have him update the roll-forward to get at the actuarial.

She explains further that he's working on it now, that some final rates he was waiting for were obtained on Tuesday, so he has a lot of the work done. It is possible that we could have that early next week.

Trustee Mendez adds there are some key assumptions she should share, disclosing that she advised the actuary that ours is a closed plan now with no more new entrants. Right now, however, we do our actuarial valuation on an open basis and in his opinion it should be done on a closed basis. She clarifies, stating that on an open basis it is basically like a 30-year mortgage, and every year you refinance, but now he's saying that since we won't have any new entrants we should probably close that off. There is discussion.

It is noted that it is likely going to increase our arc in the first year, but instead of seeing it spike, where every year it's going to climb, and then it should level off every year because – people expire. And it starts to close.

There is discussion.

[Mr. Shea arrives at meeting, 9:45 a.m.]

Chairman Sherman asks Trustee Mendez if she'll send an electronic copy of that information when it is available to the Trustees and Ms. Walker.

Ms. Walker states that on the FPD side, it is really difficult to get the information as to who actually has passed away. There is discussion. It is noted that often retirees who have passed away have slipped through the cracks and payments were continued after they were no longer eligible. Trustee Gonzales suggests that perhaps we could check with PERS.

It is recommended that a next meeting subject be, how to determine eligibility of retirees who may have passed away. It is suggested that another resource for confirming such information could be Internal Audit.

Ms. Walker discusses the anticipated time frame for moving contributions into the OPEB Trust and their change to CDS for their health benefits plans.

Ms. Walker is asked if the FPDs are changing any of the other assumptions; there is discussion with regard to the budget assumption rates and return on investments.

Trustee Mendez states she has discussed with Mr. Botsford our use of a 5-year smooth market on the valuation of the assets, noting that even though we don't have 5 years and we're still smoothing it, it *will* smooth over time, and there's nothing wrong with doing it that way.

Chairman Sherman asks if there could be any discussion on the health care trend, stating he's not sure what the actual current year health care costs have been doing. Trustee Mendez states there were a 0% increase in the HMO and a 5.9% increase in the Self-Funded. It is confirmed that the BCC has approved these rates, equating to approximately a 3.9% increase across the board. There is discussion.

Trustee Mendez states that while we have a budget of \$18.7 million that won't be finalized until May 21, there is a potential that the Board may decide to decrease that amount depending upon if there is positive conclusion with our associations.

There is brief discussion pertaining to the outcome of the May public hearing.

It is noted that electronic copies of the actuarial reports will be sent to all Trustees, Ms. Walker and legal counsel.

**Trustee's/staff announcements, requests for information, topics for future agendas.**

**Future dates for the next quarterly meetings** are set for Thursdays: July 26, 2012, October 25, 2012, and January 31, 2013.

There is discussion with regard to items that should be included on the Agenda for October's meeting, indicating the RBIF quarterly report and the OPEB financials should be available by that meeting. It is also requested that Ms. Walker apprise the Trustees of the status of the SFPD/TMFPD merger and how it will impact the Plan at either the October or January meeting.

It is discussed and confirmed that we will ask to have the Trust included in the County's RFP.

Trustee Mendez asks that we include an action item to modify the Administrative Procedures to allow a second signatory who can approve claims between meetings. She explains such action could circumvent untimely payments to vendors. She asks staff to examine the Procedures to see if we need to make an amendment, or if it's just an action of the Board that can place a provision in the Trust. The Board will act accordingly.

Administrative costs of the Trust were being made through direct-charge, which is subject to the employees not remembering to post their time used, so we're looking at using a COWCAP charge which includes a prorate of everyone's time, taking it from about \$20,000 to about \$29,000. There is discussion.

Future agenda items are recapped for clarification.

The Trustees are advised by Legal Counsel that, at all future meetings, they must ask for public comment after each item on the agenda is discussed.

As there is no further business, the meeting is adjourned at 9:46 a.m.

