

AGENDA

WASHOE COUNTY, NEVADA OPEB TRUST FUND
BOARD OF TRUSTEES

January 26, 2017 at 9:00 a.m.

Comptroller's Large Conference Room
Washoe County Administrative Complex, Building D, 2nd Floor
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) the Washoe County Website at www.washoecounty.us/finance/OPEB.htm, and the Nevada Public Notice Website (<https://notice.nv.gov>).

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. 9th Street, Room D-200 Reno, Nevada) Jeri Renshaw, Administrative Secretary (775) 328-2552.

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 October 27 and December 16, 2016 meetings. pp. 3-9
- 4. Review and approval of year-to-date administrative expenditures and requested reimbursements to employers through December 31, 2016. pp. 10-12
- 5. Acknowledge receipt of interim financial statements for the period ending December 31, 2016. pp. 13-18
- 6. Review and discussion of proposed cash transfer timing to the Nevada Retiree Benefits Investment Fund for the remainder of the fiscal year. pp. 19-21
- * 7. Trustees'/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.)
- * 8. 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.
- * 9. Adjourn.

WASHOE COUNTY, NEVADA OPEB TRUST FUND
BOARD OF TRUSTEES

Mark Mathers, Chairman
Cathy Hill, Vice Chairman
Darrell Craig
Dania Reid, Legal Counsel

DRAFT of Minutes

October 27, 2016 at 9:00 a.m.

Comptroller's Large Conference Room

Washoe County Administrative Complex, Building D, 2nd Floor,
1001 East 9th Street - Reno, Nevada 89512

1. * ROLL CALL

Chair Mathers called the meeting to order at 9:02 a.m. A quorum was established.

PRESENT: Darrell Craig, Cathy Hill and Mark Mathers

ABSENT: None.

Dania Reid – Deputy District Attorney, was also present.

2. * PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MINUTES FROM THE APRIL 28 AND AUGUST 25, 2016 MEETINGS

Mary Solorzano noted that a correct file had been distributed as an agenda had been sent instead of the meeting minutes.

Trustee Hill stated she would abstain from voting on the April 28, 2016 minutes as she had not been a member at the time.

It was moved by Member Craig, seconded by Chair Mathers, to approve the April 28, 2016 and the August 25, 2016, minutes, as submitted. The motion carried with Trustee Hill abstaining from the April 28, 2016, minutes.

4. REVIEW AND APPROVAL OF YEAR-TO-DATE ADMINISTRATIVE EXPENDITURES AND REQUESTED REIMBURSEMENTS TO EMPLOYERS THROUGH SEPTEMBER 30, 2016

Mary Solorzano outlined the report pointing out that SFPD (Sierra Fire Protection District) no longer appears on the report as it was merged with TMFPD (Truckee Meadows Fire Protection District) effective July 1, 2016, by the BCC (Board of County Commissioners). Ms. Solorzano noted that TMFPD had absorbed all SFPD costs and contributions for retirement benefits.

There were no comments.

It was moved by Trustee Craig, seconded by Trustee Hill, to approve the year-to-date administrative expenditures and requested reimbursements to employers through September 30, 2016, as presented. The motion carried unanimously.

5. ACKNOWLEDGE RECEIPT OF INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDING SEPTEMBER 30, 2016.

Mary Solorzano provided an overview of the interim financial statements for period ending September 30, 2016 and pointed out that the RBIF indicates a 21-percent return through August when including unrealized gain/loss. Ms. Solorzano also noted that the realized gain/loss was 2.66% for this period. Ms. Solorzano explained the reimbursement to Washoe County for retirement benefits. The bulk of the budgeted administrative expenditures are for actuarial and audit services, and bills for these services have not yet been received for the current fiscal year. It is not expected that the actuarial valuation for Washoe County will be received from the actuary until January 2017.

There were no comments.

It was moved by Trustee Craig, seconded by Trustee Hill, to acknowledge receipt of the Interim Financial Statement for the period ending September 20, 2016, as presented. The motion carried unanimously.

6. REVIEW AND DISCUSSION OF PROPOSED CASH TRANSFER TIMING TO THE NEVADA RETIREE BENEFITS INVESTMENT FUND FOR THE REMAINDER OF THE FISCAL YEAR

Mary Solorzano outlined that timing of the upcoming proposed cash transfers noting that the intent is to leave approximately \$116,000 in the account at year end. Ms. Solorzano explained that the cash transfer timing is reviewed by the Board of Trustees quarterly. Ms. Solorzano noted that the practice has been to avoid large cash transfers by transferring cash at a steady rate year round.

It was moved by Trustee Hill, seconded by Trustee Craig, to accept the proposed cash transfer timing to the Nevada Retiree Benefits Investment Fund as presented. The motion carried unanimously.

7. REVIEW AND DISCUSSION OF DISCOUNT RATE TO BE USED IN FUTURE ACTUARIAL VALUATIONS FOR PARTICIPATING PLANS

Mary Solorzano recommended that Agenda Item 7 be heard after Agenda Item 9.

