

**AGENDA**

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

**April 23, 2014 at 9:00 a.m.**

**Room C-110 (Central Conference Room)  
Washoe County Administrative Complex, Building C  
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 Comptroller's Office at 328-2552, 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: "\*Trustee's/Staff 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](http://www.washoecounty.us/finance/OPEB.htm).

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Support documentation for items on the agenda that is provided to the Washoe County, Nevada OPEB Trust Board of Trustees is available to members of the public at the Washoe County Comptroller's Office (1001 E. 9<sup>th</sup> Street, Room D-120 Reno, Nevada), Sandra McGarva, Administrative Secretary Supervisor (775) 328-2553; and on the County's website at <http://www.washoecounty.us/finance/OPEB.htm>

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 January 30, 2014, meeting.
- 4. Review and approve claims processed, administrative expenditures and reimbursements to employers through March 31, 2014.
- 5. Acknowledge receipt of interim financial statements for the period ending March 31, 2014.
- 6. Discussion and possible action: revisit proposed cash transfer timing to the Nevada Retiree Benefits Investment Fund for the remainder of the fiscal year.
- \* 7. Discussion: Status of employers budgets for the upcoming fiscal year and potential impact on the Trust.
- \* 8. Trustee's/Staff announcements, requests for information, and 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.)
- \* 9. 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.
- 10. Adjourn.

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

**THURSDAY, JANUARY 30, 2014, 9:00 A.M.**

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**Present:**

John Sherman, Chairman  
Cynthia Washburn, Trustee  
Darrell Craig, Trustee

**Staff:**

Mary Solorzano, Accounting Manager  
Sandra McGarva, Secretary  
Terrance Shea, Legal Counsel

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The Board convenes in regular session at approximately 9:02 a.m. at the Central Conference Room, Building C, of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada. Roll is called, there is a quorum. (For the record, Mary Walker, fiscal agent of the Fire entities in OPEB, is also present.)

There is no **Public Comment**.

**Approve minutes from October 31, 2013 meeting.**

Chairman Sherman commends the minute-taker, stating the transcription serves as a good refresher on what the Board did at their last meeting.

Trustee Craig moves to approve the minutes of October 31, 2013 as written.

There is no public comment. Trustee Washburn seconds the motion. All are in favor, the motion carries.

**Discussion: receipt of audited financial statement for fiscal year 2012/3013**

Chairman Sherman reminds the Board that these audited financial statements were provided to the Trustees at the last meeting as just-printed and, even though a brief summary of the audit's content was provided and the document was approved at the October meeting, he wanted everyone to have a chance to peruse its pages and subsequently discuss any concerns or questions the Trustees may have after having that opportunity to review it.

Continuing, Chairman Sherman notes again that it was a clean Opinion and there were no compliance findings. He questions if the entry on the Statements of Changes in Plan Net Position, where the line item is called Benefits [under Deductions], are premiums or actual costs. Ms. Solorzano confirms the amounts are actual costs.

Chairman Sherman states his next question does not have to be answered now, but maybe in an e-mail later, and directs everyone to page 9 of the audited financial statements where it pertains to latest actuarial valuation data. He states the information reads that the Retiree Health Benefits Plan is open; he states he does not recall if it is as of that date. It is confirmed that the valuation date for this actuarial data was 07/01/2012, which is why the Report indicates it is open. It is noted the next actuarial valuation will reflect the RHBP is a closed Plan.

**Review and approve claims processed, administrative expenditures and reimbursements to employers through December 31, 2013.**

Ms. Solorzano provides a brief summary of the Claims Processed, Administrative Expenditures, and Reimbursements to Employers report, directing the Board to page 10 of their packets, stating that it is fairly consistent with numbers of the second quarter: the Trust portion of retiree premiums came in at \$1.941 million, and we were at \$1.931 million last month. It was not anticipated that there would be a lot of flux in that, and we didn't have any. The PEBP cost also stays fairly flat between about \$78,000 and \$82,000.

She states the total reimbursement request for the two Plans will be \$2,021,488, and the Report demonstrates the average monthly cost per participant, which also presents no surprises for the first quarter.

There is discussion. It is noted the comparison at the bottom is very informative, as it exhibits how much less we're contributing to the Health Benefits Fund net assets, due in large part, to the adjustment and change of our approach of only premium reimbursements. Ms. Solorzano adds that we've had some more retirees since last year, so we're running a bit higher than last year.

Ms. Solorzano states that, as we expected in the first quarter when we had that prepaid balance, it has flipped around the way we would have expected it to. In the first quarter the claims were very low, and so our reimbursements for premiums exceeded the claims expense, but the benefit expense more than doubled in that second quarter. It is a fairly consistent pattern that we come in low on claims in the first quarter of the year.

Trustee Washburn explains that the eventual increase in claims occurs, in part, with the accounting at year-end, when we have extra time to catch up the fourth quarter. She states she's not sure if it is because folks go to the doctor more at certain times of the year, or if the doctor's billings change. Brief discussion.

Trustee Washburn advises that one of the goals of the Comptroller is to start digging into the claims data and some of the patterns in order to better understand the seasonality a little more. Ms. Solorzano states that a new Senior Accountant position has been established that will be dedicated to the Health Benefits Fund so there can be more ownership and understanding of what is going on in that Fund.

More discussion with regard to the increase in the premium costs being reflective of an increase in retirees, and that there have been no premium changes over the past two years.

Chairman Sherman states, for the benefit of those who may not know, that there is a difference between benefit expense and premium cost. The premium for retirees and current employees must be the same amount, pursuant to State law, and the Trust pays that as its contribution to the Health Benefit Fund, which actually pays the bills, but we also track the benefit expense because we must record that in the accounting records of the Trust. The Trust is only legally responsible for paying the premium.

Trustee Craig asks if we know or have we projected what the maximum number of participants will be and when the top of that curve will be known? Trustee Sherman states the actuary may have some calculations somewhere in his method, but when he reads the actuarial report he does not see what that

number is. He believes the actuarial must assume some change in beneficiaries who actually receive the benefit, and of course with a closed plan it might go up a little bit for awhile, but then there are some demographics that will eventually determine the outcome.

Trustee Washburn states that the actuary has established tables that they agree to on a nationwide and regional basis, and one of those tables is mortality, how long people are expected to live. She explains that they do have standards as far as retirement ages, retirement rates, trends for people retiring early, people retiring late, so he does get sufficient data to know that these associations can retire at this point, other associations can retire at that point, and then they apply the actuarial statistical averages that they arrive at with a prototype of what ours might look like going forward. That is what he determines is our liability. She adds that we can ask him if there is a chart or something like that that would help.