**Washoe County, Nevada OPEB Trust Fund**  
**Interim Financial Highlights for the Year Ended June 30, 2012 - Unaudited**  
*All \$ in Thousands unless otherwise noted.*

**Net Assets by Plan**

<u>Net Assets by Plan</u>				
	<u>State RBIF</u>	<u>WC-Pool</u>	<u>Other-Net</u>	<u>Net Assets</u>
WC-RHBP	\$ 91,293	\$ 7,332	\$ (2,849)	\$ 95,776
WC-PEBP	1,697	217	(76)	1,838
TMFPD	2,786	613	-	3,399
SFPD	500	38	-	538
	<u>\$ 96,276</u>	<u>\$ 8,200</u>	<u>\$ (2,925)</u>	<u>\$ 101,551</u>

- Net assets have increased by \$13.2 million year-to-date to \$101.6 million due to prefunding contributions from Washoe County and earnings on RBIF investments. The trust holds \$96.3 million or 92% of total investments in the State RBIF pool.
- Other net assets consist principally of interest receivable and balances due to Washoe County for retiree health benefits.

**Change in Plan Net Assets**

	<u>WC-RHBP</u>	<u>WC-PEBP</u>	<u>TMFPD</u>	<u>SFPD</u>	<u>TOTAL</u>
<b>Additions:</b>					
Prefunding	\$ 19,776	\$ 624	\$ -	\$ -	\$ 20,400
Investment income, net of expense	2,479	50	92	15	2,636
Plan members, other	3,756	-	-	8	3,764
	<u>26,011</u>	<u>674</u>	<u>92</u>	<u>23</u>	<u>26,800</u>
<b>Deductions:</b>					
Benefits Paid	13,050	326	211	12	13,599
Administrative	4	3	15	4	26
	<u>13,054</u>	<u>329</u>	<u>226</u>	<u>16</u>	<u>13,625</u>
Net change in Plan Net Assets	<u>\$ 12,957</u>	<u>\$ 345</u>	<u>\$ (134)</u>	<u>\$ 7</u>	<u>\$ 13,175</u>

- Prefunding contributions of \$20.4 million were been made during the year.
- Investment income includes interest and dividends of \$2.6 million from the State RBIF pool.

**Budget Comparison**

	<u>Budget</u>	<u>YTD</u>	<u>Act % Bud</u>	<u>Variance</u>
<b>Additions:</b>				
Prefunding	\$ 20,400	\$ 20,400	100%	\$ -
Investment income, net of expense	6,323	2,636	42%	(3,687)
Plan members, other	3,192	3,764	118%	572
Contrib. for incurred cost	1,000	-	0%	(1,000)
	<u>30,915</u>	<u>26,800</u>	<u>87%</u>	<u>(4,115)</u>
<b>Deductions:</b>				
Benefits Paid	13,793	13,599	99%	194
Administrative	63	26	41%	37
	<u>13,856</u>	<u>13,625</u>	<u>98%</u>	<u>231</u>
Net change in Plan Net Assets	<u>\$ 17,059</u>	<u>\$ 13,175</u>	<u>77%</u>	<u>\$ (3,884)</u>

- Investment earnings on funds invested in the State RBIF pool were budgeted at an annual rate of 7%, but have averaged only 2.95% due to market conditions.
- Washoe County pooled investments earned 2.68% for the year.

**WASHOE COUNTY, NEVADA**  
**OPEB TRUST FUND**  
**INTERIM STATEMENTS OF PLAN NET ASSETS**  
**As of June 30, 2012 - unaudited**

	<b>Washoe Co. Retiree Health Benefit Plan</b>	<b>State of Nevada Public Employee Benefit Plan</b>	<b>TMFPD Retiree Group Medical Plan</b>	<b>SFPD Retiree Group Medical Plan</b>	<b>Total</b>
<b>Assets</b>					
Cash and investments:					
Washoe County Investment Pool	\$ 7,332,496	\$ 216,833	\$ 612,584	\$ 37,723	\$ 8,199,636
State of NV RBIF	91,292,697	1,697,226	2,786,392	500,091	96,276,406
Interest receivable	10,294	254	2,060	130	12,738
Total Assets	98,635,487	1,914,313	3,401,036	537,944	104,488,780
<b>Liabilities</b>					
Accounts payable	2,859,642	76,030	1,704	3	2,937,379
<b>Net assets held in trust for other postemployment benefits</b>					
	\$ 95,775,845	\$ 1,838,283	\$ 3,399,332	\$ 537,941	\$ 101,551,401

