



**WASHOE COUNTY SCHOOL DISTRICT  
OTHER POST-EMPLOYMENT BENEFITS (OPEB)  
TRUSTEES MEETING**

Wednesday, June 13, 2018 at 1p.m.  
WCSD Administration Building  
425 East 9<sup>th</sup> Street, Admin Board Room  
Reno, NV 89512

## **AGENDA**

### **1. OPENING ITEMS**

- 1.01 Call to Order - 1:00 p.m., WCSD Administration Building, 425 East 9<sup>th</sup> Street, Board Room, Reno, Nevada 89512
- 1.02 Roll Call
- 1.03 Public Comment - Comments from the public are invited at this time on topics not specifically addressed elsewhere in the agenda. A "Citizen's Request to Speak" card should be filled out and submitted to the Recording Secretary before speaking during the Public Comment section. All persons are limited to 3 minutes per item. In accordance with Open Meeting Law and on the advice of legal counsel, the public body is discouraged from discussing and precluded from deliberating and/or acting on items raised by Public Comment which are not already on the agenda. The public body may impose reasonable content-neutral restrictions on public comment such as willfully disruptive comments that are irrelevant, repetitious, slanderous, offensive, inflammatory, irrational, or amounting to personal attacks or interfering with the rights of other speakers. Correspondence or written materials submitted for public comment by the general public shall be attached to the minutes of the meeting.
- 1.04 Action to Adopt the Agenda (For Possible Action) – Items on this agenda may be taken out of order; the public body may combine two or more agenda items for consideration; and the public body may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

### **2. DISCUSSION, PRESENTATION AND ACTION ITEMS** - Public comment: any individual may address the public body concerning any item listed below. A completed "Citizen's Right to Speak" card must be submitted to the public body at the meeting. During the discussion of each item on the agenda, the Chair will invite the individual to come forward to speak. Individuals are limited to three minutes per item.

- 2.01 APPROVAL OF THE MINUTES FOR THE OPEB TRUSTEES MEETING ON MARCH 22, 2018 (For Possible Action)
- 2.02 DISCUSSION OF OPEB TRUST FUND FY2018 THIRD QUARTER FINANCIAL STATEMENTS (For Discussion Only)
- 2.03 DISCUSSION OF THE QUARTERLY PUBLIC EMPLOYEE RETIREMENT SYSTEM ("PERS") RETIREMENT BENEFITS INVESTMENT FUND ("RBIF") REPORT, FOR THE PERIOD ENDED MARCH 31, 2018 (For Discussion Only)

- 2.04 DISCUSSION AND POSSIBLE ACTION TO ACCEPT THE OPEB BUDGET FOR FISCAL YEAR 2019 AS PREVIOUSLY ADOPTED BY THE WCSD BOARD OF TRUSTEES AS PART OF THE APPROVAL OF THE WASHOE COUNTY SCHOOL DISTRICT'S FINAL BUDGET FOR FISCAL YEAR 2019 (For Discussion and Possible Action)

### **3. CLOSING ITEMS**

- 3.01 Announcement of Next Meeting: August 30, 2018, 1:00 p.m., WCSD Administration Building, 425 East 9<sup>th</sup> Street, Board Room, Reno, Nevada 89512
- 3.02 Public Comment - Comments from the public are invited at this time on topics not specifically addressed elsewhere in the agenda. A "Citizen's Request to Speak" card should be filled out and submitted to the Recording Secretary before speaking during the Public Comment section. All persons are limited to 3 minutes per item. In accordance with Open Meeting Law and on the advice of legal counsel, the public body is discouraged from discussing and precluded from deliberating and/or acting on items raised by Public Comment which are not already on the agenda. The public body may impose reasonable content-neutral restrictions on public comment such as willfully disruptive comments that are irrelevant, repetitious, slanderous, offensive, inflammatory, irrational, or amounting to personal attacks or interfering with the rights of other speakers. Correspondence or written materials submitted for public comment by the general public shall be attached to the minutes of the meeting.
- 3.03 Adjourn Meeting

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Forum Restrictions and Orderly Conduct of Business: The OPEB Committee conducts the business of the Washoe County School District 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.

Members of the public wishing to request supporting materials for this meeting or who are disabled and require special accommodations at the meeting should contact Valerie Phillips, Recording Secretary. Valerie Phillips can be contacted in writing at PO Box 30425, Reno, Nevada 89520-3425 or by telephone at 775-348-0312.

