

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

Cynthia Washburn, Comptroller
Terrance Shea, Legal Counsel

AGENDA

WASHOE COUNTY, NEVADA OPEB TRUST FUND BOARD OF TRUSTEES

April 25, 2013 at 9:00 a.m.

**District Health Department, Conference Room A
Washoe County Administrative Complex, Building B
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-Second Judicial District Court (75 Court Street), Washoe County Downtown Reno Library (301 S. Center Street), Sparks Justice Court (1675 Prater Way #107) and on the Washoe County Website at www.washoecounty.us/finance/OPEB.htm.

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. 9th 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.

- * 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 January 31, 2013, meeting.
- 4. Accept the resignation of Trish Gonzales from the Board of Trustees, effective April 8, 2013, and nominate a candidate for recommendation to the Washoe County Board of Commissioners for appointment to the Board.
- 5. Discuss and acknowledge receipt of interim financial statements for the period ending March 31, 2013.
- 6. Review and approve claims processed, administrative expenditures and reimbursements to employers through March 31, 2013.
- 7. Discuss and provide direction to staff regarding cash flow projections; possible action to approve movement of funds between the Washoe County Investment Pool and the State RBIF.
- 8. Discussion and possible action to approve a policy for allocation of invested funds between the Washoe County Investment Pool and the State RBIF.
- 9. Discuss RTC management proposal to join the Trust; possible approval for staff to proceed with the required legal review and updates for adding the RTC plan, subject to the approval by the RTC Board.
- * 10. Report on the status of the RFP for audit services for fiscal year 2013/2014.
- 11. *Continued from previous meeting:* Report on anticipated merger activity between Truckee Meadows and Sierra Fire Protection District; possible direction to staff regarding legal or other steps to be taken on the anticipated merger as it affects the OPEB Trust; possible formal communication of Trustees' opinion(s) regarding anticipated merger activity or actions that one or more of the Fire Districts have with other local governments such as the City of Reno.
- * 12. 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.)
- * 13. 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.
- 14. Adjourn.

BOARD OF TRUSTEES, WASHOE COUNTY, NEVADA OPEB TRUST FUND

MONDAY, JANUARY 31, 2013, 9:00 A.M.

Present:

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

Staff:

Cynthia Washburn, Comptroller
Lynn Broyles, Assistant Comptroller
Mary Solorzano, Senior Accountant
Sandra McGarva, Secretary
Terrance Shea, Legal Counsel

The Board convenes in regular session at approximately 9:01 a.m. at the Public Works Office, Conference Room A, Building A, 2nd Floor, of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada. Roll is called, all Trustees are present.

There is no **Public Comment**.

Approve minutes from December 3, 2012 meeting.

Trustee Gonzales states she questions the 4th paragraph on page 5 of the minutes, where it states, "Because the Board of Trustees are just now in receipt of the OPEB audit, Chairman Sherman would like to have this item tabled until the next meeting in order to allow the Trustees to have a chance to give it adequate review. It is noted it should go on the Agenda as an action item," and she indicates she does not recall the conversation, which includes dialogue in the 3rd paragraph on that page, and would like to have it explained.

Chairman Sherman states that on the day of their last meeting, the Board of Trustees had just then been provided the OPEB audit report, as Kafoury had not had it available until that morning. He felt it imperative that the Trustees have more time to review the audit prior to accepting it, so he asked that it be continued to this meeting as an action item. As to the Audit Committee inference, noted in the 3rd paragraph, his understanding is that that was an internal audit to the Health Benefits Fund, and there were some action items that the internal audit team proposed, and that the Audit Committee then imposed corrective action. The corrective action was observed, which resulted in Kafoury's ability to rely upon that particular set of facts from the internal audit's review of the Health Benefits Fund.

Trustee Gonzales asks if there was anything in that audit that the Board would need to know about, and Ms. Washburn states we did raise the internal audit, when it happened, and we did note that it was on a Board item for review, and that it had brought up some possible data inconsistencies with Health Benefits' recording of some of the retiree health benefits expense, on which we were relying (in the separation of retirees, inactive, etc.) So, we did have it as a notice, and the audit committee had asked Health Benefits to give a report on what corrective actions had been done. She notes that the auditors were able to rely on both the recorded audit committee meetings and the report Health Benefits prepared to the audit committee to determine that sufficient corrective actions had been taken, and it was reviewed again by internal audit.

Trustee Gonzales states she understood the latter part of the explanation, she did not recall the issue with the internal audit. Ms. Washburn states that matter occurred approximately a year ago.

Chairman Sherman asks if Trustee Gonzales is satisfied with the explanation and she confirms she is. As there are no changes to the minutes as transcribed from the January 31, 2013 meeting, Trustee Mendez moves to approve the minutes of January 31, 2013.

Trustee Gonzales seconds the motion. All are in favor. The motion carries.

Discuss and acknowledge receipt of financial statements for fiscal year 2011/2012. Note: statements available online at <http://www.washoecounty.us/finance/opebreports.html>

Chairman Sherman states that by way of observation, it was a very brief, concise audit report and financial statements, compared to the County's CAFR. He notes for the record that the auditors gave it a clean opinion. He directs all to page 3 of the audit report, and asks for clarification on why the OPEB Plan members show about \$3 million under Contributions for the County retiree health benefits, but none for the State PEBP Plan members. He wonders if those Plan member contributions go to the State?

Trustee Mendez states the Plan member contributions for the PEBP Plan don't exist because really that is a subsidy requirement that the County pays to the State. There are no beneficiaries actually contributing into the Plan. They contribute at the PEBP's level, which Chairman Sherman understood, but the same question has to do with TMFPD, do those retirees have a contributing share of the premiums for health benefits?

Trustee Mendez states that in that particular Plan, it's very similar to the PEBP's Plan, it's not the County's plan, it is the Plan of the City of Reno, and the payments made out of that Plan are paid to the City of Reno, and the same way with the retirees' portion.

