

Section 115 Post-Retirement Medical Plan & Trust

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



July 17, 2018 MINUTES

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

Michele Sullivan, Chairman, called the meeting to order at 12:31 p.m.

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

A quorum was present.

Voting Members Present:

Michele Sullivan
Sandra Tozi
George Gaynor

Voting Members Absent:

Charles Atkinson

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 APRIL 17, 2018 MINUTES

Ms. Tozi noted an error in agenda item 9, in the minutes draft, to remove the duplicate statement “the reason”.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the April 17, 2018 meeting minutes with the proposed edit.

5. UPDATE AND DISCUSSION OF POST-65 EXCHANGE -HRA CONTRIBUTION SUBSIDY AND IMPACT ON BENEFIT COSTS.

At the April meeting, Ms. Atkinson advised that Tier II beneficiaries over the age of 65 currently 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.

Update:

Mr. Rossi advised that after researching this further since the April meeting, he did not foresee any tax or legal implications.

The next step would be to verify with the actuaries to verify if this would be feasible. Once that is conclude, an update would be brought back to the trustee's.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved to have an actuarial analysis performed to verify if this would be feasible for the plan.

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

Ms. Sullivan reported the RBIF and reviewed the RBIF totals. Ms. Sullivan advised that they allocate 49% towards U.S. Stocks, 21% towards International Stocks, and 30% towards U.S. Bonds. As of March 31, 2018, there is a 6.7% return YTD, and over the last 12 months, a 10.1% return. Our actuarial analysis assumes a 6% return which is conservative. What this means is that we are over performing, this may not always be the case as cost of the health care and investment returns fluctuate.

No action required.

7. REQUIRED COMMUNICATION FROM EXTERNAL TRUST AUDITORS EIDEBAILLY

No action required, for informational purposes only.

8. PRESENTATION OF TRUCKEE MEADOWS WATER AUTHORITY POST-RETIREMENT MEDICAL PLAN AND TRUST-S AUDITED FINANCIAL STATEMENTS FOR THE YEARS END DECEMBER 31, 2017

Ms. Sullivan presented the financial statements. Ms. Sullivan referenced that on pg. 5 the summary over 2 years, which had over a \$200,000 increase and the additions were mainly based on returns on investments from the RBIF. TMWA made it's required contributions, and there was only one beneficiary (at the time of the audit). Ms. Sullivan then referenced page 13 which she noted that GASB statement No. 74 has been adopted, and a summary of those changes has been included in the statements.

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

9. UPDATE AND POSSIBLE DIRECTION FOR STAFF FOR RECOMMENDATION ON TIER I REPLACEMENTS FOR TRUSTEE GEORGE GAYNOR

At the scheduled April meeting, discussion had begun for possible replacements for Trustee George Gaynor who had submitted his intent to retire. This item was being researched by Mr. Rossi, to verify whether or not a retiree would need to serve as a Trustee if there was no active employee available to serve on the Trust.

Mr. Rossi provided an update on his research and advised that a Tier II retiree could serve as a Trustee, as the Nevada Administrative Code (NAC)287.778 does not specifically state that it needs to be an active employee. Mr. Rossi expressed concern that there should be equal representation from the management as well as the represented groups as has been the standard up until now.

Discussion ensued as to whether the number of trustees should be reduced to 3, continue with 4, or to add another trustee and have 5. After further discussion on the benefits and disadvantages, the following motion was made.

Motion was made to continue with 4 Trustee's, and to reach out to current retiree's if they would be willing to serve on the board as a trustee, if no retiree volunteers to participate, then seek to fill the vacancy with someone who will be a beneficiary.

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

George Gaynor at this time officially resigned. Mr. Rossi advised that this should be done in writing and forwarded to the governing board. Ms. Atkinson advised she would work with Mr. Gaynor directly by sending an e-mail to him, which he could reply confirming his resignation. This would then be forwarded to the TMWA board.

10. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

RBIF investment/return analysis next quarter.

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 12:59 p.m.

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

Respectfully Submitted,

Rosalinda Rodriguez, Recording Secretary