This agenda and supporting materials, when appropriate, have been posted at the following locations:

[www.washoeschools.net](http://www.washoeschools.net)  
[www.boarddocs.com/nv/washoe/board.nsf/public](http://www.boarddocs.com/nv/washoe/board.nsf/public)  
State of Nevada website (notice.nv.gov)

WCSD Central Administrative Building  
Washoe County Administration Building  
Washoe County Courthouse  
Reno City Hall  
Sparks City Hall  
Sparks Library  
Pyramid Lake Paiute Tribe Administration Building  
Reno Sparks Indian Colony Administrative Office

**MINUTES OF THE  
WASHOE COUNTY SCHOOL DISTRICT (WCSD)  
OTHER POST-EMPLOYMENT BENEFITS (OPEB)  
BOARD OF TRUSTEES MEETING**

**Thursday, March 22, 2018**

**1.01 CALL TO ORDER**

The meeting of the Washoe County School District Other Post-Employment Benefits (OPEB) Board of Trustees was called to order on Thursday, March 22, 2018 at 1:05pm in the Board Room located at 425 E. 9<sup>th</sup> Street, Reno NV 89512

**1.02 ROLL CALL**

Chair Mark Mathers and Member Tom Marshall were present at Roll Call. Staff Liaison Robert Carson and staff were also present.

Member Danny Kitts arrived at 1:12pm.

**1.03 PUBLIC COMMENT**

There was no response to the call for public comment.

**1.04 ACTION TO ADOPT THE AGENDA**

**On Motion by Tom Marshall, second by Mark Mathers, the OPEB Trustees Committee approved the agenda as presented** (Yea: Mark Mathers, Tom Marshall). Final Resolution: Motion Carries 2-0

**2. DISCUSSION, PRESENTATION AND ACTION ITEMS**

**2.01 APPROVAL OF THE MINUTES FOR THE OPEB TRUSTEES MEETING ON JANUARY 10, 2018.**

**On motion by Tom Marshall, second by Mark Mathers, the OPEB Trustees Committee approved the minutes of January 10, 2018 as presented** (Yea: Mark Mathers, Tom Marshall). Final Resolution: Motion Carries 2-0

**2.02 DISCUSSION OF ACTUARIAL VALUATIONS, WHICH AID IN THE ESTIMATION OF THE FUTURE COST OF OTHER POST-EMPLOYMENT BENEFITS (OPEB) AND WHICH IS BASED ON THE CURRENT PROJECTED POPULATION**

Robert Carson, WCSD Accounting Manager and Committee Staff Liaison, led the discussion. Staff will implement and report under Governmental Accounting Standards Board (GASB) 75 in the coming fiscal year. The biggest difference, last year, was the

increase in OPEB liability because of the change in the discount rate. A blended discount rate of 4.35% was utilized because the OPEB fund is partially funded. Last year the accrued actual actuarial liability was \$176 million and it should be close to the same amount this year with the rollover numbers.

Page 8 assumptions include a long-term inflation rate but not a long-term bond yield. Staff will ask Gallagher (the actuary) to sync up with the time frame they look at when building in their assumptions for the muni bond yield that goes into the blended rate.

### **2.03 DISCUSSION OF "CONFLICT OF INTEREST" AS IT RELATES TO IRS FORM 990**

Robert Carson, WCSD Accounting Manager and Committee Staff Liaison, led the discussion. Because the OPEB Trust and the investments are handled outside of the district, there is no conflict of interest as it relates to IRS Form 990.

### **2.04 DISCUSSION OF THE QUARTERLY PUBLIC EMPLOYEE RETIREMENT SYSTEM ("PERS") RETIREMENT BENEFITS INVESTMENT FUND ("RBIF") REPORT**

Robert Carson, WCSD Accounting Manager and Committee Staff Liaison, led the discussion. The report Quarterly Public Employee Retirement System ("PERS") Retirement Benefits Investment Fund ("RBIF") Report summarizes the current period through December and shows year-to-date activity on the RBIF fund. The beginning balance was \$65 million in assets. There was a disbursement of \$8 million that covered the retiree life insurance subsidy, retiree medical claims, and the PEB premium. The net assets for the end of the period was \$57 million. Investment earnings are doing well. There is unrealized appreciation and realized gain and loss, which are \$238,000 and \$240,000 respectively. Year-to-date unrealized appreciation is \$2.8 million. The realized gain and loss is roughly \$1 million.

