

**MINUTES OF THE
WASHOE COUNTY SCHOOL DISTRICT (WCSD)
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
BOARD OF TRUSTEES MEETING
AUGUST 25, 2022**

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 called to order at 3:33 pm.

1.02 ROLL CALL

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

ALSO PRESENT: Jessica Young, Mindy Caporin, and Erin Myers (Recording Secretary)

1.03 PUBLIC COMMENT - No public comment

2. DISCUSSION, PRESENTATION AND ACTION ITEMS

2.01 Approval of the Minutes for the OPEB Trustees Committee meeting on May 26, 2022, as presented.

On Motion by Mark Mathers, second by Mary Lamont, the OPEB Trustees Committee approved the May 26, 2022, OPEB minutes.

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

2.02 Information and discussion of the OPEB Trust Fund FY22 Fourth Quarter Financial Statements.

Controller Jessica Young led the discussion and made the following comments. The fourth quarter of FY22 showed a decrease in net position of 6.6 million. This is primarily attributed to the differences in the investments. Fiscal year 2021 did very well; however, there is some unrealized loss as of the year end June 30, 2022. Thus, why we see a decrease in fund balance – otherwise pretty in line year over year. The balance sheet is showing a decrease in net position of 6.6 million and the RBIF investment account is where we are seeing the unrealized losses that are creating the decrease in net position. RBIF holds any excess amounts to be invested by the state. The investments did very well in 2021. The value of the investments has gone down, but we haven't sold them yet, so we have not taken a loss. There were no questions from the Trustees.

2.03 Information and discussion of the quarterly Public Employee Retirement System ("PERS") Retirement Benefits Investment Fund ("RBIF") Report for the period ending June 30, 2022.

Chair Mark Mathers led the discussion. Page 2 illustrates how investments performed for FY22. As Jessica noted, there were very strong returns in 2021. The FY22 return as of June 30, 2022, showed a negative total return of 10.6% in US stocks, total return of -16.5% in non-US stocks, and US bonds showed a small negative total return of 2.5%. In total, the blended net return for RBIF Fund was -9.4%. This is better than the benchmark return. Returns for last 3, 5, and 10 years have all been positive and strong. Fluctuations can be expected with the Stock Market. Relative performance compared to peers is good. The risk returns chart shows relatively low volatility, and high return, which is what we want to see.

Question from Mary Lamont: What does "Legs" refer to on page 4?

Chair Mark Mathers responded with the following: There are four different plans that NV PERS Staff manages. PERS Fund, RBIF Fund, Judicial Plan and Legislative Retirement Plan. "Legs" is referring to the Legislative Employees Plan. No further questions.

2.04 Discussion and Possible Action to accept the Roll-Forward Actuarial Report for the period ending June 30, 2022.

Controller Jessica Young led the discussion. GASB75 is a governmental accounting standard and issues statements that governments need to follow in how they present their financial statements. GASB75 tells governments how to present their Other Post Employee Benefits on their financial statements. It requires us to get an actuarial valuation every year to tell us what our liability is for OPEB. This is determined by a lot of factors, so we hire an outside consultant to prepare it. We provide them census data, i.e. who is enrolled, ages, dependents, and etc. based on estimated returns for investments. Take the total liability and reduce it by how much we have in the investment account and come up with a net OPEB liability. These numbers need to be on the financial statements. Net OPEB liability went down substantially from last year. Started the year with net OPEB liability of 101 million and end of year 84 million. Due to changes in populations as well as assumptions of investment returns. Can fluctuate when uncertainty with interest rates, etc. The liability decreased by 17 million which is a significant change. We report the 84 million on financial statements.

Question from Mary Lamont: Is the 101 million how much it costs to keep OPEB going?

Jessica Young answered. The estimated liability to pay future benefits is now 84 million – mostly due to long term rate of return for investments. Mark Mathers explained that the net total number of future benefits – eligible retirees, employees who will receive future benefits and calculates based on mortality assumptions and other factors what that stream of benefits will be for every employee, tallies it up, present value discounts it back down based on the discount rate to come up with the value of all future benefits for all who qualify. Closed system for health insurance. No new employees eligible to receive benefits. The number is reported in the district statements and may ultimately have to pay. The hope is that we build up the assets to offset the costs. It is great to see a reduction in our net liability.

Question from Jeffrey Kirst: What are the interest costs and service costs in Exhibit 2 for?

Jessica Young will follow up with the Actuary to find out how they get those numbers.

Question from Jeffrey Kirst: Please explain Exhibit 5. What are deferred inflows and outflows?

Jessica Young explained that deferred outflows are assets, and the deferred inflows represent a liability. She will get more information on how they are calculated.

No public comment.

On motion by Fran McGregor, second by Mary Lamont, the OPEB Trustees Committee accepts Roll-Forward Actuarial Report for the period ending June 30, 2022.

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

2.05 Discussion and Possible Action for Annual affirmation based on the OPEB Trust agreement that investment income earned by WCSD OPEB Trust Fund for the fiscal year ending June 30, 2023 will be used for the payment of future benefits of the trust.

No public comment.

On motion by Fran McGregor, second by Mary Lamont, the OPEB Trustees Committee moves forward with the Annual Affirmation.

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

3. CLOSING ITEMS

3.01 Next Meeting: Monday, November 28, 2022, at 3:30 p.m.

3.02 No Public Comment

3.03 Meeting adjourned at 4:00 pm