

**MINUTES OF THE
WASHOE COUNTY SCHOOL DISTRICT (WCSD)
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
BOARD OF TRUSTEES MEETING
NOVEMBER 28, 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 3:30 pm.

1.02 ROLL CALL

PRESENT: Chairman Mark Mathers, Vice-Chair Fran McGregor, Mary Lamont and Jeffrey Kirst
ALSO PRESENT: Dawn Gordillo (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 August 25, 2022, as presented.

On Motion by Fran McGregor, second by Jeffrey Kirst, the OPEB Trustees Committee approved the August 25, 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.

Chairman Mark Mathers led the discussion and made the following comments. The balance sheet for the trust showed total assets of \$75.6 million compared to \$82.2 million last June 30, 2021. The reason for the decline is our investment losses on the portfolio with the investment fund. Sizable loss after a sizable gain prior fiscal year.

Contributions by the District to the trust were budgeted at \$2 million, and we are right at budget as \$1.96 million was transmitted into the trust. The trust had negative investment income of \$7.48 million dollars. RBIF had a negative return of 9.3% in FY22 after a strong FY21. Total additions of -\$5.5 million for FY22. Benefits paid out of the trust were budgeted at \$6.3 million but we only withdrew 1.3 million. Net contribution was \$1 million. Due to investment losses, the trust saw an overall decrease of net position of \$6.5 Million. FY22 ended with a net position of \$75.6 million.

There were no questions from the Trustees.

2.03 Information and discussion of the Annual Financial Report of the Retirement Benefits Investment Fund, for the Fiscal Year ending June 20,2022.

Chair Mark Mathers led the discussion and went over the independent auditor's report on page 3. The auditors opined that the financial statements presented fairly and all materials respects the financial position of the fund. Page 5 is management discussion and analysis. Total contributions from all agencies into the fund totaled \$5 million. Total distributions out of fund were \$5 million. RBIF had net investment losses of \$76 million, a decrease of 9.4%. The net position of the entire fund went from \$774 million to \$701 million. Page 13 provides asset allocations, and Page 20 provides a list of all participating agencies in ARBIF.

Question: Jeff Kirst "One question as I was reading this earlier, there was a statement in here somewhere that this money is invested in a manner similar to PERS but not the same because it is smaller, can you please explain that."

Chair Mathers stated that both portfolios are passively managed in Index Funds. One of the key differences is that PERS can invest in private equity. RBIF has no exposure to private equity. PERS can be in other asset classes that we cannot.

Question: Jeff Kirst "In PERS is probably not big in private equities?"

Chair Mathers stated that is a small allocation of 5-10%.

Question: Jeff Kirst "Is it the same manager who was in the Wall Street Journal for his low overhead approach or is that a different management team that governs that?"

Chair Mathers stated that the Wall Street Journal is more about the internal PERS staff who manage the index funds.

No other questions from the Trustees.

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

Chair Mark Mathers led the discussion. The last page gives performance as of September 30, 2022. The returns from July 1, 2022 through September 30, 2022 is -5.8%, US Stock were -4.8% while foreign stocks trailed domestic stocks.

Question: Jeff Kirst: "As I reviewed earlier today, it appeared that our entity was doing reasonably well compared to other people."

Chair Mathers responded in the affirmative. In the chart that compares PERS to RBIF it shows where the exposure to private equity helps PERS. We do not use active managers and take what the market gives us.

3. CLOSING ITEMS

3.01 Next Meeting: Thursday, February 23, 2023 at 3:30 p.m.

3.02 No Public Comment

3.03 Meeting adjourned at 3:48 p.m.