Chairman Sherman states he would like to understand the Net appreciation (depreciation) in fair value of investments. He notes that the County has a negative \$4,034, which means the fair value of investments were \$4,034 less than the costs, but then we have positive values in the other plans. We put all that money in the same buckets, so he's curious as to what happened there.

Ms. Washburn responds, stating we apportion and allocate monthly, and based on the month and because the County is so sizable, it took a larger portion of some of the losses; the others had losses, but because they were so small, it really comes down to what is the average cash for each individual plan in the month that gains and losses were realized. She continues, adding we do that month to month, and although the timing of Fire, which pool they were in, greatly affected how those were allocated. So, even within the County's investment pool, we can see one go positive and one go negative based on the relative cash in the month.

Chairman Sherman states, hypothetically then, the average cash balances for TMFPD and SFPD were very small, relative to the County plan, in the month that the fair value of these assets went negative. The net total is still positive, their average cash balances, those other three plans, must have gone up significantly when the net asset value went up. There is discussion, and it is noted the materiality of the appreciation/depreciation of the fair value of investments is small compared to the total assets. Ms. Washburn adds that the County did get \$2.5 million in interest.

Chairman Sherman states that he found Note 3 on page 7 includes a negative unfunded actuarial accrued liability for the TMFPD Retiree Group Medical Plan. He adds it might be unique in the country.

Mary Walker notes it *is* unique in the country, and the reason is because they had been funding this according to the actuary, for their liability of 97 employees that moved from TMFPD over to Reno; they had 45 people who had retired within the term of the contract, so they offered any of the Reno employees retiree health benefits if they would come over; it was anticipated that TMFPD would get 60, but only 10 people came over. Consequently, they went from 97 to 55, greatly reducing their liability. She concludes, stating the overage in the OPEB Trust is due to this reduction in liability.

Trustee Mendez moves to acknowledge receipt of the Washoe County, Nevada OPEB Trust financial statements for fiscal year 2011/12.

Trustee Gonzales seconds the motion. All are in favor, the motion carries.

Discuss and acknowledge receipt of interim financial statements for the period ending 12/31/12.

Ms. Washburn summarizes the information provided in the interim financial report for the period ending December 31, 2012, pointing out that the overall Plan has gone up largely because of the Washoe County contributions for the year, noting that the State RBIF is holding over \$100 million, which is good news. For overall net assets, we have \$109 million.

Ms. Washburn reminds that the Plan member contributions from the County are those things that are recorded as running through the Health Benefits Fund for retirees.

She further states the net change in assets was about 96%, which is primarily because the benefits paid are always reported in arrears, explaining that at the end of 6 months, we have about 4 months of benefits.

It is noted that the majority of our assets are in the State RBIF. The liabilities indicated on page 8 are primarily the request to reimburse Washoe County, which is on the agenda for later, for the Health Benefits Fund for the 2nd quarter of the year.

Trustee Gonzales moves to acknowledge receipt of the Washoe County, Nevada OPEB Trust Fund interim financial statements for the period ending December 31, 2012.

Trustee Mendez seconds the motion. All are in favor, the motion carries.

Review and approval of claims processed, administrative expenditures, and reimbursements to employers through December 31, 2012.

Beginning on page 14, Ms. Washburn explains the chart indicates the Trust's administrative expenses to date. She states what we're paying for today are the actuarial valuations, which are actually last year's. It takes that long after year end to get the bills. It is noted the Trustees received copies of all the actuarial valuations at a prior meeting.

There is discussion with regard to payments that may have been made for the fire valuations prior to the end of June 2012, and Ms. Washburn assures the Trustees that staff will confirm if appropriate billings have been paid.

Trustee Gonzales asks what the difference in administrative costs are now that they are using the Cost Allocation Plan, compared to what had previously been billing.

Ms. Washburn explains that the Cost Allocation Plan is actually based upon our time estimates; what we were not getting before was some of the second-tier time estimates, as we were billing for direct time, and probably not very accurately. By going through the Cost Allocation Plan process, we also get some of the administrative and direct time allocations, she explains the cost is much higher, but more appropriately applied.

There is discussion regarding the lack of consistency in recording time spent and materials used prior to utilizing the Cost Allocation Plan.

Trustee Gonzales moves to approve the reimbursement request for claims processed, administrative expenditures, and reimbursements to employers through December 31, 2012 in the amount of \$2,692,635.

Trustee Mendez seconds the motion. All are in favor, the motion carries.

Chairman Sherman asks to open both items 7 and 8 of this agenda for discussion, as they are relative to each other.

Report on cash flow assumptions for each plan and direction to staff regarding movement of funds between the Washoe County Investment Pool and the State RBIF; and

Discussion and direction to staff on policy proposal to determine how the Board will handle a Plan shortfall.

Ms. Washburn explains that this item is a follow-up from the last meeting, at which discussion was held regarding several funds that were projected to get fairly low in cash by the end of the year, specifically Sierra Fire being one of them, and what would we do should we have to pull cash to move around. To support that discussion, the Trustees wanted to see the cash flow assumptions at an individual fund basis. Continuing, she states the first is the summary cash flow assumptions that we have dealt with quarterly; we were looking at transfers to the RBIF, and then behind this are those similar assumptions for each individual fund.

Chairman Sherman states his idea, with respect to Pool cash shortfalls, was that he was looking for a document or a schedule that would demonstrate that.

Ms. Solorzano directs the Board to page 18 of their packets, stating that both fire entities are shown with such schedules. Projections for the current year of direct expenses to TMFPD of \$268,000; assuming next year's trend is the same, the ending cash in the Pool projects about \$118,000. She continues, explaining a similar situation for Sierra Fire, which is ending up about half of what we expect their annual direct expenditures to be, which raised the question at the last meeting of what we would do if someone ran out of money.

There is discussion, noting that the schedules indicate sufficient funds until next fiscal year. Ms. Washburn states there was also discussion at the last meeting with regard to transfers to the RBIF, if we would have to cut certain funds off earlier due to insufficient immediate cash flow available in the County pool.

