

MINUTES OF THE
WASHOE COUNTY SCHOOL DISTRICT (WCSD)
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
BOARD OF TRUSTEES MEETING
February 22, 2024

1. OPENING ITEMS

1.01 CALL TO ORDER

The meeting of the Washoe County School District Other Post-Employment Benefits (OPEB) Board of Trustees meeting was called to order at 3:30 pm.

1.02 ROLL CALL

PRESENT: Chairman Mark Mathers, Vice-Chair Fran McGregor, Mary Lamont and Jeffrey Kirst

ALSO PRESENT: Martin Williams, Controller, Kevin Pick, Esq, Associate General Counsel and Dawn Gordillo, Recording Secretary

1.03 PUBLIC COMMENT – None

2. DISCUSSION, PRESENTATION AND ACTION ITEMS

2.01 APPROVAL OF MINUTES OF MEETING 11-27-23.

No Public Comment

On Motion by Fran McGregor, second by Mary Lamont, the OPEB Trustees Committee approved the November 27, 2023, OPEB minutes.

(Yea: Jeff Kirst, Mark Mathers, Mary Lamont and Fran McGregor. Final Resolution: Motion Carries 4-0).

2.02 DISCUSSION OF OPEB TRUST FUND FY2024 UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS (FOR DISCUSSION ONLY)

Martin Williams, Controller, presented financial documents. Assets has continued to increase, getting a large increase from investments. Everything is about the same as last year.

Question: Jeff Kirst asked about cash being down. Martin Williams responded that monies transferred out last year brought the cash balance down and are constantly being replenished by employer participation but it has not been totally recouped from last year.

2.03 APPROVAL OF ANNUAL REQUEST TO AUTHORIZE THE TRANSFER/EXPENSE OF FUNDS FROM THE OPEB TRUST FUND, PURSUANT TO NEVADA ADMINISTRATIVE CODE 287.792, NOT TO EXCEED \$6,789,218 (FOR DISCUSSION AND POSSIBLE ACTION)

Mark Mathers explained the format required by NAC, and referenced the memo from Beth Smith, WCSD Board President requesting the transfer per NAC and minutes from the 9-12-23 WCSD Board meeting requesting the transfer. The request is to authorize withdrawals including subsidy payments for eligible retirees totaling approximately \$3.2 million, other retirees' medical subsidies not in PEB total cost is \$2.4 million, and life insurance subsidies of \$1.5 million. All monies are budgeted.

Question: Jeff Kirst, asked if the \$3.2 subsidies are for teachers. Mark Mathers indicated that there may be other employees other than teachers. These are just WCSD employees.

No Public Comment

On Motion by Jeff Kirst, second by Fran McGregor, the OPEB Trustees Committee approved the transfer of \$6,789,218.

(Yea: Jeff Kirst, Mark Mathers, Mary Lamont and Fran McGregor. Final Resolution: Motion Carries 4-0).

2.04 DISCUSSION OF THE RETIREMENT BENEFITS INVESTMENT FUND REPORT, FOR THE PERIODS ENDED SEPTEMBER 30, 2023, AND DECEMBER 30, 2023 (FOR DISCUSSION ONLY)

Mark Mathers presented a review of the performance report on September 20, 2023, the December 31, 2023 report was not available. We experienced a negative quarter with returns of -3%, but our 1-year return was 16.2%.

2.5 DISCUSSION OF PROJECTED ANNUAL OPEB COSTS AND INVESTMENT STRATEGIES (FOR DISCUSSION AND POSSIBLE ACTION)

Mark Mathers led the discussion. This discussion is a continuation of the last meeting. He previously asked the actuary to break out costs by the type of cost and provide a projection of annual costs for the next 50 years. He explained that a good share of our OPEB liability is not "hard costs" owed by the District but are a function of the actuarially required implied rate subsidy. When you compare the actual hard costs we have to pay (i.e., PEBP or claims), we are getting close to being fully funded. The question is does this trust committee want to start paring back exposure to equities and change its asset allocation and have more in fixed income?

Question: Jeff Kirst asked about interest and dividend income (6 months), stocks do not pay much in the way of dividends, and suggested meditation on this.

Mark Mathers discussed the maturity of bonds, eligibility of OPEB members, life insurance and U.S. stocks. Mathers proposed having a fixed income manager come and ask them to explain the portfolio.

Question: Mary Lamont asked if the changes made are fixed or could we change our mind at a later time. Mark Mathers stated that decisions could be changed.

No action taken. It was agreed that the Committee would be to invite an asset manager to do a presentation and continue this discussion to the next meeting.

3. CLOSING ITEMS

3.01 Next Meeting: Thursday, May 23, 2024, at 3:30 p.m.

3.02 No Public Comment

3.03 Meeting adjourned at 4:28 p.m.