8. ACKNOWLEDGE RECEIPT OF AMENDED TRUST AGREEMENT FOR THE WASHOE COUNTY, NEVADA OPEB TRUST FUND (EFFECTIVE JULY 1, 2016), AS EXECUTED BY THE CHAIR OF THE WASHOE COUNTY BOARD OF COUNTY COMMISSIONERS; TRUSTEES TO SIGN AS DIRECTED BY THE BOARD OF COUNTY COMMISSIONERS AT THEIR JUNE 28, 2016 MEETING.

Mary Solorzano outlined the amended Trust Agreement (copy on file) that is to be signed by the OPEB (Other Post Employment Benefits) Board of Trustees. Ms. Solorzano noted that most of the document had not been modified with the bulk of changes dealing with changes in participating employers and benefit plan funded through the trust.

* denotes NON-action item

Responding to Ms. Solorzano’s inquiry about whether the document should be signed while the Board of Trustees is in session or after the meeting, Dania Reid – Deputy District Attorney, opined that the Board of Trustees should sign the document during the open meeting to remain compliant with the Nevada OML (Open Meeting Law).

Ms. Solorzano stated that the members of the Board of Trustees had signed the document. Ms. Solorzano noted that a copy would be retained for the files with the original being returned to the Washoe County Clerk for recordation.

It was moved by Trustee Craig, seconded by Trustee Hill, to acknowledge receipt of the amended Trust Agreement. The motion carried unanimously.

9. * PRESENTATION AND REVIEW OF FIDUCIARY DUTIES OF TRUSTEES

Mary Solorzano drew attention to the full presentation pages 42 through the end of the informational packet, which includes excerpts from NRS 287.017 and 287.788. Ms. Solorzano also noted that the fiduciary duties of Trustees are also covered in the Trust Document. Ms. Solorzano explained that a portion of the presentation provided was drawn from a white paper on fiduciary responsibilities by Abigale Pan. In general, the responsibilities of the Board of Trustees are to act in the interests of those receiving benefits and act prudently. Ms. Solorzano also noted that the Board of Trustees also needs to protect Washoe County. Ms. Solorzano encouraged Trustees to review the full presentation and bring back any questions to a future meeting for future discussion.

Trustee Craig recalled an email about an upcoming webinar on deferred compensation, which he believes would be beneficial to Trustees and staff.

Dania Reid – Deputy District Attorney, emphasized that the broader concepts are the same in that there is a duty to be reasonable and act on the information available.

Chair Mathers concurred that the issues must be reviewed and decisions based on the quantitative data available rather than to serve as a “rubber stamp”.

Ms. Solorzano noted that the Trust agreement and regulations allow the Board of Trustees to engage the services of outside firms to provide advice and assistance in the performance of their duties.

Trustee Craig stressed the need to educate one’s self and participate as many training opportunities as possible for both the Board of Trustees and staff.

7. REVIEW AND DISCUSSION OF DISCOUNT RATE TO BE USED IN FUTURE ACTUARIAL VALUATIONS FOR PARTICIPATING PLANS [Reopened]

Mary Solorzano commented that the intent was to provide staff with guidance and bring the matter back at the next meeting.

* denotes NON-action item

Chair Mathers noted that staff has indicated some slight concerns about the RBIF's continued use of an assumed 8-percent return, which appears to be on the high end of the spectrum. Chair Mathers noted that the more realistic figure may be 7-percent and suggested that the Board of Trustees engage an investment consultant or actuary to review and provide an overview of current return rates.

Mary Solorzano commented that the actuary had indicated that it is still prudent to use the 7-percent discount rate used in previous actuarial valuations but is monitoring the changes in the market.

Chair Mathers commented that it may make sense to pursue a review of returns and cash flows and model the portfolio on asset liability matching.

Trustee Hill concurred with the concerns expressed and suggested that the return may be as low as 6.5-percent.

Trustee Craig believes that the 7-percent is at the high end of acceptable risk and that something that is more mid-range may be prudent.

Chair Mathers explained that he does not believe that the data to base a decision on is available today and suggested that the advice of an actuary or other professional be sought.

Ms. Solorzano suggested that she ask the actuary for a recommendation and bring back a recommendation to this body. Ms. Solorzano noted that at minimum the Board of Trustees reviews the data every other year. Ms. Solorzano believes the actuary will be willing to advise and perhaps provide a presentation if needed.

During the discussion it was suggested that the information be brought back in December (2016) so that it may be included in the analysis and suggested a meeting in December 2016. Other discussion suggested that Milliman be engaged to provide the data being sought.

Dania Reid – Deputy District Attorney, noted that while this is an action item the Board of Trustees is not required to take any specific action. However, a motion may be made to formalize the direction to staff to reach out to the actuarial firm and seek guidance and feedback on investment returns.