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**Fiscal Year 2011 / 2012**  
**Interim Statement of Changes in Plan Net Assets**  
**For the Year Ended June 30, 2012 - Unaudited**  
**(With Comparative Amounts for the Year Ended June 30, 2011)**

	<b>Combined Trust</b>				<b>2011</b>
	<b>Budget</b>	<b>Actual</b>	<b>Act %</b>	<b>Variance</b>	
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ 20,400,000	\$ 20,400,000	100.00%	\$ -	17,996,363
Contributions for incurred cost	1,000,000	-	0.00%	(1,000,000)	201,187
Plan member	2,808,000	3,036,190	108.13%	228,190	2,762,997
Other	384,000	728,040	189.59%	344,040	223,664
Total Contributions	<u>24,592,000</u>	<u>24,164,230</u>	98.26%	<u>(427,770)</u>	<u>21,184,211</u>
Investment Income					
Interest and dividends	6,323,640	2,676,970	42.33%	(3,646,670)	2,012,246
Net increase (decrease) in fair value of investments	-	740		740	4,344,513
	<u>6,323,640</u>	<u>2,677,710</u>	42.34%	<u>(3,645,930)</u>	<u>6,356,759</u>
Less investment expense	-	41,757		(41,757)	53,693
Net Investment Income	<u>6,323,640</u>	<u>2,635,953</u>	41.68%	<u>(3,687,687)</u>	<u>6,303,066</u>
Total Additions	<u>30,915,640</u>	<u>26,800,183</u>	86.69%	<u>(4,115,457)</u>	<u>27,487,277</u>
<b>Deductions</b>					
Benefits	13,792,850	13,599,458	98.60%	193,392	12,654,973
Administrative expense	63,300	26,118	41.26%	37,182	18,892
Total Deductions	<u>13,856,150</u>	<u>13,625,576</u>	98.34%	<u>230,574</u>	<u>12,673,865</u>
Net Change in Plan Net Assets	17,059,490	13,174,607	77.23%	(3,884,883)	14,813,412
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	88,376,794	88,376,794		-	73,563,382
End of Period	<u>\$ 105,436,284</u>	<u>\$ 101,551,401</u>		<u>\$ (3,884,883)</u>	<u>88,376,794</u>

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**Fiscal Year 2011 / 2012**  
**Interim Statement of Changes in Plan Net Assets**  
**For the Year Ended June 30, 2012 - Unaudited**  
**(With Comparative Amounts for the Year Ended June 30, 2011)**

	<b>Washoe County - Retiree Health Benefit Plan</b>				
	<b>Budget</b>	<b>Actual</b>	<b>Act %</b>	<b>Variance</b>	<b>2011</b>
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ 19,176,000	\$ 19,776,106	103.13%	\$ 600,106	13,499,575
Plan member	2,797,000	3,028,163	108.26%	231,163	2,752,268
Other	384,000	728,040	189.59%	344,040	223,664
Total Contributions	<u>22,357,000</u>	<u>23,532,309</u>	105.26%	<u>1,175,309</u>	<u>16,475,507</u>
Investment Income					
Interest and dividends	5,925,990	2,521,550	42.55%	(3,404,440)	1,911,765
Net increase (decrease) in fair value of investments	-	(4,035)		(4,035)	4,208,589
	<u>5,925,990</u>	<u>2,517,515</u>	42.48%	<u>(3,408,475)</u>	<u>6,120,354</u>
Less investment expense	-	38,965		(38,965)	50,948
Net Investment Income	<u>5,925,990</u>	<u>2,478,550</u>	41.83%	<u>(3,447,440)</u>	<u>6,069,406</u>
Total Additions	<u>28,282,990</u>	<u>26,010,859</u>	91.97%	<u>(2,272,131)</u>	<u>22,544,913</u>
<b>Deductions</b>					
Benefits	12,302,850	13,050,667	106.08%	(747,817)	12,037,012
Administrative expense	21,825	3,736	17.12%	18,089	5,782
Total Deductions	<u>12,324,675</u>	<u>13,054,403</u>	105.92%	<u>(729,728)</u>	<u>12,042,794</u>
Net Change in Plan Net Assets	15,958,315	12,956,456	81.19%	(3,001,859)	10,502,119
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	82,819,389	82,819,389		-	72,317,270
End of Period	<u>\$ 98,777,704</u>	<u>\$ 95,775,845</u>		<u>\$ (3,001,859)</u>	<u>82,819,389</u>

