



Other Post-Employment Benefits (OPEB) Trustees Committee - April 29, 2024 Agenda

at 3:30PM

Central Administration Building, Board Room; 425 East Ninth Street; Reno, Nevada

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 meeting; 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. The Other Post-Employment Benefits (OPEB) Trustees Committee may take recesses at the discretion of the Committee Chair.

Page




1. Opening Items

- 1.01 Call to Order - 3:30 p.m. - Central Administration Building, Board Room; 425 East Ninth Street; Reno, Nevada
- 1.02 Roll Call

2. Items for Presentation, Discussion, Information, and/or Action -

***Public Comment -Comments from the public are invited on items listed for possible action. A Public Comment Card should be filled out and submitted to the Recording Secretary before speaking during the Public Comment section, which must at least include the name of the speaker. Pursuant to Board Policy 9115, Meetings of the Board of Trustees, all persons are limited to 3 minutes per item. The time limit may be altered at the discretion of the President of the Board/Chair of the Committee. In order to comply with Nevada Revised Statutes (NRS) Chapter 241 (Open Meeting Law) and on the advice of Legal Counsel, the Board/Committee is discouraged from discussing and precluded from deliberating and/or acting on items raised by Public Comment which are not already on the agenda. Pursuant to NRS 241.035, correspondence or written materials submitted for public comment shall be attached to the minutes of the meeting. The Board of Trustees/Committee may impose reasonable content-neutral restrictions on public comment such as willfully disruptive comments that are irrelevant, repetitious, slanderous, offensive, inflammatory,**

irrational, amounting to personal attacks, or interfering with the rights of other speakers. The Board/Committee will also accept public comments before and during the meeting through Dawn.Gordillo@WashoeSchools.net. The Board/Committee will take time to read those comments during the meeting and announce the names of those who provided public comment via email.

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|------|---|--------|
| 2.01 | Approval of the minutes of the February 22, 2024 Other Post-Employment Benefits (OPEB) Trustees Committee Meeting (FOR POSSIBLE ACTION)
Other Post-Employment Benefits (OPEB) Trustees Committee Meeting - Feb 22 2024 - Minutes - Html  | 5 - 7 |
| 2.02 | Discussion of the Other Post-Employment Benefits (OPEB) Trust Fund FY24 Unaudited Third Quarter Financial Statements (FOR PRESENTATION AND DISCUSSION ONLY) | |
| 2.03 | Discussion of the Retirement Benefits Investment Fund Report, for the period ended December 31, 2023 (FOR PRESENTATION AND DISCUSSION ONLY)
RBIF-Investments-Dec2023.pdf  | 8 |
| 2.04 | Discussion and Possible Action to provide direction to Washoe County School District staff regarding possible changes to the investment of Other Post-Employment Benefits (OPEB) assets, including contracting with an external professional investment manager and preparation of an investment plan to be submitted to the Committee of Local Governance Finance, pursuant to Nevada Revised Statutes 287.017(e)(2) and 287.017(g) (FOR POSSIBLE ACTION)
OPEB Presentation - Final (2).pdf  | 9 - 22 |

3. Closing Items

- 3.01 Public Comment - Comments from the public are invited at this time on topics not specifically addressed elsewhere in the agenda. A Public Comment Card should be filled out and submitted to the Recording Secretary before speaking during the Public Comment section, which must at least include the name of the speaker. Pursuant to Board Policy 9115, Meetings of the Board of Trustees, all persons are limited to 3 minutes per item. The time limit may be altered at the discretion of the President of the Board/Chair of the Committee. In order to

comply with Nevada Revised Statutes (NRS) Chapter 241 (Open Meeting Law) and on the advice of Legal Counsel, the Board/Committee is discouraged from discussing and precluded from deliberating and/or acting on items raised by Public Comment which are not already on the agenda. Pursuant to NRS 241.035, correspondence or written materials submitted for public comment shall be attached to the minutes of the meeting. The Board of Trustees/Committee may impose reasonable content-neutral restrictions on public comment such as willfully disruptive comments that are irrelevant, repetitious, slanderous, offensive, inflammatory, irrational, amounting to personal attacks, or interfering with the rights of other speakers. The Board/Committee will also accept public comments before and during the meeting through Dawn.Gordillo@WashoeSchools.net. The Board/Committee will take time to read those comments during the meeting and announce the names of those who provided public comment via email.