Chairman Sherman states the question is how do we continue to honor the requirement, that although we pool cash for investment purposes, we're obligated to differentiate the cash of the different Plans, and he argues that should also include both cost and earnings of these Plans and where the money resides. He adds that we should ensure that we can appropriately analyze those issues.

Ms. Solorzano states it would not change our current procedure for how we allocate the earnings; essentially we would be utilizing a reallocation of the balance for each fund to cover a shortfall.

Chairman Sherman states, i.e., if Sierra Fire doesn't have enough money in the County investment pool to pay its current bills, that money would then come out of the County pool, which would lower that investment opportunity.

Ms. Solorzano explains that they would literally reallocate a portion of the balance previously allocated to Sierra Fire. Minimizing the traffic in and out of RBIF is the desired activity. The obvious long-term solution is that next year, in all likelihood, both fire entities should inject more cash into their Plans.

Trustee Mendez states the lack of a transaction is, in fact, that – we are taking money out of RBIF, just not going to RBIF and asking them to execute the sale of a security; what's happening is we're shifting that allocation of that security back to the County and giving, in exchange for that cash, to TMFPD or SFPD; because the County will continue to infuse cash into this Fund, she states she sees no reason to ever have to go to RBIF; the question will be, if you need this much cash in the Pool every year, we need to allocate that much cash and take it out of TMFPD or SFPD's account, and put it into cash.

Chairman Sherman is advised that when Sierra Fire hands money to RBIF for investment, RBIF does not separately account for that, it is we who accounts for that contribution. He states he would like to see this policy in writing, with sufficient detail as discussed today, and placed on the next meeting's agenda.

Trustee Mendez proposes that we amend the Administrative Policy and include this as a component of that document. There is discussion. It is confirmed that formalized policy/procedures will be provided for review and approval at the Board's next meeting.

Chairman Sherman notes that, based on the transfers schedule provided, a very significant balance of the contributions from the County, \$7.9 million coming in June, was held in abeyance because of the settlement of the deputy sheriff's labor contracts and whether or not the County may need some of those funds; he's asking for an update on that.

Trustee Mendez states that it is highly likely that we'll use at least some of it. We have Board authorization to use up to \$1.3 million of that. We won't know until May, when we'll look to see if there are other sources, contingencies, or potential salary savings in other areas that we can sweep into that. She explains it appears we will need some of that to make the public safety function whole, it is not yet clear, however, how much that will be.

There is also authorization that, to the extent we use this and the Health Benefits Fund is looking like it is okay, we will reduce the contribution requests from the Trust to the Health Benefits Fund and thereby get the contribution back through Employer contribution via payments made on behalf of the retirees.

Chairman Sherman asks, if the Trustees approve this schedule today, which includes the \$7.9 million, and the County makes a decision that there is some reduction in the contribution for the current fiscal year, would the Trustees then make an adjustment to this schedule at the July meeting?

It is confirmed that the July meeting is when the Trustees will approve the adjustment.

Because of the uncertainty, Ms. Washburn states they do not propose to use that \$7.9 million in June or July for transfer purposes. There is discussion, and Ms. Washburn states they can direct that a portion of that start the transfers to RBIF in the June or July period on a going-forward basis, or we can leave it in the Pool until that July Trustee meeting.

Trustee Mendez proposes that we leave it until our April meeting, when we'll know enough to possibly make a recommendation to reduce this amount.

Chairman Sherman notes that it is the County's call, but once the money comes over, it is here. It is noted that one of the other mechanisms that the County uses as a means to manage its cash flow is to make the contribution from a revenue perspective to the Trust, but does not actually make the payment until after year end. Because it is a significant amount of money, it gives the County some flexibility to not have to actually make the cash flow change.

There is discussion. It is noted a change in the column heading, "Prefunding Contributions" should be changed to "Prefunding Payments," to kind of get back to the cash flow, making it really clear that what they're approving is the payments.

Trustee Gonzales asks if it is the fact it is not listed in the transfers to RBIF, wondering if it is doing the same thing. It is noted that it is not, because once it is recognized as having been transferred to the Pool, it is in the Trust. It gets booked as a payable on the County side and as a receivable on the Trust side.

Ms. Washburn states this forecast was assuming we paid it in June, and staff will update this forecast to show a deferral of that payment.

Chairman Sherman offers that should the BCC vote to use up to \$1.3 million out of the \$18.7 million for settling other budgetary shortfalls on the County side, it would not be transferred to the Trust. So, the Plan contribution payment in June could be \$6.6 million, minimum, that we can plan on and approve, and then discuss how much goes to RBIF. Then, if the County feels they don't need that money, and they make that decision in June, the Trust can come back and accept the money in July as being paid in June.

There is discussion. It is noted there are two issues. One is the \$1.3 million that may not go to the Trust, and there is the timing of the payment of the balance that the County may use for cash flow purposes. As long as the County recognizes that it is a payable through the Trust, Chairman Sherman stated he has no issue with that. Trustee Mendez states that, for the purposes of the schedule, there will be no cash received in June to make any kind of allocation between the Pool and RBIF.

Chairman Sherman proposes that the schedule be amended to show the June contribution at \$6.6 million and annotate it as a receivable, and that it not be reflected in the cash balances of the County pool. Then, as a secondary feature, the Trustees can come back in July, make any necessary adjustments to either

accept an additional \$1.3, or not, and then decide how much of the money transferred will we want to keep in the Pool or go to RBIF.

Ms. Solorzano confirms she will drop it from \$7.9 million to \$6.6 million, take it out of the Cash in WC Pool and annotate it as a receivable at June 30.

It is suggested that a column be added to the schedule and call it Receivable Cash in Pool, RBIF, so it actually represents the actual cash that the Trustees are dealing with.

Trustee Mendez moves that the cash flow schedule be modified to reflect the format and transfer changes noted above and that it is brought back to the April meeting for discussion and possible action.