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**Fiscal Year 2011 / 2012**  
**Interim Statement of Changes in Plan Net Assets**  
**For the Year Ended June 30, 2012 - Unaudited**  
**(With Comparative Amounts for the Year Ended June 30, 2011)**

	<b>Washoe County - NV PEBS Plan</b>				
	<u>Budget</u>	<u>Actual</u>	<u>Act %</u>	<u>Variance</u>	<u>2011</u>
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ 1,224,000	\$ 623,894	50.97%	\$ (600,106)	503,425
Total Contributions	<u>1,224,000</u>	<u>623,894</u>	50.97%	<u>(600,106)</u>	<u>503,425</u>
Investment Income					
Interest and dividends	106,860	47,165	44.14%	(59,695)	35,914
Net increase (decrease) in fair value of investments	<u>-</u>	<u>3,742</u>		<u>3,742</u>	<u>123,242</u>
	106,860	50,907	47.64%	(55,953)	159,156
Less investment expense	<u>-</u>	<u>726</u>		<u>(726)</u>	<u>920</u>
Net Investment Income	<u>106,860</u>	<u>50,181</u>	46.96%	<u>(56,679)</u>	<u>158,236</u>
Total Additions	<u>1,330,860</u>	<u>674,075</u>	50.65%	<u>(656,785)</u>	<u>661,661</u>
<b>Deductions</b>					
Benefits	390,000	325,503	83.46%	64,497	408,544
Administrative expense	<u>9,825</u>	<u>3,736</u>	38.03%	<u>6,089</u>	<u>5,782</u>
Total Deductions	<u>399,825</u>	<u>329,239</u>	82.35%	<u>70,586</u>	<u>414,326</u>
Net Change in Plan Net Assets	931,035	344,836	37.04%	(586,199)	247,335
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	<u>1,493,447</u>	<u>1,493,447</u>		<u>-</u>	<u>1,246,112</u>
End of Period	<u>\$ 2,424,482</u>	<u>\$ 1,838,283</u>		<u>\$ (586,199)</u>	<u>1,493,447</u>

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**Fiscal Year 2011 / 2012**  
**Interim Statement of Changes in Plan Net Assets**  
**For the Year Ended June 30, 2012 - Unaudited**  
**(With Comparative Amounts for the Year Ended June 30, 2011)**

	<b>Truckee Meadows FPD - Retiree Group Med Plan</b>				
	<u>Budget</u>	<u>Actual</u>	<u>Act %</u>	<u>Variance</u>	<u>2011</u>
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ -	\$ -		\$ -	\$ 3,469,573
Contributions for incurred cost	1,000,000	-	0.00%	(1,000,000)	193,865
Total Contributions	<u>1,000,000</u>	<u>-</u>	<u>0.00%</u>	<u>(1,000,000)</u>	<u>3,663,438</u>
Investment Income					
Interest and dividends	252,800	93,736	37.08%	(159,064)	56,077
Net increase (decrease) in fair value of investments	-	240		240	11,423
	<u>252,800</u>	<u>93,976</u>	<u>37.17%</u>	<u>(158,824)</u>	<u>67,500</u>
Less investment expense	-	1,812		(1,812)	1,595
Net Investment Income	<u>252,800</u>	<u>92,164</u>	<u>36.46%</u>	<u>(160,636)</u>	<u>65,905</u>
Total Additions	<u>1,252,800</u>	<u>92,164</u>	<u>7.36%</u>	<u>(1,160,636)</u>	<u>3,729,343</u>
<b>Deductions</b>					
Benefits	1,000,000	211,297	21.13%	788,703	192,615
Administrative expense	15,825	14,598	92.25%	1,227	3,664
Total Deductions	<u>1,015,825</u>	<u>225,895</u>	<u>22.24%</u>	<u>789,930</u>	<u>196,279</u>
Net Change in Plan Net Assets	236,975	(133,731)	(56.43%)	(370,706)	3,533,064
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	<u>3,533,063</u>	<u>3,533,063</u>		-	-
End of Period	<u>\$ 3,770,038</u>	<u>\$ 3,399,332</u>		<u>\$ (370,706)</u>	<u>3,533,064</u>

