

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

**Thursday, March 22, 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 Thursday, March 22, 2018 at 1:05pm in the Board Room located at 425 E. 9<sup>th</sup> Street, Reno NV 89512

**1.02 ROLL CALL**

Chair Mark Mathers and Member Tom Marshall were present at Roll Call. Staff Liaison Robert Carson and staff were also present.

Member Danny Kitts arrived at 1:12pm.

**1.03 PUBLIC COMMENT**

There was no response to the call for public comment.

**1.04 ACTION TO ADOPT THE AGENDA**

**On Motion by Tom Marshall, second by Mark Mathers, 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 FOR THE OPEB TRUSTEES MEETING ON JANUARY 10, 2018.

**On motion by Tom Marshall, second by Mark Mathers, the OPEB Trustees Committee approved the minutes of January 10, 2018 as presented** (Yea: Mark Mathers, Tom Marshall). Final Resolution: Motion Carries 2-0

**2.02** DISCUSSION OF ACTUARIAL VALUATIONS, WHICH AID IN THE ESTIMATION OF THE FUTURE COST OF OTHER POST-EMPLOYMENT BENEFITS (OPEB) AND WHICH IS BASED ON THE CURRENT PROJECTED POPULATION

Robert Carson, WCSD Accounting Manager and Committee Staff Liaison, led the discussion. Staff will implement and report under Governmental Accounting Standards Board (GASB) 75 in the coming fiscal year. The biggest difference, last year, was the

increase in OPEB liability because of the change in the discount rate. A blended discount rate of 4.35% was utilized because the OPEB fund is partially funded. Last year the accrued actual actuarial liability was \$176 million and it should be close to the same amount this year with the rollover numbers.

Page 8 assumptions include a long-term inflation rate but not a long-term bond yield. Staff will ask Gallagher (the actuary) to sync up with the time frame they look at when building in their assumptions for the muni bond yield that goes into the blended rate.

### **2.03 DISCUSSION OF "CONFLICT OF INTEREST" AS IT RELATES TO IRS FORM 990**

Robert Carson, WCSD Accounting Manager and Committee Staff Liaison, led the discussion. Because the OPEB Trust and the investments are handled outside of the district, there is no conflict of interest as it relates to IRS Form 990.

### **2.04 DISCUSSION OF THE QUARTERLY PUBLIC EMPLOYEE RETIREMENT SYSTEM ("PERS") RETIREMENT BENEFITS INVESTMENT FUND ("RBIF") REPORT**

Robert Carson, WCSD Accounting Manager and Committee Staff Liaison, led the discussion. The report Quarterly Public Employee Retirement System ("PERS") Retirement Benefits Investment Fund ("RBIF") Report summarizes the current period through December and shows year-to-date activity on the RBIF fund. The beginning balance was \$65 million in assets. There was a disbursement of \$8 million that covered the retiree life insurance subsidy, retiree medical claims, and the PEB premium. The net assets for the end of the period was \$57 million. Investment earnings are doing well. There is unrealized appreciation and realized gain and loss, which are \$238,000 and \$240,000 respectively. Year-to-date unrealized appreciation is \$2.8 million. The realized gain and loss is roughly \$1 million.

### **2.05 DISCUSSION OF EIDE BAILLY, LLP, OPEB TRUST AUDIT ENGAGEMENT LETTER FOR THE FISCAL YEAR 2018 OPEB TRUST EXTERNAL AUDIT**

Robert Carson, WCSD Accounting Manager and Committee Staff Liaison, led the discussion. There will be an external audit on the trust fund, which is required by the by-laws. Eide Bailly, LLP, the company responsible for conducting the external audit, provided the Office of Business and Financial Services a draft engagement letter outlining what they'd be doing and what staff is responsible for. This will be the first time the trust has been audited.

**2.06 REVIEW, DISCUSSION, AND POSSIBLE ACTION TO RECOMMEND THAT THE WASHOE COUNTY SCHOOL DISTRICT BOARD OF TRUSTEES APPROVES THE TENTATIVE FY2018 OPEB BUDGET**

Robert Carson, WCSD Accounting Manager and Committee Staff Liaison, led the discussion. The preliminary budget shows an opening fund balance of approximately \$60 million. The earnings on investments is expected to be steady, with \$1 million and the estimated unrealized gain/loss of \$3 million. The plan benefits, (retiree life insurance and the retiree medical) is expected to be \$5 million, the same as last year.

**On motion by Tom Marshall, second by Danny Kitts, the OPEB Trust Committee recommended that the WCSD Board of Trustees approve the tentative 2018 OPEB budget as presented** (Yea: Tom Marshall, Danny Kitts, Mark Mathers). Final Resolution: Motion carries 3-0.

**2.07 DISCUSSION OF FUTURE MEETING DATE(S)**

Discussion to have future OPEB meetings coincide with the dates of the quarterly Insurance meeting dates, as Trustees Kitts and Marshall serve on both committees.

**2.08 REVIEW ITEMS COMPLETED FROM THE TWO-YEAR CALENDAR AS WELL AS CREATE A PRIORITIZED LIST OF TASKS TO BE PLACED ON THE TWO-YEAR CALENDAR.**

Robert Carson, led the discussion, laying out the repetitive timeline of items due over the next two years.

**3. CLOSING ITEMS**

**3.01 Announcement of Next Meeting**

The next meeting of the OPEB Trust Committee will be held on June 25, 2018.

**3.02 PUBLIC COMMENT**

There was no response to the call for public comment.

**3.03 ADJOURN MEETING**

There being no further business, Chair Mathers adjourned the meeting at 1:32pm.