3.02 Announcement of Next Meeting - August 22, 2024

3.03 Adjourn Meeting

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 Dawn Gordillo writing at PO Box 30425, Reno, Nevada 89520-3425, by telephone at 775-348-0312, or by email at Dawn.Gordillo@WashoeSchools.net

This agenda and supporting materials, as indicated, have been posted at the following locations:

<https://washoeschools.diligent.community/Portal/>
<https://www.washoeschools.net/Page/1>

State of Nevada - www.notice.nv.gov

Washoe County School District - Central Administration Building - Agenda

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 employee 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.

Retirement Benefits Investment Fund

December 31, 2023

Performance Gross 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	\$ 418,414,893	49.5%	49.9%	8.0%	26.2%	10.0%	15.7%	12.0%	10.3%
Market Return				8.0%	26.3%	10.0%	15.7%	12.0%	10.3%
Int'l Stocks- MSCI World x US Index	\$ 160,517,016	19.5%	19.2%	6.0%	18.2%	4.7%	8.7%	4.7%	3.7%
Market Return				6.0%	17.9%	4.4%	8.5%	4.4%	3.5%
U.S. Bonds- U.S. Bond Index	\$ 229,591,524	28.0%	27.4%	2.4%	4.0%	-0.9%	2.5%	2.3%	2.9%
Market Return				2.4%	4.1%	-1.1%	2.3%	2.2%	2.7%
	\$ 29,228,591	3.0%	3.5%						
Total RBIF Fund	\$ 837,752,024	100.0%	100.0%	6.0%	18.3%	6.1%	11.0%	8.0%	7.2%
Market Return				6.0%	18.0%	5.8%	10.7%	7.8%	7.2%

Presentation to Other Post Employments Benefits (OPEB) Trust Committee



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BCM Fixed Income's History in Nevada

- BCM Fixed Income's team has extensive experience managing assets for public sector clients throughout Nevada. Rick Nelson and Matt Boden have been working with public funds in the State since 1998 and 2004, respectively.
- BCM Fixed Income currently serves the following public sector clients in Nevada:

Nevada State Treasurer's Office

Elko County

Washoe County School District

Lyon County School District

Humboldt General Hospital

Churchill County

Humboldt County

Carson City

City of Winnemucca

- Over 90% of BCM Fixed Income's assets under management are for hospital or public sector entities. Our team especially appreciates working with public sector clients and understands the unique nature of managing portfolios in a public forum.
- BCM Fixed Income has been working with WCSD since 2018. BCM manages multiple portfolios for the School District, including core, liquidity, capital projects, and bond proceeds funds.
- BCM assists WCSD with cash flow management, and meets with WCSD regularly to discuss the economy, market conditions and portfolio performance.

Portfolio Management Team

Matthew R. Boden, CFA



Matt serves as a Portfolio Manager for Fixed Income Portfolios. Prior to joining BCM, he was Portfolio Manager with StableRiver Capital Management, where he was responsible for managing \$2 billion in fixed income assets for institutional clients. Prior to StableRiver, he worked for both ValuBond Securities and JP Morgan. Matt received a B.S. in MSIS from Penn State and an M.B.A. in Finance from Georgia State University. He is a CFA charterholder, a member of the CFA Institute, and the CFA Atlanta Society of Financial Analysts. He is also an Associate Member of the Georgia Government Finance Officers Association.

Harold F. (Rick) Nelson



Rick serves as a Portfolio Manager for Fixed Income Portfolios. Prior to joining BCM, he was the CEO/CIO for StableRiver Capital Management, a fixed income boutique with \$9 billion in assets under management. Prior to StableRiver, Rick was a Senior Vice President of Fixed Income at Wachovia Asset Management. Rick earned a B.S. degree in Business Management from St. Francis College and his MBA in Finance from Mercer University. He is also an Associate Member of the Georgia Government Finance Officers Association.

Chad Stephens



Chad is a Portfolio Manager for Fixed Income portfolios. Prior to joining BCM in 2016, he spent 15 years with StableRiver Capital Management where he specialized in securitized products on a fixed-income team that managed over \$9 billion for institutional clients and mutual funds. Prior to joining StableRiver (owned by SunTrust Bank until June 2014), Chad worked for Wachovia Securities in fixed-income trading for seven years. He began his career with South Carolina National Bank as a credit analyst after graduating in 1989 from the College of Charleston with a Bachelor of Science in Business.