Trustee Gonzales seconds the motion. All are in favor, the motion carries.

It is noted that the motion should include direction to staff to develop the policy on appropriate allocation of Pool cash shortfalls. Trustee Mendez so moves to append to her previous motion; Trustee Gonzales seconds the motion to append. All are in favor.

Chairman Sherman opens items 9 and 10 of the agenda:

Discussion on the legal opinion regarding the Trustees ability to use Trust assets to buy out a liability to another entity, and possible approval to authorize the Washoe County Finance director to approve such a buy-out subject to the approval of both entities, and verification of the creation of a legal OPEB Trust to receive the funds; and,

Report on anticipated merger activity between Truckee Meadows and Sierra Fire Protection Districts; possible direction to staff regarding legal or other steps to be taken on the anticipated merger as it affects the OPEB Trust; possible formal communication of Trustees' opinion(s) regarding anticipated merger activity or actions that one or more of the Fire Districts have with other local governments such as the City of Reno.

Chairman Sherman summarizes an opinion from the Trust's legal counsel, stating that the Trust cannot hand money back to another governmental entity; it must be distributed to a legitimately-formed trust.

Mary Walker states that Reno has advised they are in the process of creating a Trust.

Trustee Mendez recaps the reason for the legal opinion, per the last meeting advisory of a request on whether or not we could take what is in the Trust for TMFPD and buy out a liability that it has to the City of Reno. She adds that in the legal opinion, we can take the money from the Trust, but only to pay it to another trust on behalf of the beneficiary. Further, there has been a proposal made to the City of Reno that if they should go forward and create their trust, we would then move approximately \$2.8 million from the OPEB Trust and pay it to the City of Reno's trust on behalf of the beneficiaries (45 individuals) of these benefits. What we don't know, is that if they'll accept the agreement, or when they'll accept the agreement, but we wanted to get the Trustees' authorization under those conditions, should a deal be made on this issue.

The Trustees can authorize the Finance Director of Washoe County to make that happen, if the deal is approved; absent that, we would need to have a special meeting of the Board of Trustees to approve that payment at the time that happens.

Chairman Sherman states in principal he's okay with this. He would like to propose that 1) a letter be drafted to the City of Reno from the OPEB Board of Trustees stating the conditions upon which we would transfer the money.

Ms. Walker interjects that the County Manager has already notified them that the transfer could be made but only if they have an OPEB trust; it is noted that the communication should come from the *Trustees* of the OPEB Trust.

Chairman Sherman continues, 2) part of the conditions should include that the City of Reno must form a trust and that trust must include prepayments of the firefighters' retiree health benefits; the secondary feature of this condition would be that this money is for those 45 individuals. It does not belong to other City of Reno employees.

There is discussion and it is decided that at such time Reno accepts the deal, then we would draft a letter from the Trustees outlining the conditions. The other point, on whether or not they use those monies for those particular retirees, it is doubted that we should or legally can stipulate to whom the City of Reno distributes those benefits to.

Ms. Walker states the crux of the matter is that TMFPD will be extinguishing their liability to Reno. These are City of Reno employees, not Fire's, and there is a legal responsibility of the City of Reno to pay for those retiree health benefits to their employees, which includes the old TMFPD employees. That will be done. More discussion.

Chairman Sherman asks that the Trust attorney be posed the question, if the Trust pays to another legitimate trust, from where specific former employees will receive benefits, can that money be co-mingled and used for other retiree benefits who were not beneficiaries of where the money came from?

Ms. Walker states the former TMFPD employees who are now with the City of Reno have no recourse toward us, and our liability is not to those employees. It is to the City of Reno. More discussion.

Chairman Sherman again states his desire to have this Board obtain a decision from their Trust attorney, indicating that it is okay to co-mingle the funds as stated above.

Trustee Mendez states she proposes to contact their Trust attorney, and that they have a paragraph in their administrative policies that discusses the liability of 45 employees paid to the City of Reno, and then add to that an additional question that says, once this money is moved to the Trust, is there any obligation on our part as Trustees to ensure that that money is held only for those 45 employees, or can it be co-mingled with their plan for all their participants in their retiree health plan.

(Ms. Broyles leaves the meeting at 10:00 a.m.)

Ms. Walker states, with regard to the potential merger between the two fire departments, it is still in the discussion phase. She explains she has meetings going on today with the County Manager and others.

Trustee Mendez states she will also pose to the Trust attorney the same question of co-mingling funds, even though TMFPD and SFPD are already in the Trust, for when the entities are merged into one.

Discussion follows. Trustee Mendez recaps the essence of this item, stating we will wait to hear if a deal is approved, upon which we will draft a letter outlining the concerns and conditions; and, provided that we have an attorney's opinion that says the City of Reno Trust doesn't have to hold those funds for specific beneficiaries, we will add that to or omit it from the letter and conditions.

It is decided and Trustee Mendez so moves to continue this item to the next meeting, as it is noted the City of Reno has not accepted the proposal yet; we need the legal opinions first, and once we have everything, it would then be logical to authorize the County Finance director to approve a buy-out of a liability to another entity using Trust assets.

Trustee Gonzales seconds the motion. All are in favor. The motion carries.

Trustee Mendez moves to continue the item, "10. Report on anticipated merger activity between Truckee Meadows and Sierra Fire Protection Districts; possible direction to staff regarding legal or other steps to be taken on the anticipated merger as it affects the OPEB Trust; possible formal communication of Trustees' opinion(s) regarding anticipated merger activity or actions that one or more of the Fire Districts have with other local governments such as the City of Reno," until legal opinion is received on the issues surrounding the merger.

Trustee Gonzales seconds the motion. All are in favor, the motion carries.

Discuss and select next three quarterly meeting dates.

The dates, April 25, July 25, and October 31, 2013, at 9:00 a.m. are discussed and determined as the next three quarterly meetings.

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.)