Trustee Craig states that his real question is, will the number of average participants go up gradually, or is there a big balloon out there in the next five years?

Ms. Solorzano states her personal expectation, based upon where we are demographically with our workforce, is that we are going to hit the peak in the next few years, perhaps five. There is discussion.

It is noted the real answer hinges on mortality. Ms. Solorzano states that, in terms of new entrants, we're pretty much riding a crest now.

Chairman Sherman states it would be interesting data if Botsford would do that. He adds that it might be beneficial for this Board, as well as for the County, to look at the trend line, actually what he predicts and actually graph that out over the period that he forecasts, the benefit cost, as a number, and the ARC, as a number, and trend that out and put it in a graph. He notes they did that a number of years ago, and it showed that the annual benefit cost is below the ARC, but at some future date that is unknown, those lines will cross. The benefit cost that we have to pay will be higher than the annual required contribution.

Ms. Solorzano states she will reach out to Botsford and see what he can do for us. Chairman Sherman asks when is the next actuarial study? Trustee Washburn answers that it is coming up, we're just getting the data together. Ms. Solorzano states we can usually get those anywhere between February and June, depending upon how quickly we jump on it. There is discussion.

Discussion with regard to the content of page 11 of the packets, Administrative Expense Detail – YTD Actual vs. Annual Budget, and Ms. Solorzano states there are, again, no surprises; we did receive the audit fees we had been waiting for.

Trustee Washburn moves to approve the reimbursement of \$2,021,488 to the County and acknowledge the administrative expenses as presented.

There is no Public Comment. Trustee Craig seconds the motion. All are in favor, the motion carries.

**Acknowledge receipt of interim financial statements for the period ending December 31, 2013.**

Ms. Solorzano begins summarizing the Interim Financial Highlights for the Quarter Ended December 31, 2013, with stating the star of the show for the quarter is the fact that we are running at about \$11 million in unrealized gains in the RBIF. Nothing else is unusual.

Chairman Sherman asks if we will be able to see any data coming out of RBIF soon. Ms. Solorzano states the quarterly for December has not yet been received, but it is anticipated that it will be available for the next meeting.

Ms. Solorzano states there was some prefunding from the Fire entity, they moved a little more than a half-million dollars over into Sierra Fire. Sierra Fire was the only Plan that was actually upside down on their actuarial. They had \$100,000 budgeted and they moved another \$445,000 into an augmentation to their budget.

Chairman Sherman notices that both on the summary and the break-out there is a line item called investment income, and then investment expense and those numbers are the same. For the budgeted side, do we normally not budget for interest and dividend income? Ms. Solorzano states that is correct because it has been so difficult to peg. We simply budgeted enough interest and dividends to cover the anticipated expense so that net/net we had not budgeted that section of the amount. Chairman Sherman asks if that is both the RBIF expense and the County expense? Ms. Solorzano states it is. She adds that the RBIF investment income number YTD is at 27.71%, including unrealized gains. Without the unrealized gains, they're at 3.17%.

Chairman Sherman states it is nice to see that number, but it has to be translated into realize this is mark to market, this is the investment portfolio that RBIF has, who will examine what the value of that investment as of a certain date. That is unrealized because you haven't sold the securities or actually received the value difference in whether it is an equity or a fixed income security. It is noted markets are very volatile, it is hard to count on those unrealized gains.

Ms. Solorzano states that on the P & L we had talked before about what happens when we contribute more to the Plan than the cost of the benefit, and that shows up in the P & L as employer contributions for incurred costs. She adds that that information can be found on page 14 for the combined Trusts and then the following pages; a substantial portion of it would be on page 15 for the Washoe County Plan, where we have contributions for incurred cost YTD of just under \$900,000, and that is the amount of benefits expense that the County has borne which is not reimbursed by the Trust, because the Trust is paying the premiums rather than expenses.

Trustee Washburn notes that because the State says we have to use a common rate, and in looking at the actual cost, retirees historically cost a little more. But because we have to level that rate, active employees end up paying a little more to cover retirees. So when we look at the contribution for incurred cost, that's actually being paid by active employees through the implicit rate subsidy. Implicit in that, retirees cost more but the rate's the same, so someone needs to make up the difference. Chairman Sherman clarifies, stating that in a practical matter, it is the County payment of those expenses that is the difference. He adds that actually that would apply for dependents that are under the retiree's plan, too.

Trustee Washburn moves to acknowledge receipt of the interim financial statements for the period ending December 31, 2013.

There is no Public Comment. Trustee Craig seconds the motion. All are in favor, the motion carries.

### **Discussion and possible action: investment objective for the OPEB Trust Fund**

Page 19 of the material packet includes a review of discount rates for evaluating OPEB liabilities compiled by Trustee Washburn. She begins explaining the reason for this review is due to a discussion at the last meeting at which 7% was established as our expected investment rate, therefore when the actuary looks at the long-term liability and how much will be gained on the money, he uses that 7% rate. We did note that before we went into the State investments, we were only running at about a 4.6%, which had been our historical internal investment rate. However, the PERS organization, which also manages the retirement investment, uses their own actuarial testing and investment, targeted 8%. She explains the premise that if we raise the rate at which we will earn money, it would lower the amount we would have to contribute. Conversely, if we are not going to earn as much on our Trust money, we would need to contribute more to meet the eventual payments needed.

Trustee Washburn goes through the document, point by point. There is intermittent discussion; Trustee Washburn states she looked at a report done in 2013 by the PEW Charitable Trust on shortfalls in pensions and other types of long-term liability from which she picked some of the better-funded. It is interesting to note the number of entities in the report who don't fund at all with pay-as-you-go liability.

There is brief discussion with regard to both cities in Washoe County who have zero funding; it is noted they do not have a Trust.

Trustee Washburn continues, stating she did look at some of the rates of a few large, and found that the preponderance of these cities were somewhere between 5% and 8%. She was not able to find out why, but guesses it is because they may be under the same investment restrictions as we have on government investment.

Chairman Sherman explains that in our state, local governments are only allowed to invest in fixed income securities with a maturity of ten years or less. They are prohibited from investing in stocks, whereas this Trust and its investment manager, RBIF, is allowed to invest in stocks and allowed to buy fixed income securities of any maturity.

Trustee Washburn continues, stating that in review of all the entities that were actually funding, she found that they are averaging predominately somewhere in the 7% range. She relates that Moody's, the agency who rates our credit (along with Standard and Poors), has begun to get after entities that use too high of a rate, which falsely indicates that they don't have to put so much money aside. However, if they aren't really earning that rate, they will be caught short at the end of the day. Moody's also did a report, indicating that all of the ones they had in their report that ranged from 5.5% to 8.5%, the median was right around 8%. The big deal going on right now is Moody's has been attacking the over-aggressive valuations of various entities' plans, to the degree that they have decided when they issue a credit rating, they're going recalculate what those liabilities are for pensions. They so far have not indicated they will recalculate for OPEB Trusts.