Kathryn G. Stratton, CFA



Kathy serves as a Portfolio Manager for Fixed Income portfolios. Prior to joining BCM, she was a Partner and Portfolio Manager with Invesco, specializing in fixed income, equity and balanced fund management for institutional clients. Kathy began her career with the Bank Investment Securities Division of Bank of America and has more than twenty-five years of investment experience. She holds a B.S. in Psychology from Vanderbilt University. Kathy is a CFA charterholder, a member of the CFA Institute, and a member of the CFA Atlanta Society. She is also an Associate Member of the Georgia Government Finance Officers Association.

Brett C. Snavelly, CPA



Brett serves as a Research Analyst for Fixed Income portfolios. Prior to joining BCM, Brett spent over 13 years at Nardella & Taylor, a full-service CPA firm. Most recently, in his role as a Senior Manager at Nardella & Taylor, he was a leader of the field examination teams, responsible for performing collateral audits and business analysis for asset-based loans. Brett earned a B.S. degree in Accounting from Providence College and a Masters in Finance from University of Southern New Hampshire. Brett is a Certified Public Accountant.

Fixed Income Process



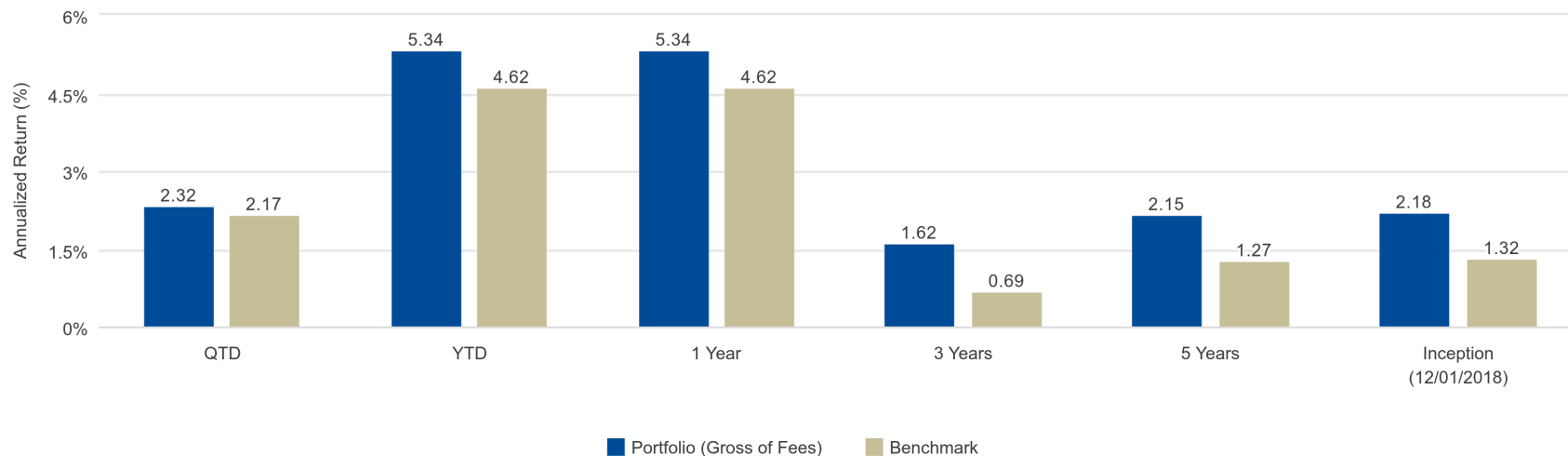
- **Multi-faceted** process focuses on each of the four components of fixed income portfolio construction.
- **Disciplined approach** to control risk in each phase of the process.
- **Generate superior risk-adjusted returns** over time.*

*The information ratios for all six institutional fixed income composites are positive for the last 1-year, 3-year, 5-year and since inception time periods, as calculated by Evestment Analytics. Information ratio is defined as "A measure of the risk-adjusted returns of a financial asset or portfolio relative to a certain benchmark." Please see the GIPS® Reports for additional information regarding composite performance.