Trustee Gonzales inquires if Chairman Sherman has contacted RBIF to see if he could get a place on their Board. He states he has not. He discusses asking John Slaughter of the County's government relations staff to look into how best to approach that, noting there is no representation from the North local government in PERS. They are all basically State employees or southern Nevada representatives. He will follow up for the next meeting.

There is no **Public Comment**.

As there is no further business, the meeting is adjourned at 10:15 a.m.

McGarva, Sandra

From: Trish Gonzales [trishes@gmail.com]
Sent: Friday, April 05, 2013 12:22 PM
To: McGarva, Sandra
Subject: OPEB Board of Trustees

Sandra,

This email is to inform you of my decision to resign my position on the OPEB Board of Trustees, effective immediately. I have conflicts for the next two scheduled meetings so I've decided that other commitments have become too great for me to fulfill the requirements of my position on the Board. I feel it is best for me to make room for someone with the time and energy to devote to the position.

Please let the other members and staff know of my decision.

Thank you,
Trish Gonzales

**WASHOE COUNTY, NEVADA OPEB TRUST FUND
INTERIM STATEMENTS OF PLAN NET ASSETS
AS OF MARCH 31, 2013 - UNAUDITED**

	<u>Washoe Co. Retiree Health Benefit Plan</u>	<u>State of Nevada Public Employee Benefit Plan</u>	<u>TMFPD Retiree Group Medical Plan</u>	<u>SFPD Retiree Group Medical Plan</u>	<u>Total</u>
Assets					
Cash and investments:					
Washoe County Investment Pool	\$ 4,483,218	\$ 167,390	\$ 313,421	\$ 19,278	\$ 4,983,307
State of NV RBIF	107,235,083	1,980,190	3,306,479	549,830	113,071,582
Interest receivable	<u>16,944</u>	<u>564</u>	<u>1,170</u>	<u>106</u>	<u>18,784</u>
Total Assets	<u>111,735,245</u>	<u>2,148,144</u>	<u>3,621,070</u>	<u>569,214</u>	<u>118,073,673</u>
Liabilities					
Accounts payable	<u>1,847,134</u>	<u>79,234</u>	<u>-</u>	<u>-</u>	<u>1,926,368</u>
Net assets held in trust for other postemployment benefits	<u>\$ 109,888,111</u>	<u>\$ 2,068,910</u>	<u>\$ 3,621,070</u>	<u>\$ 569,214</u>	<u>\$ 116,147,305</u>

WASHOE COUNTY, NEVADA OPEB TRUST FUND
INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE NINE MONTHS ENDED MARCH 31, 2013 - UNAUDITED
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012)

	Combined Trust				2012
	Budget	Actual	Act %	Variance	
Additions					
Contributions					
Employer:					
Prefunding	\$ 17,400,000	\$ 10,800,000	62.07%	\$ (6,600,000)	\$ 20,400,000
Plan member	2,879,400	2,102,543	73.02%	(776,857)	3,036,190
Other	545,000	655,757	120.32%	110,757	728,039
Total Contributions	20,824,400	13,558,300	65.11%	(7,266,100)	24,164,229
Investment Income					
Interest and dividends	-	1,964,916		1,964,916	2,676,970
Net increase (decrease) in fair value of investments	-	8,081,058		8,081,058	742
	-	10,045,974		10,045,974	2,677,712
Less investment expense	-	34,622		(34,622)	41,757
Net Investment Income	-	10,011,352		10,011,352	2,635,955
Total Additions	20,824,400	23,569,652	113.18%	2,745,252	26,800,184
Deductions					
Benefits	14,031,400	8,913,326	63.52%	5,118,074	13,599,952
Administrative expense	72,558	59,928	82.59%	12,630	26,119
Total Deductions	14,103,958	8,973,254	63.62%	5,130,704	13,626,071
Net Change in Plan Net Assets	6,720,442	14,596,398	217.19%	7,875,956	13,174,113
Net Assets Held in Trust for Other Postemployment Benefits					
Beginning of year	101,550,907	101,550,907		-	88,376,794
End of Period	\$ 108,271,349	\$ 116,147,305		\$ 7,875,956	\$ 101,550,907

WASHOE COUNTY, NEVADA OPEB TRUST FUND
INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE NINE MONTHS ENDED MARCH 31, 2013 - UNAUDITED
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012)

	Washoe County - Retiree Health Benefit Plan				
	<u>Budget</u>	<u>Actual</u>	<u>Act %</u>	<u>Variance</u>	<u>2012</u>
Additions					
Contributions					
Employer:					
Prefunding	\$ 17,011,626	\$ 10,500,000	61.72%	\$ (6,511,626)	\$ 19,776,106
Plan member	2,871,000	2,094,194	72.94%	(776,806)	3,028,163
Other	545,000	655,757	120.32%	110,757	728,039
Total Contributions	<u>20,427,626</u>	<u>13,249,951</u>	64.86%	<u>(7,177,675)</u>	<u>23,532,308</u>
Investment Income					
Interest and dividends	-	1,857,944		1,857,944	2,521,550
Net increase (decrease) in fair value of investments	-	7,660,247		7,660,247	(4,034)
	-	9,518,191		9,518,191	2,517,516
Less investment expense	-	32,613		(32,613)	38,965
Net Investment Income	-	9,485,578		9,485,578	2,478,551
Total Additions	<u>20,427,626</u>	<u>22,735,529</u>	111.30%	<u>2,307,903</u>	<u>26,010,859</u>
Deductions					
Benefits	13,370,600	8,599,531	64.32%	4,771,069	13,050,667
Administrative expense	24,140	23,732	98.31%	408	3,736
Total Deductions	<u>13,394,740</u>	<u>8,623,263</u>	64.38%	<u>4,771,477</u>	<u>13,054,403</u>
Net Change in Plan Net Assets	7,032,886	14,112,266	200.66%	7,079,380	12,956,456
Net Assets Held in Trust for Other Postemployment Benefits					
Beginning of year	95,775,845	95,775,845		-	82,819,389
End of Period	<u>\$ 102,808,731</u>	<u>\$ 109,888,111</u>		<u>\$ 7,079,380</u>	<u>\$ 95,775,845</u>