10. REVIEW AND APPROVE 2017 OPEB BOARD OF TRUSTEE'S MEETING DATES AND TIMES. SUGGESTED DATES ARE: JANUARY 26, APRIL 27, JULY 27 AND OCTOBER 26, 2017. HISTORICALLY, MEETINGS HAVE BEEN AT 9:00 A.M.

Mary Solorzano outlined the item noting that this will set the meeting schedule for 2017.

During the discussion it was suggested that a special meeting be held to review budget details before the BCC (Board of County Commissioners) retreat in early January 2017.

* denotes NON-action item

A consensus was reached to meet on Thursday, December 16, 2016, at 10:00 a.m.

It was moved by Trustee Hill, seconded by Trustee Craig, to approve the meeting schedule as presented. The motion carried unanimously.

- 11. * TRUSTEES’/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.)**

Trustee Hill noted that she may be replaced by the newest Washoe County Assistant County Manager, Christine Vuletich.

Darrell Craig distributed a handout (copy on file) to the Board of Trustees.

- 12. * PUBLIC COMMENTS**

There were no public comments.

- 13. * ADJOURN**

Chair Mathers adjourned the meeting at 9:54 a.m.

WASHOE COUNTY, NEVADA OPEB TRUST FUND BOARD OF TRUSTEES

DRAFT of Minutes

Thursday ~ December 15, 2016 ~ 11:00 a.m.

Washoe County Administrative Complex

Comptroller's Large Conference Room

2nd Floor Building D,

1001 E. 9th Street - Reno, Nevada

Mark Mathers – Chair

Cathy Hill – Vice-chair

Darrell Craig – Trustee

Dania Reid – Legal Counsel

1. ROLL CALL *

Chair Mathers called the meeting to order at 11:30 a.m. A quorum was established.

PRESENT: Darrell Craig, Mark Mathers and Cathy Hill.

ABSENT: None.

Dania Reid – Deputy District Attorney, was also present.

2. PUBLIC COMMENTS *

There were no public comments.

3. REVIEW AND DISCUSSION OF DISCOUNT RATE TO BE USED IN FUTURE ACTUARIAL VALUATIONS FOR PARTICIPATING PLANS

Mary Solorzano drew attention to the draft report prepared by Milliman, Inc., and introduced John Botsford – Milliman, Inc. Ms. Solorzano noted that the new valuation method indicated a nearly \$80-million increase in liability.

Mr. Botsford pointed out that the discount rate was not changed from the current 7 percent. Mr. Botsford then outlined the RBIF targets and investment mix and anticipated rate of return. Drawing attention to the anticipated 3 percent inflation formula used in the calculations, Mr. Botsford noted that the assumptions need to be consistent across all plans. Drawing attention to the anticipated medical cost increases in the future, Mr. Botsford explained that the accrued liability started at \$340 million and increased by \$90 million as the value of the benefits accrued. Mr. Botsford then outlined the workforce demographics used in the assumptions and the need to allocate funding for longer life expectancies into the future projections. The value of payments in the future will increase in future years. The medical expenses are reviewed and forecast on an annual basis.

Chair Mathers noted that collective bargaining unit agreements in Washoe County now include a clause wherein the bargaining unit and Washoe County will strive to remain below the excise tax cap. Chair Mathers will provide a copy of the contract language for Mr. Botsford's review. Chair Mathers then noted that Washoe County has a closed plan, which allows the County to project the tier of benefit for each employee.

During the discussion it was noted that the cost method did not affect the underlying benefit but determined how to allocate the cost among the active employees plus normal costs attributed to future years' service. It was pointed out that GASB 75 will eventually be a requirement for all OPEB plans. Other discussion focused on how the higher subsidy rates for retirees will be calculated. As

* denotes NON-action item

the discussion continued it was pointed out that the accrued liability will not stagnate over time and that the 7 percent earnings rate would offset some of that anticipated increase. Other discussion noted that a new mortality study was released shortly after the report was completed. That study indicates that the next and future generations will have longer life expectancies and on average should see an increase from the previous tables.

Russ Morgan commented that retirees had not fully understood the Medicare option that used Medicare as the primary plan and the County's group insurance as the secondary plan. Mr. Morgan noted that with a PPO, retirees have access to a nationwide network of providers whereas the HMO option is limited to providers in this area.

Dania Reid – Deputy District Attorney, opined that no action would be advisable given the agenda language.

4. ADJOURN

Chair Mathers adjourned the meeting at 11:57 a.m.

