

Section 115 Post-Retirement Medical Plan & Trust

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



April 17, 2018 MINUTES

The meeting of the TMWA Section 115 Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, April 17, 2018 in the Truckee Meadows Water Authority Independence Room, 1355 Capital Blvd., Reno, Nevada.

Michele Sullivan, Chairman, called the meeting to order at 12:34 p.m.

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

A quorum was present.

Voting Members Present:

Michele Sullivan
Sandra Tozi
Charles Atkinson

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 JANUARY 16, 2018 MINUTES

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the January 16, 2018 meeting minutes.

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

Ms. Atkinson presented the benefit calculation for George Gaynor. Mr. Gaynor will retire on June 30, 2018, and is requesting trust benefits beginning on July 1, 2018. 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 family (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 the benefit calculation for George Gaynor.

Ms. Atkinson also present the benefit calculation for Alan Reich. Mr. Reich retired on April 06, 2018, and is requesting trust benefits beginning May 1, 2018. Ms. Atkinson met with the retiree and confirmed the information on the benefit calculation form. He has elected to continue on TMWA's vision coverage as retiree only, 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 the benefit calculation for Alan Reich.

6. REVIEW AND DISCUSSION OF POST-65 EXCHANGE-HRA CONTRIBUTION SUBSIDY AND IMPACT ON BENEFIT COSTS

Ms. Atkinson advised that Tier II beneficiaries over the age of 65 receive a fixed subsidy amount based on the published PEBS Exchange HRA contribution table. This is a fixed amount based on the total years of service which is capped at 20. Currently the trust provisions require the retiree stay on the TMWA plan and apply the subsidy amount towards their TMWA premium. Retirees are required to enroll in and pay the cost of Medicare in order to stay on the TMWA benefits plans. The combined costs of Medical (currently \$134 per month) plus the retiree premium for medical and vision coverage is substantially greater, even with the subsidy credit than what the retiree could purchase a Medicare Advantage Plan or similar Medigap, Mediwrap plan for. Due to the costs associated with staying on the TMWA medical plan, post-65 Tier II beneficiaries, are not likely to take full advantage of their benefit. Ms. Atkinson proposed that this be a starting point for the discussion as several factors will need to be taken into consideration before any formal recommendation is made to include legal, and tax implications as well as actuarial considerations.

Discussion ensued whether or not beneficiaries should be allowed to submit

reimbursement requests so they don't lose out on their benefit. It is a closed trust there would not be any other new members.

The Trustees requested that Ms. Atkinson research this further and bring her findings to the next scheduled meeting for further discussion.

7. PRESENTATION OF THE BUDGET FOR CALENDAR YEAR 2018

Ms. Sullivan presented the Budget for calendar year 2018. Budget includes the annual contribution. Benefits paid are \$39,000, admin expenses are 7500, and a net increase of \$80,000 is expected.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the budget for calendar year 2018.

8. PRESENTATION OF GASB 74 UPDATE, AND ACTUARIAL REPORT

Ms. Sullivan presented the actuarial report which was performed by the new actuary Bickmore, and advised that there is a new way of measuring actuarial value. Ms. Sullivan also advised that the audit on the trust would begin next week and would be conducted by Eide Bailly. A discount rate of 6% was used which is a conservative number. Currently the Trust is slightly underfunded, this can change depending on the market.

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

9. DISCUSS AND RECOMMEND POSSIBLE TIER I REPLACEMENTS FOR TRUSTEE GEORGE GAYNOR

Ms. Atkinson advised that with the pending retirement of trustee George Gaynor, the trust document does not require 4 trustees. The reason the trust was originally started with 4 trustees was to provide beneficiary representation for each of the two tiers, which coincidentally also provided both MPAT and IBEW representation and the other 2 trustees were assigned based on the officer and financial experience requirements. Staff was looking for Trustees to make a recommendation to the General Manager, whether or not replace Mr. Gaynor, and if so recommend what benefit classification the replacement should come from.

Before making a recommendation, the Trustees asked that Mr. Rossi research if a retiree needs to serve as a Trustee on the plan, and to bring back his findings to the next scheduled meeting.

10. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

RBIF investment/return analysis next quarter.

Financial Statements if available

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 1:01 p.m.

Minutes were approved by the Trustees in session on _July 17, 2018_____.

Respectfully Submitted,

Rosalinda Rodriguez, Recording Secretary