WASHOE COUNTY, NEVADA OPEB TRUST FUND
INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE NINE MONTHS ENDED MARCH 31, 2013 - UNAUDITED
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012)

	Washoe County - NV PEBS Plan				2012
	Budget	Actual	Act %	Variance	
Additions					
Contributions					
Employer:					
Prefunding	\$ 388,374	\$ 300,000	77.25%	\$ (88,374)	\$ 623,894
Total Contributions	388,374	300,000	77.25%	(88,374)	623,894
Investment Income					
Interest and dividends	-	36,247		36,247	47,165
Net increase (decrease) in fair value of investments	-	145,290		145,290	3,742
Less investment expense	-	664		(664)	726
Net Investment Income	-	180,873		180,873	50,181
Total Additions	388,374	480,873	123.82%	92,499	674,075
Deductions					
Benefits	400,000	238,014	59.50%	161,986	325,503
Administrative expense	12,140	12,232	100.76%	(92)	3,736
Total Deductions	412,140	250,246	60.72%	161,894	329,239
Net Change in Plan Net Assets	(23,766)	230,627		254,393	344,836
Net Assets Held in Trust for Other Postemployment Benefits					
Beginning of year	1,838,283	1,838,283		-	1,493,447
End of Period	\$ 1,814,517	\$ 2,068,910		\$ 254,393	\$ 1,838,283

WASHOE COUNTY, NEVADA OPEB TRUST FUND
INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE NINE MONTHS ENDED MARCH 31, 2013 - UNAUDITED
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012)

	Truckee Meadows FPD - Retiree Group Med Plan				
	<u>Budget</u>	<u>Actual</u>	<u>Act %</u>	<u>Variance</u>	<u>2012</u>
Additions					
Contributions					
Employer:					
Prefunding	\$ -	\$ -		\$ -	\$ -
Total Contributions	-	-		-	-
Investment Income					
Interest and dividends	-	60,868		60,868	93,736
Net increase (decrease) in fair value of investments	-	235,109		235,109	241
Less investment expense	-	1,170		(1,170)	1,812
Net Investment Income	-	294,807		294,807	92,165
Total Additions	-	294,807		294,807	92,165
Deductions					
Benefits	250,000	65,337	26.13%	184,663	211,297
Administrative expense	18,139	7,732	42.63%	10,407	14,599
Total Deductions	268,139	73,069	27.25%	195,070	225,896
Net Change in Plan Net Assets	(268,139)	221,738	(82.70%)	489,877	(133,731)
Net Assets Held in Trust for Other Postemployment Benefits					
Beginning of year	3,399,332	3,399,332		-	3,533,063
End of Period	\$ 3,131,193	\$ 3,621,070		\$ 489,877	3,399,332

WASHOE COUNTY, NEVADA OPEB TRUST FUND
INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE NINE MONTHS ENDED MARCH 31, 2013 - UNAUDITED
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012)

	Sierra FPD - Retiree Group Med Plan				
	<u>Budget</u>	<u>Actual</u>	<u>Act %</u>	<u>Variance</u>	<u>2012</u>
Additions					
Contributions					
Plan member	\$ 8,400	\$ 8,349	99.39%	\$ (51)	\$ 8,027
Total Contributions	8,400	8,349	99.39%	(51)	8,027
Investment Income					
Interest and dividends	-	9,857		9,857	14,519
Net increase (decrease) in fair value of investments	-	40,412		40,412	793
	-	50,269		50,269	15,312
Less investment expense	-	175		(175)	254
Net Investment Income	-	50,094		50,094	15,058
Total Additions	8,400	58,443	695.75%	50,043	23,085
Deductions					
Benefits	10,800	10,444	96.70%	356	12,485
Administrative expense	18,139	16,232	89.49%	1,907	4,048
Total Deductions	28,939	26,676	92.18%	2,263	16,533
Net Change in Plan Net Assets	(20,539)	31,767	(154.67%)	52,306	6,552
Net Assets Held in Trust for Other Postemployment Benefits					
Beginning of year	537,447	537,447		-	530,895
End of Period	\$ 516,908	\$ 569,214		\$ 52,306	\$ 537,447

WASHOE COUNTY, NEVADA OPEB TRUST
Administrative Expense Detail - YTD Actual vs. Annual Budget
For the Nine Months Ended March 31, 2013 - unaudited

	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
<u>BUDGET</u>					
Administrative Expenses					
Actuarial valuations	\$ 15,000	\$ 3,000	\$ 9,000	\$ 9,000	\$ 36,000
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>\$ 24,140</u>	<u>\$ 12,140</u>	<u>\$ 18,139</u>	<u>\$ 18,139</u>	<u>\$ 72,558</u>
<u>ACTUAL</u>					
Administrative Expenses					
Actuarial valuations	\$ 16,000	\$ 4,500	\$ -	\$ 8,500	\$ 29,000
Accounting and administrative services	5,505	5,505	5,505	5,505	22,020
Audit fees	1,500	1,500	1,500	1,500	6,000
Trustee fees	120	120	120	120	480
Legal fees	607	607	607	607	2,428
Operating Expenses	-	-	-	-	-
	<u>\$ 23,732</u>	<u>\$ 12,232</u>	<u>\$ 7,732</u>	<u>\$ 16,232</u>	<u>\$ 59,928</u>
<u>VARIANCE</u>					
Administrative Expenses					
Actuarial valuations	\$ (1,000)	\$ (1,500)	\$ 9,000	\$ 500	\$ 7,000
Accounting and administrative services	1,835	1,835	1,834	1,834	7,338
Audit fees	-	-	-	-	-
Trustee fees	(20)	(20)	(20)	(20)	(80)
Legal fees	(607)	(607)	(607)	(607)	(2,428)
Operating Expenses	200	200	200	200	800
	<u>\$ 408</u>	<u>\$ (92)</u>	<u>\$ 10,407</u>	<u>\$ 1,907</u>	<u>\$ 12,630</u>