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**Fiscal Year 2011 / 2012**  
**Interim Statement of Changes in Plan Net Assets**  
**For the Year Ended June 30, 2012 - Unaudited**  
**(With Comparative Amounts for the Year Ended June 30, 2011)**

	<b>Sierra FPD - Retiree Group Med Plan</b>				
	<b>Budget</b>	<b>Actual</b>	<b>Act %</b>	<b>Variance</b>	<b>2011</b>
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ -	\$ -		\$ -	\$ 523,790
Contributions for incurred cost	-	-		-	7,322
Plan member	<u>11,000</u>	<u>8,027</u>	72.97%	<u>(2,973)</u>	<u>10,729</u>
Total Contributions	<u>11,000</u>	<u>8,027</u>	72.97%	<u>(2,973)</u>	<u>541,841</u>
Investment Income					
Interest and dividends	37,990	14,519	38.22%	(23,471)	8,490
Net increase (decrease) in fair value of investments	<u>-</u>	<u>793</u>		<u>793</u>	<u>1,259</u>
	37,990	15,312	40.31%	(22,678)	9,749
Less investment expense	<u>-</u>	<u>254</u>		<u>(254)</u>	<u>230</u>
Net Investment Income	<u>37,990</u>	<u>15,058</u>	39.64%	<u>(22,932)</u>	<u>9,519</u>
Total Additions	<u>48,990</u>	<u>23,085</u>	47.12%	<u>(25,905)</u>	<u>551,360</u>
<b>Deductions</b>					
Benefits	100,000	11,991	11.99%	88,009	16,802
Administrative expense	<u>15,825</u>	<u>4,048</u>	25.58%	<u>11,777</u>	<u>3,664</u>
Total Deductions	<u>115,825</u>	<u>16,039</u>	13.85%	<u>99,786</u>	<u>20,466</u>
Net Change in Plan Net Assets	(66,835)	7,046	(10.54%)	73,881	530,894
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	<u>530,895</u>	<u>530,895</u>		<u>-</u>	<u>-</u>
End of Period	<u>\$ 464,060</u>	<u>\$ 537,941</u>		<u>\$ 73,881</u>	<u>530,894</u>

**WASHOE COUNTY, NEVADA OPEB TRUST**  
**Administrative Expense Detail - YTD Actual vs. Annual Budget**  
**For the Year Ended June 30, 2012 - unaudited**

	<b>Washoe Co Retiree Health Benefit Program</b>	<b>State of Nevada Public Employee Benefit Plan</b>	<b>Truckee Meadows FPD Retiree Group Medical Plan</b>	<b>Sierra FPD Retiree Group Medical Plan</b>	<b>2012 Total</b>
<b><u>BUDGET</u></b>					
Administrative Expenses					
Actuarial valuations	\$ 15,000	\$ 3,000	\$ 9,000	\$ 9,000	\$ 36,000
Accounting and administrative services	5,000	5,000	5,000	5,000	20,000
Audit fees	1,375	1,375	1,375	1,375	5,500
Trustee fees	250	250	250	250	1,000
Operating Expenses	200	200	200	200	800
	<u>\$ 21,825</u>	<u>\$ 9,825</u>	<u>\$ 15,825</u>	<u>\$ 15,825</u>	<u>\$ 63,300</u>
<b><u>ACTUAL</u></b>					
Administrative Expenses					
Actuarial valuations	\$ 938	\$ 938	\$ 11,800	\$ 1,250	\$ 14,926
Accounting and administrative services	1,323	1,323	1,323	1,323	5,292
Audit fees	1,375	1,375	1,375	1,375	5,500
Trustee fees	100	100	100	100	400
Operating Expenses	-	-	-	-	-
	<u>\$ 3,736</u>	<u>\$ 3,736</u>	<u>\$ 14,598</u>	<u>\$ 4,048</u>	<u>\$ 26,118</u>
<b><u>VARIANCE</u></b>					
Administrative Expenses					
Actuarial valuations	\$ 14,062	\$ 2,062	\$ (2,800)	\$ 7,750	\$ 21,074
Accounting and administrative services	3,677	3,677	3,677	3,677	14,708
Audit fees	-	-	-	-	-
Trustee fees	150	150	150	150	600
Operating Expenses	200	200	200	200	800
	<u>\$ 18,089</u>	<u>\$ 6,089</u>	<u>\$ 1,227</u>	<u>\$ 11,777</u>	<u>\$ 37,182</u>