WASHOE COUNTY, NEVADA OPEB TRUST
Administrative Expense Detail - YTD Actual vs. Annual Budget
For the Year Ended June 30, 2017 - 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>2017 Total</u>
<u>BUDGET</u>				
Administrative Expenses				
Actuarial valuations	\$ 17,500	\$ 4,500	\$ 5,000	\$ 27,000
Accounting and administrative services	-	-	-	-
Audit fees	2,215	2,215	2,215	6,645
Trustee fees	107	107	106	320
Other Operating Expenses	300	300	300	900
	<u>\$ 20,122</u>	<u>\$ 7,122</u>	<u>\$ 7,621</u>	<u>\$ 34,865</u>
<u>ACTUAL</u>				
Administrative Expenses				
Actuarial valuations	\$ -	\$ -	\$ -	-
Accounting and administrative services	-	-	-	-
Audit fees	-	-	-	-
Trustee fees	-	-	-	-
Legal fees	-	-	-	-
Meeting minutes	120	121	120	361
Operating Expenses	-	-	-	-
	<u>\$ 120</u>	<u>\$ 121</u>	<u>\$ 120</u>	<u>\$ 361</u>
<u>VARIANCE</u>				
Administrative Expenses				
Actuarial valuations	\$ 17,500	\$ 4,500	\$ 5,000	\$ 27,000
Accounting and administrative services	-	-	-	-
Audit fees	2,215	2,215	2,215	6,645
Trustee fees	107	107	106	320
Legal fees	-	-	-	-
Operating Expenses	180	179	180	539
	<u>\$ 20,002</u>	<u>\$ 7,001</u>	<u>\$ 7,501</u>	<u>\$ 34,504</u>

WASHOE COUNTY, NEVADA OPEB TRUST
Summary of Requested Reimbursement to Washoe County Health Benefits Fund
For the Six Months Ended December 31, 2016

	<u>YTD</u>	<u>Avg / Mo</u>
<u>WCRHBP</u>		
Plan member premium payments	2,155,821	359,304
Other misc revenues	<u>1,046,017</u>	<u>174,336</u>
	3,201,838	533,640
Less:		
Benefits expense	<u>8,862,758</u>	<u>1,477,126</u>
Net OPEB expense	5,660,920	<u><u>943,487</u></u>
Reimbursements to date:		
For Q1	(2,898,769)	
For Q2	-	
For Q3	-	
For Q4	-	
Balance due to Washoe County	<u><u>2,762,151</u></u>	
<u>PEBP</u>		
PEBP premium subsidies	132,927	<u><u>22,155</u></u>
Reimbursements to date:		
For Q1	(67,549)	
For Q2	-	
For Q3	-	
For Q4	-	
Balance due to Washoe County	<u><u>65,378</u></u>	
Total due to Washoe County	<u><u>\$ 2,827,529</u></u>	

Plan member premium payments: Payments received from retirees for their share of OPEB plan premiums.

Other miscellaneous revenues: Payments received from third parties for reinsurance reimbursements, prescription drug rebates and Medicare Part D reimbursements.

Benefits expense: Benefits expense includes medical and prescription drug claims and claims administration expense for PPO participants, HMO participant premiums, and dental and vision claims for all electing participants.

Net OPEB expense: Total benefits expense, less plan member premium payments and other miscellaneous revenues. This is the County's cost of providing OPEB benefits to participants.

WASHOE COUNTY, NEVADA OPEB TRUST
Summary of Requested Reimbursement to Truckee Meadows Fire Protection District
For the Six Months Ended December 31, 2016

	YTD	Avg / Mo
<u>TMFPD RGMP</u>		
Plan member premium payments	36,283	6,047
Less:		
Benefits expense	53,507	8,918
Net OPEB expense	17,224	2,871
Reimbursements to date:		
For Q1	(8,493)	
For Q2		
For Q3		
For Q4		
Balance due to employer	8,731	

Plan member premium payments: Payments received from retirees for their share of OPEB plan premiums.

Benefits expense: Benefits expense includes premiums for medical, prescription drugs, dental, vision, and life insurance coverages.

Net OPEB expense: Total benefits expense, less plan member premium payments and other miscellaneous revenues. This is the TMFPD's net cost of providing OPEB benefits to participants.

Washoe County, Nevada OPEB Trust Fund
Interim Financial Highlights for the Six Months Ended December 31, 2016 (Unaudited)
All \$ in Thousands unless otherwise noted.

	<u>WC-RHBP</u>	<u>WC-PEBP</u>	<u>TMFPD</u>	<u>TOTAL</u>
WC-Pool	\$ 4,822	\$ 8	\$ 243	\$ 5,073
State RBIF	175,253	2,641	4,831	182,725
Other-Net	(2,749)	(65)	(8)	(2,822)
Net Assets	<u>\$ 177,326</u>	<u>\$ 2,584</u>	<u>\$ 5,066</u>	<u>\$ 184,976</u>

- As of July 1, 2016, TMFPD and SFPD consolidated into TMFPD. Accordingly, their OEPB plan assets were also combined.
- Net assets of \$185 million are up \$8.4 million year-to-date; contributions of \$13.7 million and net investment income of \$3.8 million were offset by \$9.0 million in benefits expense.