There is discussion. It is confirmed Moody's would, in fact, calculate the PERS separately for a credit rating for Washoe County. Trustee Washburn, following the information related in her handout, states that based on Moody's report released on April 17, 2013, they intend to use a standard, called the Citibank Pension Liability Index, to evaluate all pensions. Their targeted rate for Nevada's PERS program would drop from 8% to the index rate of 5.67% with a corresponding increase in the liability. It

is noted that PERS, over their life 29 years have yielded 9.5%, exceeding their 8% target. More discussion.

Trustee Washburn advises that new accounting standards are currently rolling out, toughening up how pension is evaluated. She adds that the State and the County have always gone very conservative, so we should not be affected so much, but beginning this year, the State has to not only evaluate their pension liability, but they have to calculate what that liability is for each local entity in the State. Next fiscal year, we as a county, have to book our share of that unfunded liability. This will be demonstrated in the government-wide statements. It is noted we may have negative equity.

Chairman Sherman asks that staff send him the number of the GASB Standard that is requiring this accounting change for pensions.

Trustee Craig asks for clarification as to why this would be a negative, and it is explained that when the balance of the Trust Asset vs. the Total Liability of people known, those numbers are very different. Chairman Sherman states the PERS funding level is somewhere between 30% and 40% funded, making their net assets less than the total calculated PERS liability as of a certain date. All those known retirees (actuarial determined) and those that will retire and receive this benefit, are totaled to equal the liability – and it is that vast difference between the two numbers that we will have to book.

There is more discussion. Chairman Sherman states the nexus of this discussion is that we're dealing with a set of accounting rules that impact the reported financial health of the entity as it does for the OPEB liability. So we're talking, essentially, about parallel issues that deal with these future liabilities that entities have to pay. It is anticipated that this will have a material impact on retiree health benefits, particularly as it relates to these discount rates that we're talking about. And, part of that issue, as well, is that it impacts credit ratings which in fact impact the cost to borrow money, which impacts the cost of doing business, with the County.

Differing from Moody's, Trustee Washburn continues, S & P will not rework the liability calculation, but will examine it more realistically based on where we're invested. Their stand is that the new accounting standard will foster more conservative rates over the next few years. Chairman Sherman states that the objective here is to try to get a reasonable discount rate that is fact based, that we can rely on in the long term, and make these calculations. It requires looking at the data and the Standards, and the external reviewers, and question what is a reasonable discount rate.

It is noted we do not have a long-term yet on what we're going to earn in this new environment, but because we're under PERS - not over conservative so that we're overfunding - Trustee Washburn recommends that the Washoe County, Nevada OPEB Trust Fund maintain the actuarial discount rate at the current 7%.

Chairman Sherman agrees with the recommendation, and states that, to the extent that the Trust has realized income, that adds an asset that gets deducted from the liability. That then feeds into calculating these required contributions; another entity may have a higher earning rate than we have at 7%, but we have the hard dollars that actually reduces the liability. Therefore, it is not as simple a matter of just the discount rate, it is the total factor of what feeds into what we are required, according to accounting standards, to come up with in annual required contributions. He adds that it is also important to know what investment risk we may have with RBIF, making sure their risks make sense to us, as well.



Trustee Craig moves to leave the OPEB Trust discount rate at 7%.

Trustee Washburn seconds the motion.

For public comment, Tim Ross of the Sheriff's Department stands up. He states that he's heard the use of the terms "conservative" and "ultra conservative," and he's heard a lot of comments today. He indicates the meeting material, "we've earned, over the time that we've been here, at a rate of 12%," "we have a realized gain of \$7.6 million," here, as I read these [minutes from the prior meeting], "yes, we're going to continue to keep the rate at 7% because we're going to be ultra-conservative." His question is, in the year that we realized a gain of \$7.6 million, where is that money going to go? And what are we going to do with it, and why are we not looking at adjusting the rate and making a little bit more? Over the years, historically, in 2011, there was a study done and almost 16% of the nation had even *thought* about funding their OPEB, at which time, Washoe County had \$78 million and was asking for another \$22 million. So at what point do we take a look at this and say we're far above everybody else? If we want to continue to gain money and try to save money in this account, so we can pay for Reno and Sparks because we're going to put it into a State pool? Why don't we just spend it on our own?

Chairman Sherman responds, stating that first and foremost, Mr. Ross's last statement that Reno and Sparks is going to get their hands on this money is inaccurate. This is a Trust. It is set up pursuant to State law with Trust documents that have been legally authorized and approved, and only the beneficiaries of this Trust can receive money from the Trust in terms of payment for the premium for their health insurance.

Legal Counsel points out that we must stay within the boundary of the agenda item, Public Comment. Chairman Sherman responds to Mr. Ross, asking that he submit in writing his questions or concerns, and if he quotes a number, include the source, and we can address those concerns at the next quarterly meeting.

It is noted Mr. Ross should send his letter to the Comptroller. Trustee Washburn states that one of the comments made by Mr. Ross does relate to this item: if she was not clear on the discount rate, she explains that conservative, in terms of the interest rate, means it really does closely match what you are really going to get, and it is the ideal balance between how much is deposited today and how short or over you'll be when the last retiree is paid out.

Trustee Craig addresses Mr. Ross, stating a simplified way of looking at it is if, for example, we move to that 12.6% figure, the County would contribute about half of what it is currently contributing to your retirement health account. The higher the discount rate, the lower the contribution by the County.

Chairman Sherman adds that the State law and our organizational documents for the Trust make it very clear that the Trustees do not have a say in how much of this annual contribution is County funds.

Chairman Sherman calls for further public comment, and seeing none, he explains that the Board is always open to receiving questions and concerns to address at their quarterly meetings. He adds that he would like to revisit this topic.

All are in favor of the motion on the floor. The motion carries.

**Discussion and possible action: revisit proposed cash transfer timing to the Nevada Retiree Benefits Investment Fund for the remainder of the fiscal year.**

Chairman Sherman notes that the Sierra Fire Protection District did make a contribution, and it is confirmed it is a one-shot deal.

Ms. Solorzano states that the \$575,000 that Sierra Fire put in does account for the change in the prefunding contributions from the last time they saw this schedule.

Chairman Sherman explains that this Trust is comprised of four plans into which the money is pooled for investment purposes, but they are separate plans, separately accounted for and the payments go to individuals in those plans. He asks if the transfers to RBIF were modified to account for both the increase and Sierra Fire. Ms. Solorzano states we did not change those and that would be one of the questions when you look on page 22, we didn't have any transfers planned out of the Sierra Fire Plan into the RBIF because we had not been given numbers by the fire entities to project. We now have cash in that fund that we weren't expecting and we're seeking comment from the Trustees on what they would like to do.

