

**Section 115 Post-Retirement Medical Plan & Trust**

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



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**NOVEMBER 21, 2017 MINUTES**

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The meeting of the TMWA Section 115 Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, November 21, 2017 in the Truckee Meadows Water Authority Independence Room, 1355 Capital Blvd., Reno, Nevada.

Michele Sullivan, Chairman, called the meeting to order at 1:31 p.m.

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

A quorum was present.

Voting Members Present:

Michele Sullivan  
Charles Atkinson  
Sandra Tozi

Voting Members Absent:

George Gaynor

Members Present

Rosalinda Rodriguez  
Gus Rossi  
Jessica Atkinson

Members Absent:

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 AUGUST 15, 2017 MINUTES

**Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the August 15, 2017 meeting minutes.**

5. REVIEW AND APPROVAL OF OTHER POST-EMPLOYMENT BENEFITS TRUST BENEFIT CALCULATION FOR TMWA RETIREE(S).

Ms. Atkinson presented the benefit calculation for Doretta Umschied. Ms Umscheid will retire on 12/29/2017, and is requesting trust benefits beginning January 1, 2018. Ms. Atkinson met with the retiree and confirmed the information on the benefit calculation form, and Ms. Umscheid has signed all paperwork. Ms. Umscheid has elected to continue on TMWA's HHP plan as Retiree Only medical and vision coverage (Non-Medicare). She has elected to voluntarily pay for Dental coverage and has elected that the premium be reimbursed from her PERS check.

**Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the benefit calculation for Doretta Umscheid.**

5. REVIEW OF PROPOSAL FOR TIER II CALCULATIONS GOING FORWARD

Ms. Atkinson advised that at the time of the merger with Washoe County (FY2015) the Non-State Retiree Subsidy Schedule (attachment 1 page 24) and Medicare Exchange Retire HRA Contribution Table (attachment 1 page 25) were in place and provided for a straight subsidy or contribution amount based solely on years of service.

At the beginning of fiscal 2016 and continuing to current, the PEBP changed the way subsidies were calculated. Since FY2016 there is no longer a straight subsidy schedule based on years of service for those under age 65. Instead, the PEBP has implemented a Non-State Retiree Subsidy Adjustment Table (attachment 2 page 2). To calculate the subsidy using the adjustment table, a base subsidy amount is identified according to enrollment in either the Statewide PPO Consumer Driven Health Plan, Standard HMO Plan or the Alternate HMO Plan. After determining the appropriate base subsidy amount, an adjustment is then made using the adjustment table based on years of service (base subsidy – adjustment = total subsidy.)

The impact of the change from the subsidy schedule to the subsidy adjustment table is such that a straight subsidy amount can no longer be calculated using years of service as the only factor for consideration. §115 retirees don't enroll in any of the plans offered by the PEBP, which makes it difficult to immediately determine the appropriate base subsidy amount to apply the adjustment table to. Because of this, and to ensure §115 tier II retirees under age 65 receive the maximum subsidy available, it is recommended that the trust recognize the highest base subsidy amount for retiree only coverage (FY18 \$404.76 for the Standard HMO Plan) as the amount that the adjustment table will be

applied to. The total subsidy schedule based on years of service using a base subsidy of \$404.76 is included as attachment 3 and it is recommended that trustees approve this subsidy schedule for §115 Tier II retirees under the age of 65 for fiscal year 2018.

For §115 tier II retirees age 65 and older, the PEBP has continued to publish annually an Medicare Exchange – HRA Contribution Table. The FY2018 Exchange – HRA Contribution Table is included as attachment 4 and it is recommended that trustees approve this subsidy schedule for §115 tier II retirees age of 65 and older for fiscal year 2018.

Ms. Atkinson advised that it is anticipated that tier II retirees will begin receiving trust benefits within the next year and because the amounts are anticipated to change each fiscal year for both the “Subsidy” schedule and HRA Contribution table, recommends the adoption and approval for fiscal year 2018.

**Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved to adopt the subsidy schedule for Tier II retirees under the age of 65, and the Medicare Exchange—HRA Contribution Table for retirees age of 65 and older for fiscal year 2018.**

6. PRESENTATION OF GASB 74 UPDATE

Ms. Sullivan advised that with the new GASB requirements a new actuary will need to be hired. The previous Actuary is no longer qualified and will be resigning. Ms. Sullivan advised that she is reaching out to other public entities such as the City of Reno to get referrals on who they have contracted to perform the Actuary Valuation. Ms. Sullivan advised she would bring updates to the meetings.

**This was for informational purposes no motion for approval needed.**

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

Ms. Sullivan advised that the Trust is doing very well, and highlighted that the investment has increased 19% in the past year.

**This was for informational purposes no motion for approval needed.**

8. DISCUSSION AND POSSIBLE TRUSTEE DIRECTION REGARDING MEETING TIMES AND DATES FOR 2018

Ms. Atkinson recommended changing the trustee meetings for the two different post-retirement medical benefit trust to allow for approval and processing of reimbursement requests according to the reimbursement payment schedule.

**Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the meeting dates with an amended start time of 12:30 p.m.**

10. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

GASB 74 update

RBIF investment/return analysis next quarter.

Discuss possible replacements for Trustee George Gaynor

11. PUBLIC COMMENT – LIMITED TO NO MORE THAN THREE MINUTES PER SPEAKER

There was no public comment.

12. ADJOURNMENT

With no further business to discuss, Chairperson Sullivan adjourned the meeting at 1:52 p.m.

Minutes were approved by the Trustees in session on January 16, 2018 .

Respectfully Submitted,

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Rosalinda Rodriguez, Recording Secretary