Performance Summary

WCSD General Portfolio

Annualized Performance



Calendar Year Performance

Year	Q1	Q2	Q3	Q4	Annual
2023	1.41%	0.52%	1.00%	2.32%	5.34%
2022	-0.81%	-0.16%	-0.39%	0.90%	-0.46%
2021	-0.05%	0.23%	0.07%	-0.19%	0.06%
2020	0.38%	1.65%	0.48%	0.34%	2.86%
2019	0.84%	0.97%	0.67%	0.56%	3.06%
2018				0.32%	0.32%

* The portfolio is benchmarked against the 50% BBG US Treasury: 1-3 Yr, 25% BBG US Treasury Bellwethers: 1 mo, 25% ICE BofA 1-5 Year AAA-A US Corporate & Government Index.

What is Portfolio Immunization?

Often times, the purpose of an investment portfolio is to preserve or grow a sum of money to pay a known expense at a future date. For example, college tuition, a wedding, or in OPEB's case, benefit distributions. Once the assets in this type of portfolio reach an amount where they can fund the future expense, preserving that invested amount becomes more important than growing it further. For example, if you spent years saving enough to pay for your child's college tuition, you would be unlikely to invest that money in a portfolio of high-risk assets that could drop significantly in value, and thereby leave you unable to pay those tuition expenses. In a case like this, it would be prudent to immunize the portfolio against market risks.

Benefits of Portfolio Immunization

Portfolio immunization is the concept of protecting or "immunizing" assets against future uncertainty in investment returns and cash flows. By purchasing securities that have known maturity dates and amounts, and are not affected by changes in interest rates, it is possible to set up a portfolio that will give you the amount of cash you need on the date you need it, with no risk.

OPEB has enough assets invested that a portion of the portfolio could be converted to these types of securities to match off future expenses with risk-free maturities, thereby protecting it from market fluctuations.

What are STRIPS?

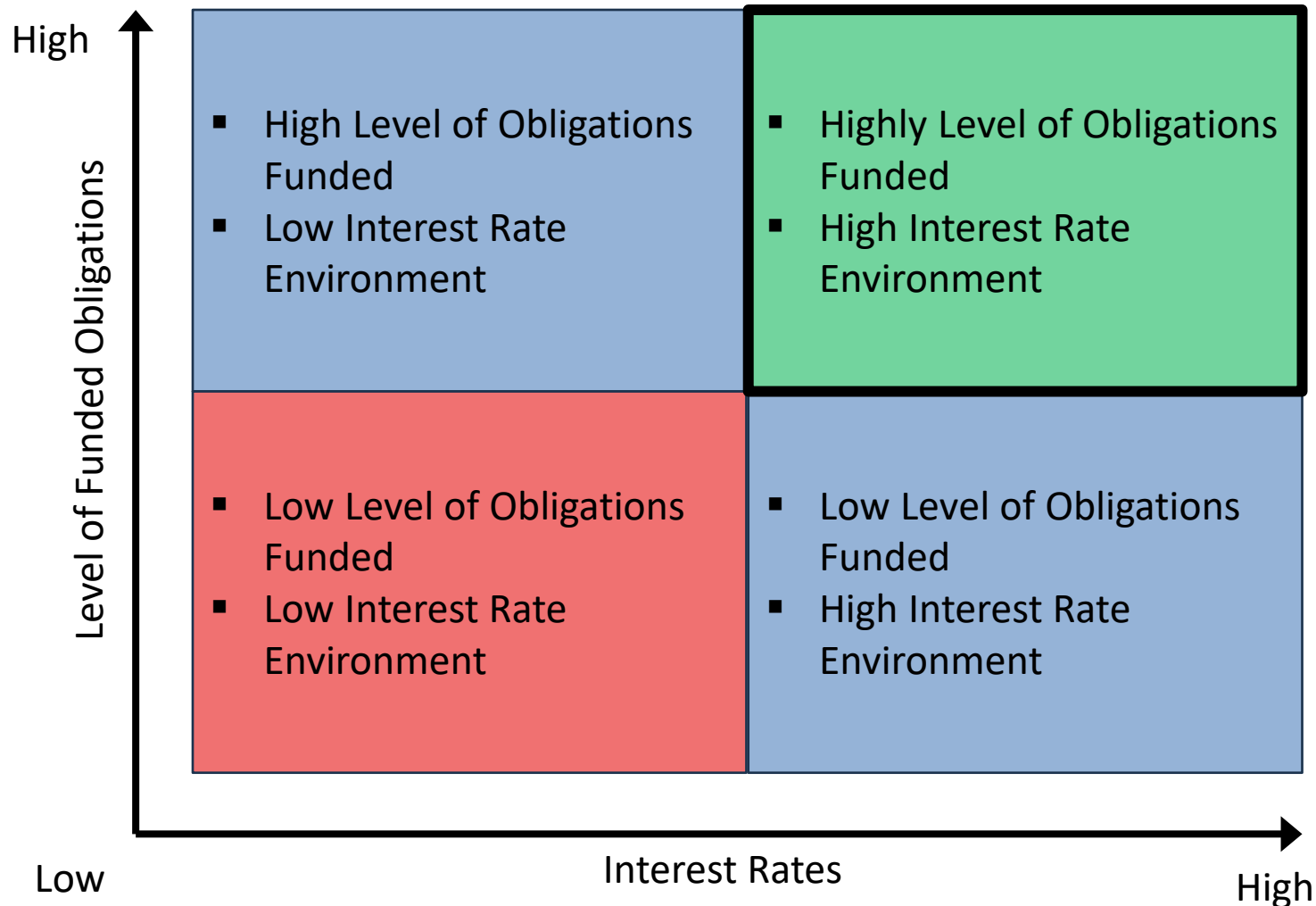
STRIPS (Separate Trading of Registered Interest and Principal of Securities), which are also known as zero coupon bonds, are US Treasury bonds that are sold at a discount and pay their par value at maturity. The coupon and principal of the bonds are separated and sold as separate securities. The STRIP holder does not receive any interest payments, just the face value of the strip at maturity. STRIPS are 100% backed by the U.S. Government in the same manner as other Treasury bills and notes. Because of their structure (no interest risk, and a known principal payment at maturity), STRIPS are a great security type for portfolio immunization.