There is discussion. It is noted that the difference in the cash in the Pool is only for the Sierra Fire PD contribution to the Trust, and that no one else had a significant fluctuation to what we had previously projected. It is confirmed that there has been no statement of interest from SFPD as to their desires or interest or suggestions received.

Chairman Sherman states he would prefer to keep it in the Pool due to concern he had last time that the balance in the Pool projected toward the end of the fiscal year was getting small for the Pool to pay its out-of-pocket costs. He states this may be something we want to continue to look at every quarter.

Ms. Solorzano states we could afford to move possibly half of it over to the RBIF, which would enhance the earnings for Sierra Fire.

There is discussion as Ms. Solorzano recaps the cash flow projections included on page 20. It is confirmed that that last scheduled transfer to RBIF of \$899,000 would occur in April. The last payment from the County to the Trust will occur in July because we always get that bump with the last prefunding contribution arriving in July, which covers, then, our last payment of reimbursement to the employers.

Chairman Sherman states he would be comfortable with an additional \$200,000. Trustee Craig asks what could conceivably happen that would move that estimate by a half-million dollars. Ms. Solorzano explains that a change on the County's part and how much prefunding they choose to put into the OPEB, but it is unlikely. She adds she does not foresee a direct expense, given what the Trust's business dealings are, that would exceed what we see here for administrative expenses.

More discussion.

Chairman Sherman calls for a motion that they adjust the transfers to RBIF by an additional \$250,000, to be spread over the remaining transfers.

Trustee Craig so moves. Trustee Washburn seconds the motion.

At the call for public comment, Scott Thomas of the Sheriff's Department, asks for clarification on page 21 of the meeting material, where a column is labeled Reimburse Employers, and he sees it has a total reimbursement of \$1.8 million, and he wonders where that payment goes back to. Chairman Sherman responds, stating the Health Benefits Fund, which pays for the medical bills.

There is no more public comment. All are in favor of the motion on the floor. The motion carries.

Chairman Sherman states it would be nice to know from the fire districts if they are planning to make any additional contributions, particularly for Sierra Fire. Ms. Solorzano states she will reach out to Mary Walker and ask her to address that.

**Discussion: Affordable Health Care Act and/or Health Benefits trends per information presented to BCC by HR director.**

Chairman Sherman states we did ask for this, and he was under the impression that someone from HR or Social Services would be here. To the extent that staff has information on this it would be nice to share, but the Trustees are interested in what affect, if anything, that Act as it continues to roll out and be implemented, will have on retiree health benefits.

Ms. Solorzano advises that from her work with Sue Sabourin in Health Benefits, we do not have better information on this. And we have not yet seen our bids from Hometown Health and CDS on what will be happening in fiscal 2015. She anticipates we'll have those bids within the next month, and she might be able to report at the next meeting. When we see that we'll know what the insurers are planning to do because this is the law. However, until we find out what portion they're planning to pass through to us, we won't really know the bottom line impact to the County.

There is discussion about if it is anticipated in the ACA or the law itself, for the community, if health care providers, and the County as an insurer, would differentiate between current employees and retirees. Chairman Sherman states that if it would, it would be nice to know because it might impact the way we go about doing our business as a Trust.

Trustee Washburn states we may request from the actuary some additional insight that they have as to the retiree impact on the overall liabilities. There is discussion regarding the notion of a premium tax for Cadillac plans, and it is noted that is still very much unsettled.

Chairman Sherman asks that this be kept on the radar and directs staff to bring back information as they get it.

**Discussion: revisit summary of actuarial valuations with requested additional information.**

Ms. Solorzano states the Trustees asked her to add a column that would show the actual benefits expense. She advises she did that, and directs everyone to the last page of the meeting material. She states she also added two columns to show the contribution for incurred costs and prefunding components.

There is discussion on the added advantage of adding these columns, and Chairman Sherman states the chart is a good and informative document.

Trustee Washburn notes that Reno's outstanding OPEB liability is roughly \$200 million. Ours is roughly just under \$200 million. They should be contributing about the same amount as we do, \$18.7 million, roughly. But they are contributing zero. She states that their required funding for covered payroll is over 26%. Our roughly \$18.7 million in required contribution represents somewhere between 11% to 12% of our covered payroll for benefit cost. More discussion on the ARC and trend information.

Trustee Washburn moves to acknowledge receipt of the requested additional actuarial valuation information. Trustee Craig seconds the motion.

There is no public comment. All are in favor. The motion carries.

**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 Washburn announces that she does expect there will be Washoe County budget changes to help cover some of the wage increases. In the current year, most of the associations did get approved for wage increases that were not in the base budget, and the Board direction in looking for available funding sources was to also consider the County contribution to the OPEB Trust. It is anticipated this will go to the Board within the next meeting or two, and the outcome should be available by the Trustee's April meeting.

Ms. Solorzano states we should add an agenda item for next time for how we will accommodate the procedures of the Trust relative to the County's decision to eliminate the Finance Director's position. It is noted it is a good recommendation. By the next meeting we should have some ordinance changes and direction on those relative roles. There is discussion with regard to the knowledge and skills that the person sitting on this Board at that capacity should possess for a Trust of this kind. It is noted we may need to alter the Trust document and the procedures we have in place as a Board of Trustees, where those documents call out the Finance Director.

Tim Ross requests to comment, stating that the numbers he quoted earlier with regard to the \$7.6 million are on page 8 in the 2<sup>nd</sup> and the 7<sup>th</sup> paragraphs. In regard to commenting on the 7% vs. 8%, it is on the last 5 paragraphs of page 4, referring to some of the chairman's comments and also Trustee Craig's comments on the conservativeness of the 8% vs. the 7%.

Chairman Sherman confirms that we will have as an item on the next agenda to address Public Comment; he would like to have an item about Fire plans for next year; if there is anything to share on the Affordable Care Act, we will add an agenda item for it; an agenda item to address potential changes on Trust procedures for a change in the makeup of the Board of Trustees; and the typical recurring items (cash flows, transfers, financials, request for reimbursement).

There is no **Public Comment**.

As there is no further business, the meeting is adjourned at 10:30 a.m.