**WASHOE COUNTY, NEVADA OPEB TRUST**  
**Review of Washoe County Request for Reimbursement of Plan Expenses**  
**For the Nine Months Ended March 31, 2012**

	<b>Washoe Co. Retiree Health Benefit Plan</b>	<b>State of Nevada Public Employee Benefit Plan</b>	<b>Total</b>
Retiree health benefits costs	\$ 9,085,370.55	\$ 249,473.20	\$ 9,334,843.75
Reimbursements from retirees	(2,079,309.54)	-	(2,079,309.54)
Federal grant reimbursements	(276,073.04)	-	(276,073.04)
Other reimbursements	(295,165.92)	-	(295,165.92)
Net retiree health benefits costs	<u>6,434,822.05</u>	<u>249,473.20</u>	<u>6,684,295.25</u>
Previous reimbursements to County	(3,567,037.89)	(168,572.65)	(3,735,610.54)
Requested reimbursement	<u><u>\$ 2,867,784.16</u></u>	<u><u>\$ 80,900.55</u></u>	<u><u>\$ 2,948,684.71</u></u>

**WASHOE COUNTY, NEVADA OPEB TRUST FUND  
BUDGET  
FOR THE YEAR ENDED JUNE 30, 2013**

DRAFT

Washoe Co Retiree Health Benefit Program	State of Nevada Public Employee Benefit Plan	Truckee Meadows FPD Retiree Group Medical Plan	Sierra FPD Retiree Group Medical Plan	2013 Total	2012 Prelim *	
<b>Additions</b>						
Contributions						
Employer:						
Prefunding	\$ 18,282,610	\$ -	\$ -	\$ 18,700,000	20,400,000	
Contributions for incurred cost	-	-	-	-	-	
Plan member	2,871,000	-	8,100	2,879,100	3,036,190	
Other	545,000	-	-	545,000	728,040	
Total Contributions	21,698,610	-	8,100	22,124,100	24,164,230	
Investment Income:						
Interest and dividends	-	-	-	-	2,677,710	
Less investment expense	-	-	-	-	(41,757)	
Net Investment Income	-	-	-	-	2,635,953	
Total Additions	21,698,610	-	8,100	22,124,100	26,800,183	
<b>Deductions</b>						
Benefits	13,370,600	-	12,000	13,782,600	13,599,458	
Administrative expense	19,140	19,139	19,139	71,558	26,118	
Total Deductions	13,389,740	19,139	31,139	13,854,158	13,625,576	
Net Change in Plan Net Assets	8,308,870	(19,139)	(23,039)	8,269,942	13,174,607	
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>						
Beginning of year	95,775,845	1,838,283	537,941	101,551,401	88,376,794	
End of year	\$ 104,084,715	\$ 1,841,533	\$ 514,902	\$ 109,821,343	101,551,401	

\* Unaudited.