WASHOE COUNTY, NEVADA OPEB TRUST
Review of Washoe County Request for Reimbursement of Plan Expenses
For the Quarter Ended March 31, 2013

	Washoe Co. Retiree Health Benefit Plan	State of Nevada Public Employee Benefit Plan	Total
Retiree health benefits costs	\$ 8,599,531	\$ 238,014	\$ 8,837,545
Contributions:			
Plan members	(2,094,194)	-	(2,094,194)
Other	(655,757)	-	(655,757)
Net retiree health benefits costs	5,849,580	238,014	6,087,594
YTD Reimbursements to County	(4,002,446)	(158,779)	(4,161,225)
Requested reimbursement	\$ 1,847,134	\$ 79,235	\$ 1,926,369

Washoe County, Nevada OPEB Trust Fund
Cash Flow Projections and Planned Transfers to the State Investment Fund (RBIF) for FY 2012/2013

	<u>Prefunding Contributions</u>	<u>Direct Expenses</u>	<u>Reimburse Employers</u>	<u>Cash Change</u>	<u>Trsfrs to RBIF</u>	<u>Cash in WC Pool</u>	<u>Cash in RBIF</u>	<u>Total Cash & Investmts*</u>
Beginning balance						\$ 8,199,636	\$ 93,548,373	\$ 101,748,009
Jul Trustee Meeting	-	-	(2,935,672)	(2,935,672)	-	5,263,964	93,548,373	98,812,337
Aug	-	-	-	-	855,900	4,408,064	94,404,273	98,812,337
Sep	-	(28,000)	-	(28,000)	855,900	3,527,683	100,763,728	104,291,411
Oct Trustee Meeting	3,600,000	-	(1,468,590)	2,131,410	855,900	4,803,193	101,619,628	106,422,821
Nov	-	-	-	-	855,900	3,947,293	102,475,528	106,422,821
Dec	3,600,000	(7,500)	-	3,592,500	855,900	6,666,649	105,295,950	111,962,599
Jan Trustee Meeting	-	-	(2,692,635)	(2,692,635)	855,900	3,118,114	106,151,850	109,269,964
Feb	-	-	-	-	855,900	2,262,214	107,007,750	109,269,964
Mar	3,600,000	(24,428)	-	3,575,572	855,900	4,983,307	113,071,582	118,054,889
Apr Trustee Meeting	-	(7,660)	(1,926,369)	(1,934,029)	855,900	2,193,378	113,927,482	116,120,860
May	-	-	-	-	-	2,193,378	113,927,482	116,120,860
Jun	-	-	-	-	-	2,193,378	113,927,482	116,120,860
Jul Trustee Meeting	6,600,000	-	(2,978,633)	3,621,367	-	5,814,745	113,927,482	119,742,227
Cash flow total	<u>17,400,000</u>	<u>(67,588)</u>	<u>(12,001,899)</u>	<u>5,330,513</u>	<u>7,703,100</u>			
Less: FY12 exp reimbursed in FY13			<u>2,935,672</u>					
Total Reimbursement for FY13 Exps			<u>(9,066,227)</u>	(Favorable to budget by \$1.3M)				

* Adjusted quarterly for net investment earnings.

NOTES:

June reimbursements to employers projected at 110% of last three reimbursements.
Direct expenses for Q4 projected to include quarterly accounting & admin. charge plus trustee fees.
Final prefunding contribution for WCRHBP and PEBP updated to reflect reduction in budget of employer.

	<u>WCRHBP</u>	<u>PEBP</u>	<u>WC Total</u>	
WC contribution	17,011,626	388,374	17,400,000	Allocated based on UAAL
WC reimbursements - FY13 expenses	9,954,600	400,000	10,354,600	

Washoe County, Nevada OPEB Trust Fund
Cash Flow Projections and Planned Transfers to the State Investment Fund (RBIF) for FY 2012/2013

WCRHBP		Prefunding Contributions	Direct Expenses	Reimburse Employers	Cash Change	Trsfrs to RBIF	Cash in WC Pool	Cash in RBIF	Total Cash & Invest.
Beginning balance							\$ 7,332,496	\$ 88,706,521	\$ 96,039,017
Jul	Trustee Meeting	-	-	(2,859,642)	(2,859,642)	-	4,472,854	88,706,521	93,179,375
Aug		-	-	-	-	787,000	3,685,854	89,493,521	93,179,375
Sep		-	(17,875)	-	(17,875)	787,000	2,918,110	95,497,891	98,416,001
Oct	Trustee Meeting	3,500,000	-	(1,381,594)	2,118,406	787,000	4,249,516	96,284,891	100,534,407
Nov		-	-	-	-	784,300	3,465,216	97,069,191	100,534,407
Dec		3,500,000	(1,875)	-	3,498,125	841,900	6,131,391	99,773,327	105,904,718
Jan	Trustee Meeting	-	-	(2,620,852)	(2,620,852)	841,900	2,668,639	100,615,227	103,283,866
Feb		-	-	-	-	841,900	1,826,739	101,457,127	103,283,866
Mar		3,500,000	(3,982)	-	3,496,018	841,900	4,483,218	107,235,083	111,718,301
Apr	Trustee Meeting	-	(1,915)	(1,847,134)	(1,849,049)	841,900	1,792,269	108,076,983	109,869,252
May		-	-	-	-	-	1,792,269	108,076,983	109,869,252
Jun		-	-	-	-	-	1,792,269	108,076,983	109,869,252
July	Trustee Meeting	6,511,626	-	(2,882,937)	3,628,689	-	5,420,958	108,076,983	113,497,941
Cash flow total		<u>17,011,626</u>	<u>(25,647)</u>	<u>(11,592,159)</u>	<u>5,393,820</u>	<u>7,354,800</u>			
Less: FY12 exp reimbursed in FY13				<u>2,859,642</u>					
Projected Reimbursement for FY13 Exps				<u>(8,732,517)</u>					(Favorable to budget by \$1.2M)