**WASHOE COUNTY, NEVADA OPEB TRUST**  
**Administrative Expense Detail - YTD Actual vs. Annual Budget**  
**For the Nine Months Ended March 31, 2014 - unaudited**

	<u>Washoe Co Retiree Health Benefit Program</u>	<u>State of Nevada Public Employee Benefit Plan</u>	<u>Truckee Meadows FPD Retiree Group Medical Plan</u>	<u>Sierra FPD Retiree Group Medical Plan</u>	<u>2014 Total</u>
<b><u>BUDGET</u></b>					
Administrative Expenses					
Actuarial valuations	\$ 15,000	\$ 3,000	\$ 9,000	\$ 9,000	\$ 36,000
Accounting and administrative services	6,770	6,770	6,769	6,769	27,078
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>\$ 23,570</u>	<u>\$ 11,570</u>	<u>\$ 17,569</u>	<u>\$ 17,569</u>	<u>\$ 70,278</u>
<b><u>ACTUAL</u></b>					
Administrative Expenses					
Actuarial valuations	\$ 2,235	\$ 630	\$ 1,250	\$ 1,250	\$ 5,365
Accounting and administrative services	5,078	5,078	5,077	5,077	20,310
Audit fees	1,500	1,500	1,500	1,500	6,000
Trustee fees	120	120	120	120	480
Legal fees	-	-	-	-	-
Operating Expenses	-	-	-	-	-
	<u>\$ 8,933</u>	<u>\$ 7,328</u>	<u>\$ 7,947</u>	<u>\$ 7,947</u>	<u>\$ 32,155</u>
<b><u>VARIANCE</u></b>					
Administrative Expenses					
Actuarial valuations	\$ 12,765	\$ 2,370	\$ 7,750	\$ 7,750	\$ 30,635
Accounting and administrative services	1,692	1,692	1,692	1,692	6,768
Audit fees	-	-	-	-	-
Trustee fees	(20)	(20)	(20)	(20)	(80)
Legal fees	-	-	-	-	-
Operating Expenses	200	200	200	200	800
	<u>\$ 14,637</u>	<u>\$ 4,242</u>	<u>\$ 9,622</u>	<u>\$ 9,622</u>	<u>\$ 38,123</u>

**WASHOE COUNTY, NEVADA OPEB TRUST**  
**Review of Washoe County Request for Reimbursement**  
**For the Quarter Ended March 31, 2014**

	<u>Washoe Co. Retiree Health Benefit Plan</u>	<u>State of Nevada Public Employee Benefit Plan</u>	<u>Total</u>
Requested reimbursement of the trust portion of retiree premiums	\$ 1,958,334	\$ 77,663	\$ 2,035,997

**Review of Average Cost per Participant by Coverage Type**

Plan	<u>Average # Participants</u>	<u>Premium Total</u>	<u>Average Monthly Cost per Participant</u>
PPO with Medicare	305	369,134	403.43
PPO without Medicare	644	1,055,363	546.25
Subtotal - PPO	<u>949</u>	<u>1,424,497</u>	
HMO with Medicare	62	65,574	352.55
HMO without Medicare	289	451,860	521.18
Subtotal - HMO	<u>351</u>	<u>517,434</u>	
Senior Care Plus	75	16,403	72.90
State PEBS	278	77,663	93.12
Total - all plans	<u><u>1,653</u></u>	<u><u>2,035,997</u></u>	

**Historical Comparison of Benefits Expense vs. Premium Reimbursements**

	<u>Benefits Expense</u>	<u>Retiree Pmts / Misc Revenue</u>	<u>Premium Reimbursement</u>	<u>Reimb over/ (under) net exp</u>	<u>Avg # per Qtr</u>
<b><u>Fiscal Year 2013:</u></b>					
Q1 FY13	\$ 2,157,310	\$ (775,716)	\$ 1,870,582	\$ 488,988	
Q2 FY13	3,370,959	(750,107)	1,876,053	(744,799)	
Q3 FY13	3,071,262	(1,224,128)	1,888,976	41,842	
Q4 FY13	4,302,528	(606,105)	1,895,307	(1,801,116)	1,597
Total FY2013	<u><u>\$ 12,902,059</u></u>	<u><u>\$ (3,356,056)</u></u>	<u><u>\$ 7,530,918</u></u>	<u><u>\$ (2,015,085)</u></u>	
<b><u>Fiscal year 2014:</u></b>					
Q1 FY14	\$ 2,027,172	\$ (832,254)	\$ 1,931,143	\$ 736,225	1,627
Q2 FY14	4,566,136	(1,020,094)	1,941,728	(1,604,314)	1,638
Q3 FY14	2,187,617	(759,729)	2,035,997	608,109	1,653
Total FY2014	<u><u>\$ 8,780,925</u></u>	<u><u>\$ (2,612,077)</u></u>	<u><u>\$ 5,908,868</u></u>	<u><u>\$ (259,980)</u></u>	

**Washoe County, Nevada OPEB Trust Fund**  
**Interim Financial Highlights for the Quarter Ended March 31, 2014 - 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	\$ 135,771	\$ 3,813	\$ (1,951)	\$ 137,633
WC-PEBP	2,441	109	(77)	2,473
TMFPD	3,845	80	-	3,925
SFPD	728	470	2	1,200
	<u>\$ 142,785</u>	<u>\$ 4,472</u>	<u>\$ (2,026)</u>	<u>\$ 145,231</u>

- Net assets have increased by \$21.6 million year-to-date to \$145.2 million, due to investment income and prefunding contributions from employers. The trust holds \$142.8 million in the State RBIF pool.
- Other net assets include interest receivable, less reimbursements payable to Washoe County.
- Reimbursements to Washoe County for the WCRHBP reflect the employer portion of retiree premiums. The year-to-date difference between premiums and the actual cost paid by the County for retiree health benefits is recorded as contributions for incurred cost.

**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	\$ 10,712	\$ 313	\$ -	\$ 545	\$ 11,570
Investment income, net of expense	15,438	277	453	83	16,251
Plan members, other	2,612	-	-	6	2,618
Contrib. for incurred cost	338	-	-	-	338
	<u>29,100</u>	<u>590</u>	<u>453</u>	<u>634</u>	<u>30,777</u>
<b>Deductions:</b>					
Benefits Paid	8,781	238	93	10	9,122
Administrative	9	7	8	8	32
	<u>8,790</u>	<u>245</u>	<u>101</u>	<u>18</u>	<u>9,154</u>
<b>Net change in Plan Net Assets</b>	<u>\$ 20,310</u>	<u>\$ 345</u>	<u>\$ 352</u>	<u>\$ 616</u>	<u>\$ 21,623</u>

- Investment income includes \$13.1 million from unrealized gains in the State RBIF pool due to fluctuations in the fair value of investments.