Portfolio Immunization using STRIPS

For OPEB, the proposal would be to use STRIPs of varying maturities to match off against estimated future expenses. This would lock in a known return (the difference between the discount and par value maturity on the STRIPS) while minimizing market risks, as discussed on the prior slide.

When to Immunize

We are currently in a high interest rate environment, and the OPEB's projected outflows are well funded based on its current portfolio market value. This is an ideal scenario for immunizing the OPEB's future obligations.

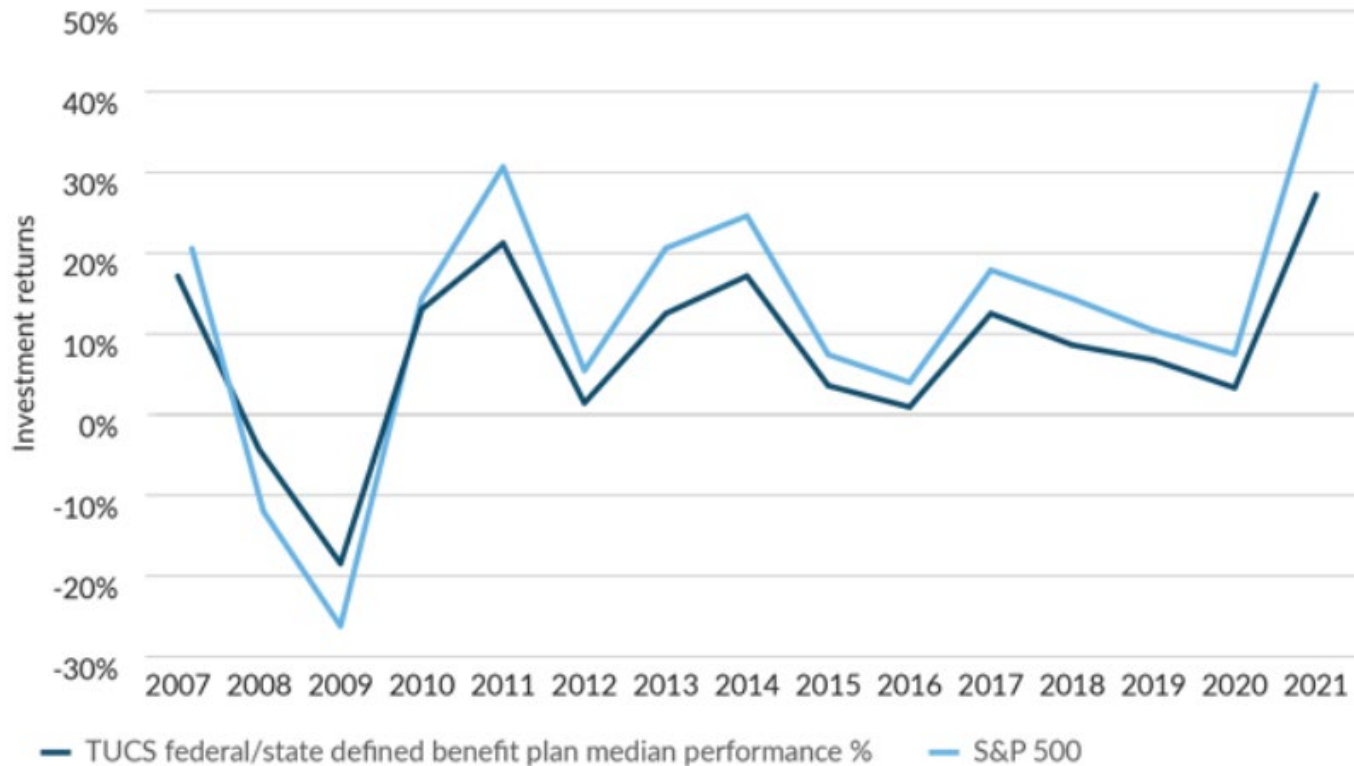


Pension Fund and Stock Market Correlation

Pension fund returns are highly correlated with the stock market. If OPEB's portfolio is managed similarly to that of a pension fund, it would share the same correlation.

Equity Investments and Public Pension Fund Yields Are Strongly Correlated, Highly Volatile

Average annual stock market and fund returns, 2007-21



Source: Pew analysis of data from Wilshire Trust Universe Comparison Service (TUCS)

Stock Market Risk

S&P 500 Index Level



The S&P is trading at 21x forward earnings, which is assuming no economic slowdown. An economy losing momentum historically carries a 17x-18x forward earnings, and an economy in recession carries a 15x-16x valuation. This means that a slow-down or growth scare could bring the S&P 500 back to 4200, and a recession could bring it back below 4000, erasing much of the year's gains.