	<u>WC-RHBP</u>	<u>WC-PEBP</u>	<u>TMFPD</u>	<u>TOTAL</u>
Additions:				
Prefunding	\$ 10,451	\$ 22	\$ -	\$ 10,473
Investment income, net of expense	3,608	57	111	3,776
Plan members, other	3,202	-	36	3,238
	<u>17,261</u>	<u>79</u>	<u>147</u>	<u>17,487</u>
Deductions:				
Benefits Paid	8,862	133	54	9,049
Administrative	-	-	-	-
	<u>8,862</u>	<u>133</u>	<u>54</u>	<u>9,049</u>
Net change in Plan Net Assets	<u>\$ 8,399</u>	<u>\$ (54)</u>	<u>\$ 93</u>	<u>\$ 8,438</u>

- Investment income includes unrealized gains of \$1.9 million in the RBIF through November 30, 2016. Investment yields through November in the RBIF are 6.25% with these gains included. Realized yields are at 3.11%.

	<u>Budget</u>	<u>YTD</u>	<u>Act % Bud</u>	<u>Variance</u>
Additions:				
Prefunding	\$ 20,946	\$ 10,473	50%	\$(10,473)
Investment income, net of expense	3,983	3,776	95%	(207)
Plan members, other	4,797	3,238	68%	(1,559)
	<u>29,726</u>	<u>17,487</u>	<u>59%</u>	<u>(12,239)</u>
Deductions:				
Benefits Paid	16,704	9,049	54%	7,655
Administrative	35	-	0%	35
	<u>16,739</u>	<u>9,049</u>	<u>54%</u>	<u>7,690</u>
Net change in Plan Net Assets	<u>\$ 12,987</u>	<u>\$ 8,438</u>	<u>65%</u>	<u>\$ (4,549)</u>

- Prefunding contributions reflect transfers from the Washoe County General Fund. Beginning in FY17, the Prefunding contributions are being made monthly.
- Plan member and other contributions reflect retirees' share of health insurance premiums, plus miscellaneous revenues, such as reinsurance proceeds and drug rebates.
- During FY16 Washoe County adopted a policy of collecting the County's full OPEB cost from the Trust, effective July 1, 2015.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND
INTERIM STATEMENTS OF PLAN NET ASSETS
AS OF DECEMBER 31, 2016 - 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>Total</u>
Assets				
Cash and investments:				
Washoe County Investment Pool	\$ 4,821,787	\$ 8,280	\$ 242,519	\$ 5,072,586
State of Nevada RBIF	175,252,803	2,640,675	4,831,362	182,724,840
Accounts receivable	-	-	-	-
Interest receivable	13,414	73	444	13,931
Total Assets	<u>180,088,004</u>	<u>2,649,028</u>	<u>5,074,325</u>	<u>187,811,357</u>
Liabilities				
Accounts payable	-	-	-	-
Due to employers	2,762,151	65,378	8,731	2,836,260
Total Liabilities	<u>2,762,151</u>	<u>65,378</u>	<u>8,731</u>	<u>2,836,260</u>
Net assets held in trust for other postemployment benefits	<u>\$ 177,325,853</u>	<u>\$ 2,583,650</u>	<u>\$ 5,065,594</u>	<u>\$ 184,975,097</u>

WASHOE COUNTY, NEVADA OPEB TRUST FUND
INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2016 - UNAUDITED
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016)

	Combined Trust				6/30/2016
	Budget	Actual	Act %	Variance	
Additions					
Contributions					
Employer:					
Prefunding	\$ 20,946,000	\$ 10,473,001	50.00%	\$ (10,472,999)	\$ 17,680,000
Plan member	3,756,500	2,192,104	58.35%	(1,564,396)	3,614,100
Other	1,040,000	1,046,018	100.58%	6,018	1,309,068
Total Contributions	25,742,500	13,711,123	53.26%	(12,031,377)	22,603,168
Investment Income					
Interest and dividends	4,035,150	1,696,001	42.03%	(2,339,149)	4,023,115
Net increase (decrease) in fair value of investments	-	2,100,798		2,100,798	(1,116,984)
	4,035,150	3,796,799	94.09%	(238,351)	2,906,131
Less investment expense	52,125	21,068	40.42%	31,057	46,142
Net Investment Income	3,983,025	3,775,731	94.80%	(207,294)	2,859,989
Total Additions	29,725,525	17,486,854	58.83%	(12,238,671)	25,463,157
Deductions					
Benefits	16,703,560	9,049,193	54.18%	7,654,367	17,586,101
Administrative expense	34,865	361	1.04%	34,504	66,323
Total Deductions	16,738,425	9,049,554	54.06%	7,688,871	17,652,424
Net Change in Plan Net Assets	12,987,100	8,437,300	64.97%	(4,549,800)	7,810,733
Net Assets Held in Trust for Other Postemployment Benefits					
Beginning of year	176,537,797	176,537,797		-	168,727,064
End of Period	\$ 189,524,897	\$ 184,975,097		\$ (4,549,800)	\$ 176,537,797

WASHOE COUNTY, NEVADA OPEB TRUST FUND
INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2016 - UNAUDITED
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016)