**Budget Comparison**

	<u>Budget</u>	<u>YTD</u>	<u>Act % Bud</u>	<u>Variance</u>
<b>Additions:</b>				
Prefunding	\$ 18,700	\$ 11,570	62%	\$ (7,130)
Investment income, net of expense	-	16,251	0%	16,251
Plan members, other	3,585	2,619	73%	(966)
Contrib. for incurred cost	2,288	338	15%	(1,950)
	<u>24,573</u>	<u>30,778</u>	<u>125%</u>	<u>6,205</u>
<b>Deductions:</b>				
Benefits Paid	14,132	9,122	65%	5,010
Administrative	70	32	46%	38
	<u>14,202</u>	<u>9,154</u>	<u>64%</u>	<u>5,048</u>
<b>Net change in Plan Net Assets</b>	<u>\$ 10,371</u>	<u>\$ 21,624</u>	<u>209%</u>	<u>\$ 11,253</u>

- Prefunding includes \$545,000 from SFPD that was not budgeted.
- Investment income in the State RBIF pool is currently averaging 22.09% including unrealized gains, 4.17% without.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENTS OF PLAN NET ASSETS**  
**AS OF MARCH 31, 2014 - 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	\$ 3,812,534	\$ 108,695	\$ 79,657	\$ 470,448	\$ 4,471,334
State of NV RBIF	135,771,472	2,441,401	3,845,063	728,000	142,785,936
Interest receivable	<u>6,841</u>	<u>184</u>	<u>412</u>	<u>1,345</u>	<u>8,782</u>
Total Assets	<u>139,590,847</u>	<u>2,550,280</u>	<u>3,925,132</u>	<u>1,199,793</u>	<u>147,266,052</u>
<b>Liabilities</b>					
Accounts payable	<u>1,958,334</u>	<u>77,663</u>	<u>-</u>	<u>78</u>	<u>2,036,075</u>
<b>Net assets held in trust for other postemployment benefits</b>	<u>\$ 137,632,513</u>	<u>\$ 2,472,617</u>	<u>\$ 3,925,132</u>	<u>\$ 1,199,715</u>	<u>\$ 145,229,977</u>



**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2014 - UNAUDITED**  
**(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)**

	<b>Combined Trust</b>				
	<u>Budget</u>	<u>Actual</u>	<u>Act %</u>	<u>Variance</u>	<u>6/30/2013</u>
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ 18,700,000	\$ 11,569,869	61.87%	\$ (7,130,131)	\$ 17,400,000
Contributions for incurred cost	2,287,500	337,643	14.76%	(1,949,857)	2,015,085
Plan member	3,015,000	2,189,384	72.62%	(825,616)	2,575,989
Other	570,000	428,463	75.17%	(141,537)	789,732
Total Contributions	<u>24,572,500</u>	<u>14,525,359</u>	59.11%	<u>(10,047,141)</u>	<u>22,780,806</u>
Investment Income					
Interest and dividends	49,500	2,307,766	4662.15%	2,258,266	3,189,327
Net increase (decrease) in fair value of investments	-	13,987,165		13,987,165	9,624,225
	<u>49,500</u>	<u>16,294,931</u>	32919.05%	<u>16,245,431</u>	<u>12,813,552</u>
Less investment expense	<u>49,500</u>	<u>43,177</u>	87.23%	<u>6,323</u>	<u>47,917</u>
Net Investment Income	<u>-</u>	<u>16,251,754</u>		<u>16,251,754</u>	<u>12,765,635</u>
Total Additions	<u>24,572,500</u>	<u>30,777,113</u>	125.25%	<u>6,204,613</u>	<u>35,546,441</u>
<b>Deductions</b>					
Benefits	14,131,500	9,121,739	64.55%	5,009,761	13,420,831
Administrative expense	70,278	32,155	45.75%	38,123	69,759
Total Deductions	<u>14,201,778</u>	<u>9,153,894</u>	64.46%	<u>5,047,884</u>	<u>13,490,590</u>
Net Change in Plan Net Assets	10,370,722	21,623,219	208.50%	11,252,497	22,055,851
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	123,606,758	123,606,758		-	101,550,907
End of Period	<u>\$ 133,977,480</u>	<u>\$ 145,229,977</u>		<u>\$ 11,252,497</u>	<u>\$ 123,606,758</u>

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2014 - UNAUDITED**  
**(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)**

	<b>Washoe County - Retiree Health Benefit Plan</b>				
	<b>Budget</b>	<b>Actual</b>	<b>Act %</b>	<b>Variance</b>	<b>6/30/2013</b>
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ 18,282,610	\$ 10,711,950	58.59%	\$ (7,570,660)	\$ 17,011,626
Contributions for incurred cost	2,287,500	337,643	14.76%	(1,949,857)	2,015,085
Plan member	3,015,000	2,183,614	72.43%	(831,386)	2,566,324
Other	570,000	428,463	75.17%	(141,537)	789,732
Total Contributions	24,155,110	13,661,670	56.56%	(10,493,440)	22,382,767
Investment Income					
Interest and dividends	46,500	2,190,086	4709.86%	2,143,586	3,016,926
Net increase (decrease) in fair value of investments	-	13,289,191		13,289,191	9,121,339
	46,500	15,479,277	33288.77%	15,432,777	12,138,265
Less investment expense	46,500	40,843	87.83%	5,657	45,156
Net Investment Income	-	15,438,434		15,438,434	12,093,109
Total Additions	24,155,110	29,100,104	120.47%	4,944,994	34,475,876
<b>Deductions</b>					
Benefits	13,601,500	8,780,925	64.56%	4,820,575	12,902,059
Administrative expense	23,570	8,933	37.90%	14,637	27,395
Total Deductions	13,625,070	8,789,858	64.51%	4,835,212	12,929,454
Net Change in Plan Net Assets	10,530,040	20,310,246	192.88%	9,780,206	21,546,422
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	117,322,267	117,322,267		-	95,775,845
End of Period	\$ 127,852,307	\$ 137,632,513		\$ 9,780,206	\$ 117,322,267

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2014 - UNAUDITED**  
**(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)**

	<b>Washoe County - NV PEBS Plan</b>				<b>6/30/2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Act %</b>	<b>Variance</b>	
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ 417,390	\$ 313,050	75.00%	\$ (104,340)	\$ 388,374
Total Contributions	417,390	313,050	75.00%	(104,340)	388,374
Investment Income					
Interest and dividends	1,000	39,356	3935.60%	38,356	58,502
Net increase (decrease) in fair value of investments	-	237,929		237,929	172,489
	1,000	277,285	27728.50%	276,285	230,991
Less investment expense	1,000	743	74.30%	257	914
Net Investment Income	-	276,542		276,542	230,077
Total Additions	417,390	589,592	141.26%	172,202	618,451
<b>Deductions</b>					
Benefits	320,000	237,586	74.25%	82,414	315,315
Administrative expense	11,570	7,328	63.34%	4,242	13,480
Total Deductions	331,570	244,914	73.86%	86,656	328,795
Net Change in Plan Net Assets	85,820	344,678		258,858	289,656
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	2,127,939	2,127,939		-	1,838,283
End of Period	\$ 2,213,759	\$ 2,472,617		\$ 258,858	\$ 2,127,939