Source: Chart data from Bloomberg. Market commentary from Sevens Report Research.

OPEB Portfolio Immunization

The OPEB portfolio could be immunized using US Treasury STRIPS at a cost of \$76.6MM and a weighted average yield to maturity of 4.41%.

FYE	Medical sub	PEBP Payments	Subtotal
2024	\$2,756,313	\$2,856,593	\$5,612,906
2025	\$2,794,546	\$2,933,508	\$5,728,054
2026	\$2,808,262	\$2,997,101	\$5,805,363
2027	\$2,805,225	\$3,044,935	\$5,850,160
2028	\$2,780,168	\$3,075,741	\$5,855,909
2029	\$2,736,254	\$3,087,720	\$5,823,975
2030	\$2,674,584	\$3,078,439	\$5,753,023
2031	\$2,602,010	\$3,055,996	\$5,658,005
2032	\$2,516,944	\$3,018,509	\$5,535,453
2033	\$2,422,264	\$2,965,133	\$5,387,397
2034	\$2,317,492	\$2,895,280	\$5,212,772
2035	\$2,203,545	\$2,808,706	\$5,012,251
2036	\$2,083,796	\$2,705,562	\$4,789,358
2037	\$1,959,977	\$2,586,337	\$4,546,315
2038	\$1,832,123	\$2,452,611	\$4,284,735
2039	\$1,701,701	\$2,305,930	\$4,007,631
2040	\$1,571,200	\$2,148,534	\$3,719,734
2041	\$1,440,687	\$1,983,127	\$3,423,814
2042	\$1,312,626	\$1,812,740	\$3,125,366
2043	\$1,187,531	\$1,640,515	\$2,828,045
2044	\$1,067,530	\$1,469,583	\$2,537,113
2045	\$953,386	\$1,302,952	\$2,256,337
2046	\$845,995	\$1,143,271	\$1,989,265
2047	\$746,045	\$992,911	\$1,738,956
2048	\$654,034	\$853,508	\$1,507,542