WASHOE COUNTY, NEVADA OPEB TRUST  
BUDGET  
FISCAL YEAR ENDING JUNE 30, 2013

DRAFT

	Washoe Co Retiree Health Benefit Program	State of Nevada Public Employee Benefit Plan	Truckee Meadows FPD Retiree Group Medical Plan	Sierra FPD Retiree Group Medical Plan	2012 Total
Administrative Expenses					
Actuarial valuations	\$ 10,000	\$ 5,000	\$ 10,000	\$ 10,000	\$ 35,000
Accounting and administrative services	7,340	7,340	7,339	7,339	29,358
Audit fees	1,500	1,500	1,500	1,500	6,000
Trustee fees	100	100	100	100	400
Operating Expenses	200	200	200	200	800
	<u>\$ 19,140</u>	<u>\$ 14,140</u>	<u>\$ 19,139</u>	<u>\$ 19,139</u>	<u>\$ 71,558</u>

**Washoe County - OPEB Trust**  
**Planned Transfers to the State Investment Fund (RBIF) for FY 2012/2013**  
 Updated 7/24/12  
 Pending Approval

	Prefunding Contributions	Direct Expenses	Reimburse Employers	Cash Change	Trsfers to RBIF	Cash in WC Pool	Cash in RBIF	Total Cash & Invest.
Beginning balance						\$ 8,199,636	\$ 93,548,373	\$ 101,748,009
Jul Trustee Meeting	-	(6,288)	(2,935,672)	(2,941,960)	-	5,257,676	93,548,373	98,806,049
Aug	-	(6,288)	-	(6,288)	515,900	4,735,488	94,064,273	98,799,761
Sep	-	(6,288)	-	(6,288)	515,900	4,213,300	94,580,173	98,793,473
Oct Trustee Meeting	2,600,000	(6,288)	(2,588,650)	5,062	515,900	3,702,462	95,096,073	98,798,535
Nov	-	(6,288)	-	(6,288)	515,900	3,180,274	95,611,973	98,792,247
Dec	-	(6,288)	-	(6,288)	515,900	2,658,086	96,127,873	98,785,959
Jan Trustee Meeting	2,600,000	(6,288)	(2,588,650)	5,062	515,900	2,147,248	96,643,773	98,791,021
Feb	-	(6,288)	-	(6,288)	515,900	1,625,060	97,159,673	98,784,733
Mar	-	(6,288)	-	(6,288)	515,900	1,102,872	97,675,573	98,778,445
Apr Trustee Meeting	2,600,000	(6,288)	(2,588,650)	5,062	515,900	592,034	98,191,473	98,783,507
May	-	(6,288)	-	(6,288)	515,900	69,846	98,707,373	98,777,219
Jun	10,900,000	(6,290)	-	10,893,710	-	10,963,556	98,707,373	109,670,929
<b>Total</b>	<b>18,700,000</b>	<b>(75,458)</b>	<b>(10,701,622)</b>	<b>7,922,920</b>	<b>5,159,000</b>			

Key Assumptions:

Inflows:

Washoe County contribution for future funding: \$ 18.7 million, timing matched to reimbursements until year-end

Outflows:

TMFPD - potentially no retiree activity this year / District currently has zero retirees

SFPD - Net expenses of \$ 23,039 to be paid directly by trust

Minimum cash target in WC pool for each plan approximately equal to current year's direct expenses.

Cash transfers to RBIF in equal increments August - May.

	WCRHBP	PEBP	WC Total
WC contribution	18,282,610	417,390	18,700,000
WC reimbursements - FY13 expenses	9,954,600	400,000	10,354,600
Average quarterly exp reimb	2,488,650	100,000	2,588,650
			Allocated based on UAAL

**Administrative Rules and Procedures of the Board of Trustees of the  
Washoe County, Nevada OPEB Trust Fund**  
[Proposed changes for Review 8-10-12](#)

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Terms and abbreviations are used as defined in the Trust Agreement unless otherwise indicated.