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2014 - UNAUDITED**  
**(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)**

	<b>Truckee Meadows FPD - Retiree Group Med Plan</b>				
	<b>Budget</b>	<b>Actual</b>	<b>Act %</b>	<b>Variance</b>	<b>6/30/2013</b>
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ -	\$ -		\$ -	\$ -
Total Contributions	-	-		-	-
Investment Income					
Interest and dividends	1,500	65,029	4335.27%	63,529	97,899
Net increase (decrease) in fair value of investments	-	389,690		389,690	282,449
	1,500	454,719	30314.60%	453,219	380,348
Less investment expense	1,500	1,267	84.47%	233	1,605
Net Investment Income	-	453,452		453,452	378,743
Total Additions	-	453,452		453,452	378,743
<b>Deductions</b>					
Benefits	200,000	93,456	46.73%	106,544	196,013
Administrative expense	17,569	7,947	45.23%	9,622	8,979
Total Deductions	217,569	101,403	46.61%	116,166	204,992
Net Change in Plan Net Assets	(217,569)	352,049	(161.81%)	569,618	173,751
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	3,573,083	3,573,083		-	3,399,332
End of Period	\$ 3,355,514	\$ 3,925,132		\$ 569,618	3,573,083

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2014 - UNAUDITED**  
**(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)**

	<b>Sierra FPD - Retiree Group Med Plan</b>				<b>6/30/2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Act %</b>	<b>Variance</b>	
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ -	\$ 544,869		\$ 544,869	\$ -
Plan member	-	5,770		5,770	9,665
Total Contributions	-	550,639		550,639	9,665
Investment Income					
Interest and dividends	500	13,295	2659.00%	12,795	16,000
Net increase (decrease) in fair value of investments	-	70,355		70,355	47,948
	500	83,650	16730.00%	83,150	63,948
Less investment expense	500	324	64.80%	176	242
Net Investment Income	-	83,326		83,326	63,706
Total Additions	-	633,965		633,965	73,371
<b>Deductions</b>					
Benefits	10,000	9,772	97.72%	228	7,444
Administrative expense	17,569	7,947	45.23%	9,622	19,905
Total Deductions	27,569	17,719	64.27%	9,850	27,349
Net Change in Plan Net Assets	(27,569)	616,246	(2235.29%)	643,815	46,022
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	583,469	583,469		-	537,447
End of Period	\$ 555,900	\$ 1,199,715		\$ 643,815	\$ 583,469

**Washoe County, Nevada OPEB Trust Fund**  
**Cash Flow Projections and Planned Transfers to the State Investment Fund (RBIF) for FY 2014**  
**Updated to include Trustee Direction of 1/30/14 and Actual Activity through 3/31/14**

	Prefunding Contributions	Direct Expenses	Reimburse Employers	Cash Change	Trsfers to RBIF	Cash in WC Pool	Cash in RBIF	Total Cash & Investmtns*
Beginning balance						\$ 568,193	\$ 120,567,147	\$ 121,135,340
Jul-13 Trustee Meeting	-	-	-	-	-	568,193	120,567,147	121,135,340
Aug	6,600,000	-	(1,972,608)	4,627,392	1,500,000	3,695,585	122,067,147	125,762,732
Sep	-	(7,485)	-	(7,485)	1,500,000	2,211,725	123,505,167	125,716,892
Oct Trustee Meeting	3,675,000	(46,728)	(2,011,306)	1,616,966	1,500,000	2,328,691	125,005,167	127,333,858
Nov	-	-	-	-	899,000	1,429,691	125,904,167	127,333,858
Dec	4,219,869	(17,580)	-	4,202,289	899,000	4,741,873	137,145,641	141,887,514
Jan Trustee Meeting	-	-	(2,021,488)	(2,021,488)	899,000	1,821,385	138,044,641	139,866,026
Feb	-	(46,728)	-	(46,728)	982,333	792,324	139,026,974	139,819,298
Mar	3,675,000	(7,090)	-	3,667,910	-	4,471,334	142,785,936	147,257,270
Apr Trustee Meeting	-	(16,041)	(2,035,997)	(2,052,038)	982,334	1,436,962	143,768,270	145,205,232
May	-	(16,041)	-	(16,041)	982,333	438,588	144,750,603	145,189,191
Jun	-	(122,586)	-	(122,586)	-	316,002	144,750,603	145,066,605
Jul-14 Trustee Meeting	5,075,000	-	(2,035,997)	3,039,003	-	3,355,005	144,750,603	148,105,608
Cash flow total	23,244,869	(280,279)	(10,077,396)	12,887,194				
Less: Pmts related to FY13	(6,600,000)		1,972,608					
FY14 Budget	16,644,869		(8,104,788)					

**Key Assumptions:**

Only key changes in cash flow are shown. Quarterly cash balances include investment gains/(losses) not reflected in detail. RBIF activity one month in arrears.  
 Inflows: Washoe County contribution for future funding: Reduced from \$18.7 million to \$16.1 million. Final pmt from County shown in July 2014.  
 Outflows: TMFPD - Quarterly payments to City of Reno, based on FY13 actual - paid in last month of each quarter. Total direct expenses for all plans are shown equal to annual budget.

\* June cash includes a reallocation of RBIF and pooled cash balances between WC and TMFPD, as provided for in the administrative procedures of the Trust.

WC contribution	15,682,610	417,390	16,100,000
OPEB Reimb to WC	(7,789,539)	(315,249)	(8,104,788)
			WCRHBP portion reflects reduction from original plan Based on YTD Trend

**Washoe County, Nevada OPEB Trust Fund**  
**Cash Flow Projections and Planned Transfers to the State Investment Fund (RBIF) for FY 2014**  
**Updated to include Trustee Direction of 1/30/14 and Actual Activity through 3/31/14**

