

**MINUTES OF THE
WASHOE COUNTY SCHOOL DISTRICT (WCSD)
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
BOARD OF TRUSTEES MEETING
Wednesday, January 10, 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 Wednesday, January 10, 2018, at 1:05 pm, in the Board Room located at 425 E. 9th Street, Reno NV 89512.

1.02 ROLL CALL

PRESENT: Mark Mathers, Vice Chairman Tom Marshall.

ABSENT: Trustee Danny Kitts.

1.03 PUBLIC COMMENT

There was no response to the call for public comment.

1.04 ACTION TO ADOPT THE AGENDA

On motion by Mark Mathers, second by Tom Marshall, 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 OF THE OPEB TRUSTEES MEETING OF JULY 24, 2017 (For Possible Action).

Item tabled until next meeting.

2.02 DISCUSSION AND POSSIBLE ACTION TO ELECT A CHAIRPERSON OF THE OPEB COMMITTEE FOR A ONE-YEAR TERM ENDING JUNE 30, 2018 FROM THE CURRENT MEMBERS: DANNY KITTS, TOM MARSHALL, AND MARK MATHERS (For Discussion and Possible Action)

On motion by Tom Marshall, second by Mark Mathers, the OPEB Trustees Committee approved the election of Mark Mathers to Chairperson of the OPEB committee (Yea: Tom Marshall, Mark Mathers). Final Resolution: Motion Carries 2-0

2.03 DISCUSSION AND POSSIBLE ACTION TO RECOMMEND THE WCSD BOARD OF TRUSTEES APPROVE THE REVISION OF THE BYLAWS OF THE OPEB TRUSTEES COMMITTEE, TO INCLUDE A POTENTIAL CHANGE IN THE TERMS FOR CHAIR AND VICE-CHAIR FROM ONE YEAR TO TWO YEARS (For Discussion and Possible Action)

Mark Mathers led the discussion. Citing bylaws section four, page 3, under B subsection 2, and given how infrequently the committee meets, it was

recommended to change the terms of the chair and vice chair from one year to two years and to correct the typographical error on the bylaw on page 7 from "1" to item "2."

On amended motion by Tom Marshall, second by Mark Mathers, the OPEB Trustees Committee approved the recommendation to the Board of Trustees to approve a term change from 1 year to 2 years for the Chair and Vice Chair and the correction of the typographical error to the bylaw on page 7. (Yea: Tom Marshall, Mark Mathers). Final Resolution: Motion Carries 2-0

2.04 REVIEW AND DISCUSSION OF THE DISTRICT'S COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2017 (For Discussion Only)

Robert Carson led the discussion. The financial audit was completed at the end of November (2017) and received an unmodified opinion from Eide Bailly, which is the best rating that can be received.

Under the fiduciary funds, which is where we hold the OPEB trust fund, the statement of net position is \$62.3 million, a decrease of about \$2.5 million from the previous fiscal year. The decrease was because the district did not contribute anything to the fund in FY17. There was \$9.4 million in disbursements and investment earnings of \$7 million.

2.05 REVIEW AND DISCUSSION OF ANNUAL AUDITED REPORT OF THE RETIREMENT BENEFITS INVESTMENT FUND ("RBIF") (For Discussion Only)

Robert Carson led the discussion. Highlights in the annual audited financial report for the Retirement Benefits Investment Fund ("RBIF") included a condensed statement of position showing total assets of 6/30/17, which includes the entire state investments pool, \$426 million (a 17% increase over the previous year). The net position is \$418 million, which is an increase of 16.4% increase over the previous year.

The condensed statement of change in net position. Contributions were about \$70 million in 2016 to \$20.5 million in 2017. Net investment gain of \$6.3 million in 2016 to \$44.8 million gain in 2017.

Washoe County School District has made \$32 million in total net contributions, with an overall market value of \$61 million.

2.06 REVIEW OF ANNUAL INTERNAL REVENUE SERVICE (IRS) FORM 990, TO INCLUDE DISCLOSURE BY MEMBERS OF THE OPEB COMMITTEE OF ANY INTERESTS HELD THAT COULD GIVE RISE TO POTENTIAL CONFLICTS OF INTEREST (For Discussion Only)

Robert Carson led the discussion. Form 990 is the tax filing for the OPEB trust fund, which was filled out and filed with the IRS by Eide Bailly, with a return date of November 15 (2017).

2.07 REVIEW COST AND QUALITY OF SERVICE BY THE CURRENT PROVIDER OF ACTUARIAL SERVICES, INCLUDING DISCUSSION ABOUT CONTRACT STATUS AND POSSIBLE ACTION TO MAKE A RECOMMENDATION TO THE CHIEF FINANCIAL OFFICER, WHICH MAY INCLUDE SIGNING A CONTRACT WITH THE CURRENT PROVIDER OR SOLICITING VENDORS FOR A NEW CONTRACT (For Discussion and Possible Action)

Robert Carson led the discussion. Gallagher has provided prompt service and been attentive to the district's needs. They have been flexible and accommodating.

The contract has expired. We have the information to do the rollover for the current fiscal year but going into fiscal year 2019, we will need a contract to have the valuation done. The contract does not need to go out to RFP based on the district's standards. The RFP was done, previously, to see what was out there.

Any new contract would be for a 2-year period because we do the original valuation and then a carryforward valuation.

On motion by Tom Marshall, make a recommendation to the Chief Financial Officer to sign a new 2-year contract with Gallagher for actuarial services, second by Mark Mathers. (Yea: Tom Marshall, Mark Mathers). Final Resolution: Motion Carries 2-0

2.08 DISCUSSION OF FUTURE MEETING DATE(S) (For Discussion Only)

Future meetings will be scheduled in coordination with the investment committee meetings since trustees Kitts and Marshall serve on that committee as well.

2.09 DISCUSSION OF FUTURE MEETING DATE(S) (For Discussion Only)

2.10 REVIEW OF ITEMS PREVIOUSLY COMPLETED AND DISCUSSION OF THE PRIORITIZATION OF TASKS TO BE PLACED ON THE TWO-YEAR CALENDAR OF THE OPEB COMMITTEE (For Discussion Only)

March 2018:

- Discuss the actuarial report
- FY19 Tentative Budget
- Follow-up Conflict of Interest affirmation on IRS Form 990

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. "Citizen's Request to Speak" card should be filled out and submitted before speaking during the Public Comment section. Individuals are limited to three minutes per item. The Public Body is precluded from discussing or acting on items raised by Public Comment, which are not already on the agenda. The Public Body may impose reasonable restrictions

on the format allowed for public comment. Written comments submitted for public comment may be submitted to the Public Body and will be attached to the minutes of the meeting.)

3.02 Adjourn Meeting at 1:30 pm