### **2.05 DISCUSSION OF EIDE BAILLY, LLP, OPEB TRUST AUDIT ENGAGEMENT LETTER FOR THE FISCAL YEAR 2018 OPEB TRUST EXTERNAL AUDIT**

Robert Carson, WCSD Accounting Manager and Committee Staff Liaison, led the discussion. There will be an external audit on the trust fund, which is required by the by-laws. Eide Bailly, LLP, the company responsible for conducting the external audit, provided the Office of Business and Financial Services a draft engagement letter outlining what they'd be doing and what staff is responsible for. This will be the first time the trust has been audited.

## **2.06 REVIEW, DISCUSSION, AND POSSIBLE ACTION TO RECOMMEND THAT THE WASHOE COUNTY SCHOOL DISTRICT BOARD OF TRUSTEES APPROVES THE TENTATIVE FY2018 OPEB BUDGET**

Robert Carson, WCSD Accounting Manager and Committee Staff Liaison, led the discussion. The preliminary budget shows an opening fund balance of approximately \$60 million. The earnings on investments is expected to be steady, with \$1 million and the estimated unrealized gain/loss of \$3 million. The plan benefits, (retiree life insurance and the retiree medical) is expected to be \$5 million, the same as last year.

**On motion by Tom Marshall, second by Danny Kitts, the OPEB Trust Committee recommended that the WCSD Board of Trustees approve the tentative 2018 OPEB budget as presented** (Yea: Tom Marshall, Danny Kitts, Mark Mathers). Final Resolution: Motion carries 3-0.

## **2.07 DISCUSSION OF FUTURE MEETING DATE(S)**

Discussion to have future OPEB meetings coincide with the dates of the quarterly Insurance meeting dates, as Trustees Kitts and Marshall serve on both committees.

## **2.08 REVIEW ITEMS COMPLETED FROM THE TWO-YEAR CALENDAR AS WELL AS CREATE A PRIORITIZED LIST OF TASKS TO BE PLACED ON THE TWO-YEAR CALENDAR.**

Robert Carson, led the discussion, laying out the repetitive timeline of items due over the next two years.

## **3. CLOSING ITEMS**

### **3.01 Announcement of Next Meeting**

The next meeting of the OPEB Trust Committee will be held on June 25, 2018.

### **3.02 PUBLIC COMMENT**

There was no response to the call for public comment.

### **3.03 ADJOURN MEETING**

There being no further business, Chair Mathers adjourned the meeting at 1:32pm.

**WASHOE COUNTY SCHOOL DISTRICT  
COMPARATIVE STATEMENT OF NET POSITION  
OPEB TRUST FUND  
AS OF MARCH 31, 2018 AND 2017**

	<u>March 31, 2018</u>	<u>March 31, 2017</u>	<u>Increase (Decrease)</u>
<b>ASSETS</b>			
Current Assets			
Cash	\$ 1,785,732	\$ 5,014,662	\$ (3,228,930)
RBIF participation units	<u>57,154,285</u>	<u>59,166,745</u>	<u>(2,012,460)</u>
Total Assets	58,940,017	64,181,407	(2,012,460)
<b>NET POSITION</b>	<u>\$ 58,940,017</u>	<u>\$ 64,181,407</u>	<u>\$ (2,012,460)</u>

**WASHOE COUNTY SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN NET POSITION**  
**OPEB TRUST FUND**  
**FOR THE PERIODS ENDED MARCH, 31 2018 AND 2017**

	<u>FY18 Budget</u>	<u>March 31, 2018</u>	<u>Variance to Final Budget</u>	<u>March 31, 2017</u>	<u>FY2018-FY2017 Variance</u>
<b>REVENUES</b>					
Earnings on investments	\$ 1,000,000	\$ 946,481	\$ (53,519)	\$ 1,003,196	\$ (56,715)
GASB 31 gain/(loss)	-	3,143,611	3,143,611	4,144,619	(1,001,008)
Total revenues	<u>1,000,000</u>	<u>4,090,092</u>	<u>3,090,092</u>	<u>5,147,815</u>	<u>(1,057,723)</u>
<b>EXPENDITURES</b>					
PEBP expenditure	9,400,000	2,543,727	6,856,273	2,577,702	(33,975)
Retiree Medical	-	5,000,000	(5,000,000)	3,168,490	1,831,510
Total expenditures	9,400,000	7,543,727	1,856,273	5,746,192	1,797,535
Change in net position	(8,400,000)	(3,453,635)	1,233,819	(598,377)	(2,855,258)
<b>NET POSITION - July 1</b>	<u>56,379,785</u>	<u>62,393,651</u>	<u>6,013,866</u>	<u>64,779,785</u>	<u>(2,386,134)</u>
<b>NET POSITION - March 31</b>	<u>\$ 47,979,785</u>	<u>\$ 58,940,016</u>	<u>\$ 10,960,231</u>	<u>\$ 64,181,408</u>	<u>\$ (5,241,392)</u>