WCRHBP	Prefunding Contributions	Direct Expenses	Reimburse Employers	Cash Change	Trsfrs to RBIF	Cash in WC Pool	Cash in RBIF	Total Cash & Invest.
Beginning balance						\$ 324,064	\$ 114,426,006	\$ 114,750,070
Jul-13 Trustee Meeting		-	-	-	-	324,064	114,426,006	114,750,070
Aug	6,511,626	-	(1,895,307)	4,616,319	1,482,000	3,458,383	115,908,006	119,366,389
Sep	-	(1,733)	-	(1,733)	1,482,000	1,994,791	117,352,241	119,347,032
Oct Trustee Meeting	3,570,650	-	(1,931,143)	1,639,507	1,482,000	2,152,298	118,834,241	120,986,539
Nov	-	-	-	-	889,000	1,263,298	119,723,241	120,986,539
Dec	3,570,650	(5,428)	-	3,565,222	889,000	3,947,197	130,418,699	134,365,896
Jan Trustee Meeting	-	-	(1,941,728)	(1,941,728)	889,000	1,116,469	131,307,699	132,424,168
Feb	-	-	-	-	889,000	227,469	132,196,699	132,424,168
Mar	3,570,650	(1,772)	-	3,568,878	-	3,812,534	135,771,472	139,584,006
Apr Trustee Meeting	-	(4,879)	(1,958,334)	(1,963,213)	889,000	960,321	136,660,472	137,620,793
May	-	(4,879)	-	(4,879)	889,000	66,442	137,549,472	137,615,914
Jun	-	(4,879)	-	(4,879)	-	25,054	137,585,981	137,611,035
Jul-14 Trustee Meeting	4,970,660	-	(1,958,334)	3,012,326	-	3,037,380	137,585,981	140,623,361
Cash flow total	22,194,236	(23,570)	(9,684,846)	12,485,820	9,780,000			
Less: Pmts related to FY13	(6,511,626)		1,895,307					
FY14 Budget	15,682,610		(7,789,539)					

PEBP	Prefunding Contributions	Direct Expenses	Reimburse Employers	Cash Change	Trsfrs to RBIF	Cash in WC Pool	Cash in RBIF	Total Cash & Invest.
Beginning balance						\$ 43,991	\$ 2,110,891	\$ 2,154,882
Jul-13 Trustee Meeting		-	-	-	-	43,991	2,110,891	2,154,882
Aug	88,374	-	(77,301)	11,073	18,000	37,064	2,128,891	2,165,955
Sep	-	(1,733)	-	(1,733)	18,000	18,459	2,137,379	2,155,838
Oct Trustee Meeting	104,350	-	(80,163)	24,187	18,000	24,646	2,155,379	2,180,025
Nov	-	-	-	-	10,000	14,646	2,165,379	2,180,025
Dec	104,350	(3,823)	-	100,527	10,000	107,100	2,357,499	2,464,599
Jan Trustee Meeting	-	-	(79,760)	(79,760)	10,000	17,340	2,367,499	2,384,839
Feb	-	-	-	-	10,000	7,340	2,377,499	2,384,839
Mar	104,350	(1,772)	-	102,578	-	108,695	2,441,401	2,550,096
Apr Trustee Meeting	-	(1,414)	(77,663)	(79,077)	10,000	19,618	2,451,401	2,471,019
May	-	(1,414)	-	(1,414)	10,000	8,204	2,461,401	2,469,605
Jun	-	(1,414)	-	(1,414)	-	6,790	2,461,401	2,468,191
Jul-14 Trustee Meeting	104,340	-	(77,663)	26,677	-	33,467	2,461,401	2,494,868
Cash flow total	505,764	(11,570)	(392,550)	101,644	114,000			
Less: Pmts related to FY13	(88,374)		77,301					
FY14 Budget	417,390		(315,249)					

**Washoe County, Nevada OPEB Trust Fund**  
**Cash Flow Projections and Planned Transfers to the State Investment Fund (RBIF) for FY 2014**  
**Updated to include Trustee Direction of 1/30/14 and Actual Activity through 3/31/14**

TMFPD	TMFPD			SFPD			Trsfers to RBIF	SFPD			Total Cash & Invest.
	Prefunding Contributions	Direct Expenses	Reimburse Employers	Cash Change	Prefunding Contributions	Direct Expenses		Reimburse Employers	Cash Change	Cash in WC Pool	
Beginning balance	-	-	-	-	-	-	-	-	178,578	3,455,780	3,634,358
Jul-13 Trustee Meeting	-	-	-	-	-	-	-	-	178,578	3,455,780	3,634,358
Aug	-	-	-	-	-	-	-	-	178,578	3,455,780	3,634,358
Sep	-	(1,732)	-	(1,732)	-	-	-	-	178,372	3,443,486	3,621,858
Oct Trustee Meeting	-	(46,728)	-	(46,728)	-	-	-	-	131,644	3,443,486	3,575,130
Nov	-	-	-	-	-	-	-	-	131,644	3,443,486	3,575,130
Dec	-	(4,442)	-	(4,442)	-	-	-	-	129,312	3,743,571	3,872,883
Jan Trustee Meeting	-	-	-	-	-	-	-	-	129,312	3,743,571	3,872,883
Feb	-	(46,728)	-	(46,728)	-	-	-	-	82,584	3,743,571	3,826,155
Mar	-	(1,773)	-	(1,773)	-	-	-	-	79,657	3,845,063	3,924,720
Apr Trustee Meeting	-	(3,207)	-	(3,207)	-	-	-	-	76,450	3,845,063	3,921,513
May	-	(3,207)	-	(3,207)	-	-	-	-	73,243	3,845,063	3,918,306
Jun	-	(109,752)	-	(109,752)	-	-	-	-	-	3,808,554	3,808,554
Jul-14 Total	-	(217,569)	-	(217,569)	-	-	-	-	-	-	-

SFPD	SFPD			Trsfers to RBIF	SFPD			Total Cash & Invest.
	Prefunding Contributions	Direct Expenses	Reimburse Employers		Cash Change	Cash in WC Pool	Cash in RBIF	
Beginning balance	-	-	-	-	21,560	574,470	-	596,030
Jul-13 Trustee Meeting	-	-	-	-	21,560	574,470	-	596,030
Aug	-	-	-	-	21,560	574,470	-	596,030
Sep	-	(2,287)	-	(2,287)	20,103	572,061	-	592,164
Oct Trustee Meeting	-	-	-	-	20,103	572,061	-	592,164
Nov	-	-	-	-	20,103	572,061	-	592,164
Dec	544,869	(3,887)	-	540,982	558,264	625,872	-	1,184,136
Jan Trustee Meeting	-	-	-	-	558,264	625,872	-	1,184,136
Feb	-	-	-	-	474,931	709,205	-	1,184,136
Mar	-	(1,773)	-	(1,773)	470,448	728,000	-	1,198,448
Apr Trustee Meeting	-	(6,541)	-	(6,541)	380,573	811,334	-	1,191,907
May	-	(6,541)	-	(6,541)	290,699	894,667	-	1,185,366
Jun	-	(6,541)	-	(6,541)	284,158	894,667	-	1,178,825
Jul-14 Total	544,869	(27,570)	-	517,299	-	-	250,000	-