

Post-Retirement Medical Plan & Trust

*A single employer plan sponsored by
Truckee Meadows Water Authority*



DRAFT August 15, 2017 MINUTES

The meeting of the TMWA Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Wednesday, August 15, 2017 in the Truckee Meadows Water Authority Independence Room, 1355 Capital Blvd., Reno, Nevada.

Michele Sullivan, Chairman, called the meeting to order at 1 p.m.

1. ROLL CALL AND DETERMINATION OF PRESENCE OF A QUORUM.

A quorum was present.

Voting Members Present:

Michele Sullivan
Michael Nevarez
Juan Esparza
Steve Enos

Voting Members Absent

Members Present

Rosalinda Rodriguez
Gus Rossi

Members Absent:

Jessica Atkinson
Pat Waite

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the agenda.

4. APPROVAL OF THE MAY 16, 2017 MINUTES

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the May 16, 2017 minutes.

5. APPROVAL OF THE JUNE 21, 2017 SPECIAL SESSION MINUTES

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the June 21, 2017 special session minutes.

6. REVIEW AND APPROVAL OF POST-RETIREMENT MEDICAL TRUST BENEFIT CALCULATIONS FOR TMWA RETIREE, PAUL MILLER

In the absence of HR Manager, Jessica Atkinson, items that would have been presented by Ms. Atkinson were presented by Rosalinda Rodriguez, HR Coordinator. Ms. Rodriguez presented the benefit calculation for Paul Miller. Mr. Miller will retire on October 1, 2017, and is requesting trust benefits beginning on November 1, 2017. Ms. Atkinson met with the retiree and confirmed the information on the benefit calculation form. He has elected to continue on TMWA's HHP insurance plan as retiree plus spouse (Non- Medicare) Medical Dental and Vision. And will have any remaining premium balance paid from his retirement Health Savings (RHS) or PERS check.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved providing the benefits as calculated to Paul Miller.

7. REVIEW AND APPROVAL OF POST-RETIREMENT MEDICAL TRUST BENEFIT CALCULATIONS FOR TMWA RETIREE JANYCE SCHLESENER

Ms. Rodriguez presented the benefit calculation for Janyce Schlesener. Ms. Schlesener will retire on November 3, 2017, and is requesting trust benefits beginning December 1, 2017. Ms. Atkinson met with the retiree and confirmed the information on the benefit calculation form, and Ms. Schlesener has signed all paperwork. Ms. Schlesener has elected to continue on TMWA's PPO plan as retiree only (Non- Medicare) Medical, Dental and vision and will have any remaining premium balance paid from her RHS or PERS account.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved providing the benefits as calculated to Janyce Schlesener.

8. REVIEW AND CONSIDERATION FOR APPROVAL OF REQUEST FOR REIMBURSEMENT OF PREMIUMS FOR MEDICARE PAID THROUGH SOCIAL SECURITY.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the reimbursement request.

9. REVIEW AND CONSIDERATION FOR APPROVAL OF REQUEST FOR REIMBURSEMENT OF PREMIUMS FOR MEDICARE PAID THROUGH SOCIAL SECURITY.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the reimbursement request.

10. REVIEW AND CONSIDERATION FOR APPROVAL OF REQUEST FOR REIMBURSEMENT OF PREMIUMS FOR PLAN OFFERED THROUGH AARP | SUPPLEMENTAL AND PERSONAL HEALTH PLANS INSURED BY UNITED HEALTHCARE INSURANCE COMPANY.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the reimbursement request.

11. UPDATE ON DRAFT OF PLAN DOCUMENT REVISION REGARDING COVERAGES

Mr. Rossi advised that the redline version has been provided to the Trustee's for review and a copy sent out to retirees for review.

Public Comment: Debbie Sotero retiree- Ms. Sotero advised she read the entire document and did not read the old version but wanted to understand what the changes were and if they would affect her benefits.

Mr. Rossi advised Ms. Sotero that the changes were made to help provide clarifying language and the benefits retirees were receiving would not be changing.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved to adopt the Draft of the VEBA plan Document, and that it be presented to the TMWA board of directors for approval.

12. REQUIRED COMMUNICATION FROM EXTERNAL TRUST AUDITORS EIDEBAILLY

This was for informational purposes no motion for approval needed.

13. PRESENTATION OF TRUCKEE MEADOWS WATER AUTHORITY POST-RETIRMENT MEDICAL PLAN AND TRUST'S AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Ms. Sullivan reviewed the financial statements and pointed out on pg. 4 the assets went from 8.8 to 9.5 million in the last year. Actuarial analysis shows that the Trust was previously 100% funded, with the recent increases in insurance premiums, it is now 86% funded.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the audited Financial Statements for the years ended December 31, 2016 and 2015.

14. PRESENTATION OF GASB 74 UPDATE

Ms. Sullivan advised she wanted to have an update for the Trustee's regarding GASB 74, which defines whether or not the Trust would meet the qualification as a standalone financial statement or whether the Trust's financials would roll up into the parent company's financial statements. Previously, this Trust has functioned as a standalone Trust and has been audited separate from the TMWA financials. At this time, Michele did not have any updates to present as Trust auditors are waiting on guidance from the regulatory body as well as waiting to see what the City of Reno does with their plan as this would likely be the model our auditors would recommend we follow. If it is determined that it should continue to be treated as its own separate plan then it is possible the Annual Required Contribution (ARC) rate could increase. This does not affect any plan member, but would affect the financials for the Trust. This should be clarified and finalized by December, and Ms. Sullivan advised she would present that formally once completed.

15. REVIEW OF RETIREMENT BENEFITS INVESTMENT FUND(RBIF) PERFORMANCE REVIEW

Ms. Sullivan reviewed the report from May of 2017 report, reviewed percentage returns on the funds which have done well. The fiscal year to date return on investments is 8.81% and 8.39% over the last five years, and based on TMWA's actuarial assumption of 6% return, the Trust investments have been performing better than expected. Ms. Sullivan reviewed the remainder of the packet which covers policies, RBIF Investment custody holders and managers of the account and the balance sheets. Ms. Sullivan advised the first contribution was made in February in the amount of \$234,982. The ARC will be funded twice a year. Currently the assets are \$9.4 million. The Trust operates with the assumption that health care rates will increase by 5%.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the RBIF performance review.

16. RECOMMENDATION TO CLOSE AND TRANSFER THE MONEY MARKET FUNDS ACCOUNT WITH US BANK, TO RBIF FOR INVESTMENT.

Ms. Sullivan, recommended that the \$250,000 that is currently in the Money Market funds account, be moved into the RBIF account.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the recommendation to Transfer the funds from the Money Market Funds account to the RBIF.

17. TRUSTEE COMMENTS AND REQUEST FOR FUTURE AGENDA ITEMS*

GASB 74 update

18. PUBLIC COMMENT

There was no public comment.

19. ADJOURNMENT

With no further business to discuss, Chairman Sullivan adjourned the meeting at 1:33 p.m.

Minutes were approved by the Trustees in session on November 21, 2017.

Respectfully Submitted,

Rosalinda Rodriguez, Recording Secretary