	Washoe County - Retiree Health Benefit Plan				
	Budget	Actual	Act %	Variance	6/30/2016
Additions					
Contributions					
Employer:					
Prefunding	\$ 20,903,000	\$ 10,451,501	50.00%	\$ (10,451,499)	\$ 17,612,818
Plan member	3,756,500	2,155,821	57.39%	(1,600,679)	3,569,353
Other	1,040,000	1,046,018	100.58%	6,018	1,309,068
Total Contributions	25,699,500	13,653,340	53.13%	(12,046,160)	22,491,239
Investment Income					
Interest and dividends	3,856,750	1,622,710	42.07%	(2,234,040)	3,840,017
Net increase (decrease) in fair value of investments	-	2,005,845		2,005,845	(1,037,669)
	3,856,750	3,628,555	94.08%	(228,195)	2,802,348
Less investment expense	49,750	20,150	40.50%	29,600	43,993
Net Investment Income	3,807,000	3,608,405	94.78%	(198,595)	2,758,355
Total Additions	29,506,500	17,261,745	58.50%	(12,244,755)	25,249,594
Deductions					
Benefits	16,196,810	8,862,759	54.72%	7,334,051	17,070,050
Administrative expense	20,122	120	0.60%	20,002	12,294
Total Deductions	16,216,932	8,862,879	54.65%	7,354,053	17,082,344
Net Change in Plan Net Assets	13,289,568	8,398,866	63.20%	(4,890,702)	8,167,250
Net Assets Held in Trust for Other Postemployment Benefits					
Beginning of year	168,926,987	168,926,987		-	160,759,737
End of Period	\$ 182,216,555	\$ 177,325,853		\$ (4,890,702)	\$ 168,926,987

WASHOE COUNTY, NEVADA OPEB TRUST FUND
INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2016 - UNAUDITED
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016)

	Washoe County - NV PEBS Plan				6/30/2016
	Budget	Actual	Act %	Variance	
Additions					
Contributions					
Employer:					
Prefunding	\$ 43,000	\$ 21,500	50.00%	\$ (21,500)	\$ 67,182
Total Contributions	43,000	21,500	50.00%	(21,500)	67,182
Investment Income					
Interest and dividends	62,050	25,358	40.87%	(36,692)	63,548
Net increase (decrease) in fair value of investments	-	32,032		32,032	(22,576)
	62,050	57,390	92.49%	(4,660)	40,972
Less investment expense	875	324	37.03%	551	800
Net Investment Income	61,175	57,066	93.28%	(4,109)	40,172
Total Additions	104,175	78,566	75.42%	(25,609)	107,354
Deductions					
Benefits	275,000	132,927	48.34%	142,073	260,737
Administrative expense	7,122	121	1.70%	7,001	11,997
Total Deductions	282,122	133,048	47.16%	149,074	272,734
Net Change in Plan Net Assets	(177,947)	(54,482)		123,465	(165,380)
Net Assets Held in Trust for Other Postemployment Benefits					
Beginning of year	2,638,132	2,638,132		-	2,803,512
End of Period	\$ 2,460,185	\$ 2,583,650		\$ 123,465	\$ 2,638,132

WASHOE COUNTY, NEVADA OPEB TRUST FUND
INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2016 - UNAUDITED
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016)

	Truckee Meadows FPD - Retiree Group Medical Plan *				
	<u>Budget</u>	<u>Actual</u>	<u>Act %</u>	<u>Variance</u>	<u>6/30/2016</u>
Additions					
Contributions					
Employer:					
Prefunding	\$ -	\$ -		\$ -	\$ -
Plan member	-	36,283		36,283	44,747
Total Contributions	-	36,283		36,283	44,747
Investment Income					
Interest and dividends	116,350	47,933	41.20%	(68,417)	119,550
Net increase (decrease) in fair value of investments	-	62,921		62,921	(56,739)
	116,350	110,854	95.28%	(5,496)	62,811
Less investment expense	1,500	594	39.60%	906	1,349
Net Investment Income	114,850	110,260	96.00%	(4,590)	61,462
Total Additions	114,850	146,543	127.60%	31,693	106,209
Deductions					
Benefits	231,750	53,507	23.09%	178,243	255,314
Administrative expense	7,621	120	1.57%	7,501	42,032
Total Deductions	239,371	53,627	22.40%	185,744	297,346
Net Change in Plan Net Assets	(124,521)	92,916	(74.62%)	217,437	(191,137)
Net Assets Held in Trust for Other Postemployment Benefits					
Beginning of year	4,972,678	4,972,678		-	5,163,815
End of Period	\$ 4,848,157	\$ 5,065,594		\$ 217,437	4,972,678

* TMFPD and SFPD consolidated effective 7/1/16. FYE 6/30/16 amounts have been combined.