Par Value	Strip Price	Cost to Immunize	Yield to Maturity
\$ 5,650,000	\$ 0.9794	\$5,533,518.73	4.87%
\$ 5,750,000	\$ 0.9405	\$5,407,636.72	4.71%
\$ 5,850,000	\$ 0.9024	\$5,279,096.34	4.48%
\$ 5,900,000	\$ 0.8678	\$5,120,032.77	4.32%
\$ 5,900,000	\$ 0.8341	\$4,921,273.96	4.24%
\$ 5,850,000	\$ 0.8014	\$4,688,126.53	4.24%
\$ 5,800,000	\$ 0.7654	\$4,439,254.06	4.24%
\$ 5,700,000	\$ 0.7367	\$4,199,426.62	4.22%
\$ 5,550,000	\$ 0.7047	\$3,910,925.70	4.25%
\$ 5,400,000	\$ 0.6753	\$3,646,828.14	4.29%
\$ 5,250,000	\$ 0.6404	\$3,362,282.80	4.33%
\$ 5,050,000	\$ 0.6161	\$3,111,056.76	4.35%
\$ 4,800,000	\$ 0.5980	\$2,870,167.41	4.26%
\$ 4,550,000	\$ 0.5677	\$2,583,099.06	4.32%
\$ 4,300,000	\$ 0.5386	\$2,315,812.86	4.40%
\$ 4,050,000	\$ 0.5116	\$2,072,126.37	4.42%
\$ 3,750,000	\$ 0.4838	\$1,814,407.94	4.50%
\$ 3,450,000	\$ 0.4585	\$1,581,928.08	4.55%
\$ 3,150,000	\$ 0.4342	\$1,367,822.53	4.61%
\$ 2,850,000	\$ 0.4143	\$1,180,757.77	4.61%
\$ 2,550,000	\$ 0.3961	\$1,009,948.03	4.61%
\$ 2,300,000	\$ 0.3797	\$873,218.20	4.60%
\$ 2,000,000	\$ 0.3636	\$727,151.75	4.59%
\$ 1,750,000	\$ 0.3487	\$610,287.02	4.57%
\$ 1,550,000	\$ 0.3351	\$519,435.11	4.55%

OPEB Portfolio Immunization - Continued

FYE	Medical sub	PEBP Payments	Subtotal
2049	\$570,178	\$726,196	\$1,296,374
2050	\$494,465	\$611,587	\$1,106,052
2051	\$426,761	\$509,914	\$936,675
2052	\$366,668	\$420,905	\$787,572
2053	\$320,805	\$343,953	\$664,759
2054	\$280,117	\$278,306	\$558,423
2055	\$244,010	\$222,876	\$466,886
2056	\$212,060	\$176,713	\$388,773
2057	\$183,833	\$138,338	\$322,172
2058	\$158,824	\$107,182	\$266,006
2059	\$136,705	\$82,702	\$219,406
2060	\$117,171	\$63,319	\$180,490
2061	\$99,907	\$48,164	\$148,072
2062	\$84,709	\$36,388	\$121,097
2063	\$71,356	\$27,364	\$98,720
2064	\$59,652	\$20,532	\$80,185
2065	\$49,433	\$15,329	\$64,762
2066	\$40,580	\$11,442	\$52,022
2067	\$32,976	\$8,566	\$41,542
2068	\$26,493	\$6,441	\$32,934
2069	\$21,015	\$4,929	\$25,944
2070	\$16,429	\$3,763	\$20,192
2071	\$12,644	\$2,906	\$15,550
2072	\$9,573	\$2,284	\$11,857
Total	\$52,810,604	\$63,085,339	\$115,895,943