**WASHOE COUNTY SCHOOL DISTRICT**  
 Summary of Changes to WCSD RBIF Account  
 For the Period Ended March 31, 2018 and 2017

	<u>March 31, 2018</u>	<u>FY18 YTD</u>	<u>March 31, 2017</u>	<u>FY17 YTD</u>
Net Assets - Beginning of Period	\$ 57,978,840	\$ 61,067,199	\$ 58,817,330	\$ 60,523,164
Changes to Net Assets				
Investment Gain/Loss	25	232	7	457
Realized Gain/Loss	5,141	1,212,170	9,677	173,152
Interest Income	30,281	266,097	29,459	263,957
Dividend Income	106,317	688,379	109,165	747,417
Change in Unrealized Appreciation	(964,649)	1,931,210	202,956	3,971,010
Trust Expenses	<u>(1,670)</u>	<u>(11,002)</u>	<u>(1,849)</u>	<u>(12,412)</u>
Total Changes to Net Assets	(824,555)	4,087,086	349,415	5,143,581
Disbursements	-	8,000,000	-	6,500,000
Net Assets - End of Period	<u>\$ 57,154,285</u>	<u>\$ 57,154,285</u>	<u>\$ 59,166,745</u>	<u>\$ 59,166,745</u>

## Retirement Benefits Investment Fund

March 31, 2018

All Returns Net of Fees

Asset Class	Market Value	Target Allocation	Actual Allocation	FYTD Return	One Year	3 Years	5 Years	10 Years	Since Inception (2008)
U.S. Stocks- S&P 500 Index	\$ 224,502,638	49.0%	50.0%	10.6%	14.0%	10.7%	13.3%	9.5%	9.0%
<b>Market Return</b>				<b>10.6%</b>	<b>14.0%</b>	<b>10.8%</b>	<b>13.3%</b>	<b>9.5%</b>	<b>8.9%</b>
Int'l Stocks- MSCI EAFE Index	\$ 95,030,287	21.0%	21.2%	8.1%	14.9%	5.7%	6.6%	2.9%	2.8%
<b>Market Return</b>				<b>8.2%</b>	<b>14.8%</b>	<b>5.6%</b>	<b>6.5%</b>	<b>2.7%</b>	<b>2.7%</b>
U.S. Bonds- U.S. Bond Index	\$ 127,997,502	30.0%	28.5%	-0.7%	0.5%	0.5%	1.3%	3.1%	3.1%
<b>Market Return</b>				<b>-0.8%</b>	<b>0.4%</b>	<b>0.5%</b>	<b>1.1%</b>	<b>2.7%</b>	<b>2.9%</b>
	\$ 1,095,153	0.0%	0.2%						
<b>Total RBIF Fund</b>	<b>\$ 448,625,580</b>	<b>100.0%</b>	<b>100.0%</b>	<b>6.7%</b>	<b>10.1%</b>	<b>6.7%</b>	<b>8.4%</b>	<b>6.6%</b>	<b>6.3%</b>
<b>Market Return</b>				<b>6.7%</b>	<b>10.0%</b>	<b>6.7%</b>	<b>8.4%</b>	<b>6.6%</b>	<b>6.4%</b>

**WASHOE COUNTY SCHOOL DISTRICT  
OPEB TRUST FUND  
FY 19 TENTATIVE vs FY 19 FINAL BUDGET**

	<b>Tentative <u>FY19</u></b>	<b>Final <u>FY19</u></b>	<b><u>Change</u></b>
<b>Additions</b>			
Contributions by Employer	\$ 500,000	\$ 2,140,019	\$ 1,640,019
Earnings (loss) on investments	4,000,000	4,000,000	-
<b>Total Additions</b>	<u>\$ 4,500,000</u>	<u>\$ 6,140,019</u>	<u>\$ 1,640,019</u>
<b>Deductions</b>			
Benefits	\$ 4,350,000	\$ 6,010,019	\$ 1,660,019
<b>Total Deductions</b>	<u>\$ 4,350,000</u>	<u>\$ 6,010,019</u>	<u>\$ 1,660,019</u>
<b>Net Increase</b>	\$ 150,000	\$ 130,000	\$ (20,000)
<b>Net Assets Held in Trust for OPEB</b>			
Beginning July 1	60,513,651	60,513,651	0
Ending June 30	<u>\$ 60,663,651</u>	<u>\$ 60,643,651</u>	<u>\$ (20,000)</u>