Washoe County, Nevada OPEB Trust Fund
Cash Flow Projections and Planned Transfers to the State Investment Fund (RBIF) for FY 2016-17
Updated to include Actual Activity through 12/31/16

	Prefunding Contributions	Net Direct Expenses	Reimburse Employers	Pooled Cash Change	Trsfrs to RBIF	Cash in WC Pool	Cash in RBIF	Total Cash & Investmts	
Beginning balance						\$ 518,593	\$ 175,438,982	\$ 175,957,575	
Jul-16	1,745,500	-	-	1,745,500	-	-	2,264,093	175,438,982	177,703,075
Aug Trustee Meeting	6,165,500	(192)	(3,836,754)	2,328,554	-	-	4,592,647	175,438,982	180,031,629
Sep	1,745,500	-	-	1,745,500	500,000	-	5,828,138	180,979,154	186,807,292
Oct Trustee Meeting	1,745,500	-	(2,974,811)	(1,229,311)	800,000	-	3,798,827	181,779,154	185,577,981
Nov	1,745,500	-	-	1,745,500	1,085,000	-	4,459,327	182,864,154	187,323,481
Dec	1,745,500	(171)	-	1,745,329	1,085,000	-	5,072,586	182,724,840	187,797,426
Jan Trustee Meeting	1,745,500	(27,000)	(2,934,912)	(1,216,412)	1,085,000	-	2,771,174	183,809,840	186,581,014
Feb	1,745,500	(428)	-	1,745,072	1,085,000	-	3,431,246	184,894,840	188,326,086
Mar	1,745,500	(6,645)	-	1,738,855	1,085,000	-	4,085,101	185,979,840	190,064,941
Apr Trustee Meeting	1,745,500	-	(2,998,670)	(1,253,170)	1,085,000	-	1,746,931	187,064,840	188,811,771
May	1,745,500	(429)	-	1,745,071	1,085,000	-	2,407,001	188,149,840	190,556,841
Jun	1,745,500	-	-	1,745,500	1,085,000	-	3,067,501	189,234,840	192,302,341
Jul-17 Trustee Meeting	-	-	(2,998,667)	(2,998,667)	-	-	68,834	189,234,840	189,303,674
Cash flow total	25,366,000	<u>(34,865)</u>	<u>(15,743,814)</u>	<u>9,587,321</u>	9,980,000				
Less: Pmts related to FY16	<u>(4,420,000)</u>		<u>3,836,754</u>		-				
FY17 Budget	<u>20,946,000</u>		<u>(11,907,060)</u>		<u>9,980,000</u>				

Key Assumptions:

Only key changes in cash flow are shown.

TMFPD - Quarterly payments to City of Reno, based on FY16 actual - paid in last month of each quarter.

Transfers to RBIF will be reviewed quarterly for possible adjustment.

	<u>WCRHBP</u>	<u>PEBP</u>	<u>WC Total</u>	Allocation based on PEBP Plan ARC and WC Budget.
WC contribution	20,903,000	43,000	20,946,000	Paid in quarterly increments.

Washoe County, Nevada OPEB Trust Fund
Cash Flow Projections and Planned Transfers to the State Investment Fund (RBIF) for FY 2016-17
Updated to include Actual Activity through 12/31/16

WCRHBP	Prefunding Contributions	Net Direct Expenses	Reimburse Employers	Pooled Cash Change	Trsfrs to RBIF	Cash Realloc *	Cash in WC Pool	Cash in RBIF	Total Cash & Invest.
Beginning balance							\$ 377,720	\$ 167,776,067	\$ 168,153,787
Jul-16	1,741,917	-		1,741,917	-	-	2,119,637	167,776,067	169,895,704
Aug Trustee Meeting	6,145,122	(64)	(3,631,562)	2,513,496	-	(110,000)	4,523,133	167,886,067	172,409,200
Sep	1,741,916	-	-	1,741,916	500,000	-	5,760,042	173,204,470	178,964,512
Oct Trustee Meeting	1,741,917	-	(2,898,769)	(1,156,852)	800,000	-	3,803,190	174,004,470	177,807,660
Nov	1,741,917	-	-	1,741,917	1,085,000	(250,000)	4,210,107	175,339,470	179,549,577
Dec	1,741,916	(57)	-	1,741,859	1,085,000	-	4,821,787	175,252,803	180,074,590
Jan Trustee Meeting	1,741,917	(17,500)	(2,762,151)	(1,037,734)	1,085,000	(200,000)	2,499,053	176,537,803	179,036,856
Feb	1,741,917	(143)	-	1,741,774	1,085,000	-	3,155,827	177,622,803	180,778,630
Mar	1,741,916	(2,215)	-	1,739,701	1,085,000	-	3,810,528	178,707,803	182,518,331
Apr Trustee Meeting	1,741,917	-	(2,869,695)	(1,127,778)	1,085,000	-	1,597,750	179,792,803	181,390,553
May	1,741,917	(144)	-	1,741,773	1,085,000	-	2,254,524	180,877,803	183,132,327
Jun	1,741,916	-	-	1,741,916	1,085,000	-	2,911,440	181,962,803	184,874,243
Jul-17 Trustee Meeting	-	-	(2,869,695)	(2,869,695)	-	-	41,745	181,962,803	182,004,548
Cash flow total	<u>25,306,205</u>	<u>(20,122)</u>	<u>(15,031,872)</u>	<u>10,254,211</u>	<u>9,980,000</u>				
Less: Pmts related to FY16	<u>(4,403,205)</u>		<u>3,631,562</u>		<u>-</u>				
FY17 Budget	<u>20,903,000</u>		<u>(11,400,310)</u>		<u>9,980,000</u>				