Par Value	Strip Price	Cost to Immunize	Yield to Maturity
\$ 1,300,000	\$ 0.3235	\$420,552.11	4.51%
\$ 1,150,000	\$ 0.3135	\$360,566.06	4.46%
\$ 950,000	\$ 0.3043	\$289,101.84	4.40%
\$ 800,000	\$ 0.2991	\$239,262.72	4.31%
\$ 675,000	\$ 0.2933	\$198,007.13	4.23%
\$ 575,000	\$ 0.2933	\$168,672.74	4.23%
\$ 475,000	\$ 0.2933	\$139,338.35	4.23%
\$ 400,000	\$ 0.2933	\$117,337.56	4.23%
\$ 350,000	\$ 0.2933	\$102,670.36	4.23%
\$ 275,000	\$ 0.2933	\$80,669.57	4.23%
\$ 225,000	\$ 0.2933	\$66,002.38	4.23%
\$ 200,000	\$ 0.2933	\$58,668.78	4.23%
\$ 175,000	\$ 0.2933	\$51,335.18	4.23%
\$ 150,000	\$ 0.2933	\$44,001.58	4.23%
\$ 100,000	\$ 0.2933	\$29,334.39	4.23%
\$ 100,000	\$ 0.2933	\$29,334.39	4.23%
\$ 75,000	\$ 0.2933	\$22,000.79	4.23%
\$ 75,000	\$ 0.2933	\$22,000.79	4.23%
\$ 50,000	\$ 0.2933	\$14,667.19	4.23%
\$ 40,000	\$ 0.2933	\$11,733.76	4.23%
\$ 30,000	\$ 0.2933	\$8,800.32	4.23%
\$ 25,000	\$ 0.2933	\$7,333.60	4.23%
\$ 20,000	\$ 0.2933	\$5,866.88	4.23%
\$ 15,000	\$ 0.2933	\$4,400.16	4.23%
\$ 116,930,000		\$75,637,279.87	4.41%

OPEB Assets	Cost to Immunize
\$88,000,000	\$76,637,280

Remaining Investable Assets
\$11,362,720

OPEB Portfolio Immunization – 10yr Treasury Cap

If OPEB is prohibited from buying treasuries beyond 10 years, the portfolio could be immunized using US Treasury STRIPS at a cost of \$85.3MM and a weighted average yield to maturity of 4.37%.

FYE	Medical sub	PEBP Payments	Subtotal
2024	\$2,756,313	\$2,856,593	\$5,612,906
2025	\$2,794,546	\$2,933,508	\$5,728,054
2026	\$2,808,262	\$2,997,101	\$5,805,363
2027	\$2,805,225	\$3,044,935	\$5,850,160
2028	\$2,780,168	\$3,075,741	\$5,855,909
2029	\$2,736,254	\$3,087,720	\$5,823,975
2030	\$2,674,584	\$3,078,439	\$5,753,023
2031	\$2,602,010	\$3,055,996	\$5,658,005
2032	\$2,516,944	\$3,018,509	\$5,535,453
2033	\$2,422,264	\$2,965,133	\$5,387,397
2034	\$2,317,492	\$2,895,280	\$5,212,772
2035 - 2072	\$23,596,540	\$30,076,386	\$53,672,927
Total	\$52,810,602	\$63,085,341	\$115,895,944

Par Value	Strip Price	Cost to Immunize	Yield to Maturity
\$ 5,650,000	\$ 0.9794	\$5,533,518.73	4.87%
\$ 5,750,000	\$ 0.9405	\$5,407,636.72	4.71%
\$ 5,850,000	\$ 0.9024	\$5,279,096.34	4.48%
\$ 5,900,000	\$ 0.8678	\$5,120,032.77	4.32%
\$ 5,900,000	\$ 0.8341	\$4,921,273.96	4.24%
\$ 5,850,000	\$ 0.8014	\$4,688,126.53	4.24%
\$ 5,800,000	\$ 0.7654	\$4,439,254.06	4.24%
\$ 5,700,000	\$ 0.7367	\$4,199,426.62	4.22%
\$ 5,550,000	\$ 0.7047	\$3,910,925.70	4.25%
\$ 5,400,000	\$ 0.6753	\$3,646,828.14	4.29%
\$ 5,250,000	\$ 0.6404	\$3,362,282.80	4.33%
\$ 54,330,000	\$ 0.6404	\$34,794,823.70	4.33%
\$ 116,930,000		\$ 85,303,226	4.37%

OPEB Assets	Cost to Immunize
\$88,000,000	\$85,303,226

Remaining Investable Assets
\$2,696,774

Questions / Discussion