PEBP		Prefunding Contributions	Direct Expenses	Reimburse Employers	Cash Change	Trsfrs to RBIF	Cash in WC Pool	Cash in RBIF	Total Cash & Invest.
Beginning balance							\$ 216,833	\$ 1,648,122	\$ 1,864,955
Jul	Trustee Meeting	-	-	(76,030)	(76,030)	-	140,803	1,648,122	1,788,925
Aug		-	-	-	-	11,300	129,503	1,659,422	1,788,925
Sep		-	(6,375)	-	(6,375)	11,300	112,858	1,769,786	1,882,644
Oct	Trustee Meeting	100,000	-	(86,996)	13,004	11,300	114,562	1,781,086	1,895,648
Nov		-	-	-	-	14,000	100,562	1,795,086	1,895,648
Dec		100,000	(1,875)	-	98,125	14,000	185,062	1,844,447	2,029,509
Jan	Trustee Meeting	-	-	(71,783)	(71,783)	14,000	99,279	1,858,447	1,957,726
Feb		-	-	-	-	14,000	85,279	1,872,447	1,957,726
Mar		100,000	(3,982)	-	96,018	14,000	167,390	1,980,190	2,147,580
Apr	Trustee Meeting	-	(1,915)	(79,235)	(81,150)	14,000	72,240	1,994,190	2,066,430
May		-	-	-	-	-	72,240	1,994,190	2,066,430
Jun		-	-	-	-	-	72,240	1,994,190	2,066,430
July	Trustee Meeting	88,374	-	(95,696)	(7,322)	-	64,918	1,994,190	2,059,108
Cash flow total		<u>388,374</u>	<u>(14,147)</u>	<u>(409,740)</u>	<u>(35,513)</u>	<u>117,900</u>			
Less: FY12 exp reimbursed in FY13				<u>76,030</u>					
Total Reimbursement for FY13 Exps				<u>(333,710)</u>					(Favorable to budget by \$66,290)

Washoe County, Nevada OPEB Trust Fund
Cash Flow Projections and Planned Transfers to the State Investment Fund (RBIF) for FY 2012/2013

TMFPD		Prefunding Contributions	Direct Expenses	Reimburse Employers	Cash Change	Trsfrs to RBIF	Cash in WC Pool	Cash in RBIF	Total Cash & Invest.
Beginning balance							\$ 612,584	\$ 2,707,279	\$ 3,319,863
Jul	Trustee Meeting	-	-	-	-	-	612,584	2,707,279	3,319,863
Aug		-	-	-	-	57,600	554,984	2,764,879	3,319,863
Sep		-	(1,875)	-	(1,875)	57,600	461,384	2,982,083	3,443,467
Oct	Trustee Meeting	-	-	-	-	57,600	403,784	3,039,683	3,443,467
Nov		-	-	-	-	57,600	346,184	3,097,283	3,443,467
Dec		-	(1,875)	-	(1,875)	-	316,870	3,154,385	3,471,255
Jan	Trustee Meeting	-	-	-	-	-	316,870	3,154,385	3,471,255
Feb		-	-	-	-	-	316,870	3,154,385	3,471,255
Mar		-	(3,982)	-	(3,982)	-	313,421	3,306,479	3,619,900
Apr	Trustee Meeting	-	(1,915)	-	(1,915)	-	311,506	3,306,479	3,617,985
May		-	-	-	-	-	311,506	3,306,479	3,617,985
Jun		-	-	-	-	-	311,506	3,306,479	3,617,985
Total		-	(268,139)	-	(9,647)	230,400			

SFPD		Prefunding Contributions	Direct Expenses	Reimburse Employers	Cash Change	Trsfrs to RBIF	Cash in WC Pool	Cash in RBIF	Total Cash & Invest.
Beginning balance							\$ 37,723	\$ 486,451	\$ 524,174
Jul	Trustee Meeting	-	-	-	-	-	37,723	486,451	524,174
Aug		-	-	-	-	-	37,723	486,451	524,174
Sep		-	(1,875)	-	(1,875)	-	35,331	513,968	549,299
Oct	Trustee Meeting	-	-	-	-	-	35,331	513,968	549,299
Nov		-	-	-	-	-	35,331	513,968	549,299
Dec		-	(1,875)	-	(1,875)	-	33,326	523,791	557,117
Jan	Trustee Meeting	-	-	-	-	-	33,326	523,791	557,117
Feb		-	-	-	-	-	33,326	523,791	557,117
Mar		-	(12,482)	-	(12,482)	-	19,278	549,830	569,108
Apr	Trustee Meeting	-	(1,915)	-	(1,915)	-	17,363	549,830	567,193
May		-	-	-	-	-	17,363	549,830	567,193
Jun		-	-	-	-	-	17,363	549,830	567,193
Total		-	(28,939)	-	(18,147)	-			

**Administrative Rules and Procedures of the Board of Trustees of the
Washoe County, Nevada OPEB Trust Fund**

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 that any one of the Trustees may act 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. Costs incurred by Washoe County to provide services will be tracked and billed to the Trust based upon Washoe County's Countywide Cost Allocation Plan (COWCAP). Amounts billed to the Trust will be reviewed and approved by the Trustees 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.
 - f. In order to maximize investment returns, the Board's policy will be to invest the majority of the Trust's money in the Retirement Benefits Investment Fund (RBIF), and to minimize withdrawals. The Trustees will strive to maintain sufficient money in the Washoe County Investment Trust fund (Pooled Cash) to pay each year's annually budgeted expenses as they become due. If an individual Plan's Pooled Cash balance falls short of its expenses, the shortfall will be remedied by reducing the Plan's allocated share of RBIF investments and increasing its allocated share of Pooled Cash.

7. With the exception of the year of execution of the trust, the Trustees shall engage the auditors no later than March 31st 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.
Amended October 25, 2012