PEBP	Prefunding Contributions	Net Direct Expenses	Reimburse Employers	Pooled Cash Change	Trsfrs to RBIF	Cash Realloc *	Cash in WC Pool	Cash in RBIF	Total Cash & Invest.
Beginning balance							\$ 103,643	\$ 2,583,437	\$ 2,687,080
Jul-16	3,583	-	-	3,583	-	-	107,226	2,583,437	2,690,663
Aug Trustee Meeting	20,378	(64)	(64,402)	(44,088)	-	-	63,138	2,583,437	2,646,575
Sep	3,584	-	-	3,584	-	-	65,063	2,659,040	2,724,103
Oct Trustee Meeting	3,583	-	(67,549)	(63,966)	-	-	1,097	2,659,040	2,660,137
Nov	3,583	-	-	3,583	-	-	4,680	2,659,040	2,663,720
Dec	3,584	(57)	-	3,527	-	-	8,280	2,640,675	2,648,955
Jan Trustee Meeting	3,583	(4,500)	(65,378)	(66,295)	-	200,000	141,985	2,440,675	2,582,660
Feb	3,583	(143)	-	3,440	-	-	145,425	2,440,675	2,586,100
Mar	3,584	(2,215)	-	1,369	-	-	146,794	2,440,675	2,587,469
Apr Trustee Meeting	3,583	-	(71,037)	(67,454)	-	-	79,340	2,440,675	2,520,015
May	3,583	(144)	-	3,439	-	-	82,780	2,440,675	2,523,455
Jun	3,584	-	-	3,584	-	-	86,364	2,440,675	2,527,039
Jul-17 Trustee Meeting	-	-	(71,036)	(71,036)	-	-	15,328	2,440,675	2,456,003
Cash flow total	<u>59,795</u>	<u>(7,122)</u>	<u>(339,402)</u>	<u>(286,729)</u>	<u>-</u>	<u>200,000</u>			
Less: Pmts related to FY16	<u>(16,795)</u>		<u>64,402</u>						
FY17 Budget	<u>43,000</u>		<u>(275,000)</u>						

Washoe County, Nevada OPEB Trust Fund
Cash Flow Projections and Planned Transfers to the State Investment Fund (RBIF) for FY 2016-17
Updated to include Actual Activity through 12/31/16

<u>TMFPD</u>	<u>Prefunding Contributions</u>	<u>Net Direct Expenses</u>	<u>Reimburse Employers</u>	<u>Pooled Cash Change</u>	<u>Trsfrs to RBIF</u>	<u>Cash Realloc *</u>	<u>Cash in WC Pool</u>	<u>Cash in RBIF</u>	<u>Total Cash & Invest.</u>
Beginning balance							\$ 37,230	\$ 5,079,478	\$ 5,116,708
Jul-16	-	-	-	-	-	-	37,230	5,079,478	5,116,708
Aug Trustee Meeting	-	(64)	(140,790)	(140,854)	-	110,000	6,376	4,969,478	4,975,854
Sep	-	-	-	-	-	-	3,033	5,115,644	5,118,677
Oct Trustee Meeting	-	-	(8,493)	(8,493)	-	-	(5,460)	5,115,644	5,110,184
Nov	-	-	-	-	-	250,000	244,540	4,865,644	5,110,184
Dec	-	(57)	-	(57)	-	-	242,519	4,831,362	5,073,881
Jan Trustee Meeting	-	(5,000)	(107,383)	(112,383)	-	-	130,136	4,831,362	4,961,498
Feb	-	(143)	-	(143)	-	-	129,993	4,831,362	4,961,355
Mar	-	(2,215)	-	(2,215)	-	-	127,778	4,831,362	4,959,140
Apr Trustee Meeting	-	-	(57,938)	(57,938)	-	-	69,840	4,831,362	4,901,202
May	-	(143)	-	(143)	-	-	69,698	4,831,362	4,901,060
Jun	-	-	-	-	-	-	69,698	4,831,362	4,901,060
Jul-17 Trustee Meeting	-	-	(57,936)	(57,936)	-	-	11,762	4,831,362	4,843,124
Cash flow total	-	<u>(7,621)</u>	<u>(372,540)</u>	<u>(322,225)</u>	-	<u>360,000</u>			
Less: Pmts related to FY16			140,790						
FY17 Budget			<u>(231,750)</u>						

* Rebalancing between Pool and RBIF to ensure sufficient cash flow to meet plan expenses.