1. The Trustees shall elect one Trustee to serve as Chairman and one Trustee to serve as Vice Chairman from among their membership.
  - a. The term of the Trust Chairman and Vice Chairman shall be two years or the remaining time of his or her tenure as Trustee, whichever is less. An individual may serve any number of terms as Chairman and Vice Chairman, if selected by the Trustees.
  - b. The Chairman and Vice Chairman serve at the pleasure of the Trustees and may be removed from those positions at any time by the Trustees.
  - c. The Chairman shall preside at all meetings of the Trustees. In case of the absence of the Chairman from any meeting of the Trustees or in case of the inability of the Chairman to act, the Vice Chairman shall perform the duties and acts authorized or required by the Chairman to be performed, as long as the inability of the Chairman to act may continue.
2. The meetings shall be held quarterly or at the call of the Chairman whenever business is presented in accordance with the Trust Agreement.
  - a. A calendar shall be established annually and approved by the Trustees.
  - b. The Trustees shall conduct the meetings in accordance with NRS Chapter 241.
  - c. The Trustees shall require minutes to be recorded and published of all meetings.
  - d. The trustees will be paid reasonable compensation for attendance at meetings pursuant to NAC 287.786 and for the reimbursement of necessary and reasonable expenses as defined by the Trust Agreement and NAC 287.786.
  - e. In accordance with the Article 6.3(d) of the Trust Agreement and the NAC, Washoe County will provide staff to organize and notice meetings and take minutes. Costs associated with providing these services will be billed and accounted for in accordance with the provisions of 6 (c) below.
3. The Trustees designate ~~the Chairman~~ one trustee as their agent to approve the payment of Trust administrative expenditures, provided that all expenditures are reported to and approved by the Trustees at its next regularly scheduled meeting.

4. Payments Directed by the Employer in accordance with Article 5.1 of the Trust Agreement must be approved by the Trustees at their next regularly scheduled meeting or other time deemed necessary by the Chairman.
5. Annually, the Trustees will submit a tentative budget to the governing bodies of the participating employers that include the amount of the contributions to the trust and the amount of the distribution from the trust to the participating employers determined by each governing body and the amount of all administrative expenses.
6. Books and Accounts of the Trust shall be kept in accordance with generally accepted accounting principles and shall comply with all applicable statutes and regulations, including NRS Chapter 354.
  - a. In accordance with Article 6.3(d) of the Trust Agreement, Washoe County will receive and disseminate financial reports of financial managers to the Trustees and prepare financial reports and budgets for the Trustees.
  - b. Each participating employer's interest in the Trust will be accounted for separately from the interest of any other employer and will be reported to the Trustees by Washoe County staff in that manner.
  - c. Time spent by Washoe County staff to provide services will be tracked and billed to the Trust based on ~~actual cost~~ [Washoe County's annual overhead rate analysis \(COWCAP\)](#). Amounts billed to the Trust will be reviewed and approved by the Trustees ~~at their quarterly meetings~~ [as part of their annual budget process](#). To the extent the work performed is for the benefit of all plans, the costs will be allocated equally to each of the benefit plans funded through the trust.
  - d. Other indirect expenses of the trust, except for investment fees, will be allocated equally to the benefit plans funded through the Trust.
  - e. Money not invested with the Retirement Benefits Investment Fund will be held in the Washoe County Investment Trust fund. Investment earnings and investment fees for both the Washoe County Investment Trust and the Retirement Benefits Investment Fund not directly allocable to a participating benefit plan will be allocated based on the monthly average cash and investment balances.
7. With the exception of the year of execution of the trust, the Trustees shall engage the auditors no later than March 31<sup>st</sup> of each year.
8. When Trustee sends out correspondence stating that Trustee's official position regarding the Washoe County OPEB Trust, a copy of said correspondence, either paper or electronic, will be retained on file in the County Comptroller's Office and copies sent to the other Trustees.

9. A motion to reconsider any action taken by the Trustees may be made only during the meeting at which the action was taken or at the next regularly scheduled meeting, within no more than ninety (90) days of the meeting at which the action was taken. A motion to reconsider must be made by a Trustee who voted on the prevailing side of the motion being reconsidered, but a motion to reconsider may be seconded by any member of the Board of Trustees. A previous motion failing by virtue of a tie vote may be reconsidered upon motion of any Trustee. If a motion for reconsideration relates to an item requiring legal notice, only the motion itself shall be debated and, if passed, reconsideration of the item continued to a future date to allow for the provision of legal notice.
10. These procedures may be amended by a motion passed by a meeting of the Trustees, as long as they remain consistent with the terms of the Trust Agreement.

Passage and Effective Date

Adopted May 20, 2010.