



Post-Retirement Medical Plan & Trust

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

DRAFT February 3, 2015 MINUTES

The meeting of the TMWA Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, February 3, 2015 in the Truckee Meadows Water Authority Pyramid Room, 1355 Capital Blvd., Reno, Nevada.

Jeff Tissier, Chairman, called the meeting to order at 1:36 p.m.

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

A quorum was present.

Voting Members Present:

Jeff Tissier
Steve Enos
Michael Nevarez

Voting Members Absent:

Juan Esparza

Staff Members Present

Jessica Atkinson
Mary Bennett
Cara Rives
Gus Rossi

Staff Members Absent:

Pat Waite

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

Chairman Tissier noticed that Item 6 on the agenda should read “Review of Retirement Benefits Investment Fund (RBIF) performance and status as of December 31, 2015” and erroneously reads 2014. The committee noted this change and directed that Cara notate this in the minutes.

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

4. APPROVAL OF THE DECEMBER 16, 2014 MINUTES

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the December 16, 2014 minutes.

5. REVIEW AND APPROVAL OF POST-RETIREMENT MEDICAL TRUST BENEFIT CALCULATIONS FOR TMWA RETIREE(S)

Ms. Atkinson presented the benefit calculations for retiree Larry Sedberry. Mr. Sedberry's hire date was April 17, 1972 and his retirement date is March 31, 2015, and he is requesting trust benefits beginning April 1, 2015. Ms. Atkinson met with the retiree and confirmed the information on the benefit calculation form, and Mr. Sedberry has signed all paperwork. He will have 42.95 years of uninterrupted employment at the time of retirement, but did not have a copy of his inducement letter. Therefore the inducement letter was recreated per past practice which allowed him to take advantage of the contractual option of a years of service credit of 5 points, which was then applied to artificially inflate his age at retirement from 63.15 to 68.15 years. This will allow him to be eligible for an 85 percent benefit subsidy, instead of the 80 percent subsidy. He has elected to continue PPO Retiree plus Spouse (one with Medicare) coverage and will request reimbursement from the Trust. He has also elected life insurance coverage for himself and his spouse.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the benefit calculations for Mr. Sedberry.

6. REVIEW OF RETIREMENT BENEFITS INVESTMENT FUND (RBIF) PERFORMANCE AND STATUS AS OF DECEMBER 31, 2015

Mr. Tissier presented a budget report and gave a brief summary of that report. He stated that the Annual Required Contribution (ARC) to be deposited with the Trust from TMWA is approximately \$80,000 per year for the next two years. An actuarial report is currently in the process of being finalized to make sure that funding levels are adequate and once complete will

provide the actual amounts, which may be slightly higher. Based on current projections, total contributions to the fund are expected to be \$140,000, with \$15,000-\$16,000 in investment income per month from the RBIF. Net appreciation is not being factored in at this time. Total resources for benefits and administrative fees is \$317,000 with \$235,000 in benefits paid and another \$14,500 of administrative expenses, audit and legal fees. Operating expenses are not on this report, but will be added later.

In summary, Mr. Tissier reported that the trust has approximately \$8.15 million in the RBIF, including \$400 thousand in liquid form, for a total of approximately \$8.5 million. The trust is very well funded and has a significant cushion in case of a market downturn. He also reported that \$250 thousand was liquidated per Trustee direction as a hedge against market volatility, which did occur and is occurring, and so was a prudent decision in order to avoid an unrealized loss.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the 2015 budget.

After the motion, Mr. Tissier advised he also had the Investment Analysis to discuss and resumed with Agenda Item 6.

6. REVIEW OF RETIREMENT BENEFITS INVESTMENT FUND (RBIF) PERFORMANCE AND STATUS AS OF DECEMBER 31, 2015 (taken out of order)

Mr. Tissier handed out an Investment Analysis dated December 31, 2014. He then gave a high level explanation of the report to the trustees. He explained that approximately 70 percent of the fund is in equities, and of those equities, another 70 percent are in U.S. equities. This is in his opinion a good tactic since U.S. has performed significantly well against other currencies. This is especially true in light of the recent devaluation of countries such as Australia and Norway; mainly because they are very resource dependent, and have had commodities such as oil and gas which have suffered in the markets recently. The greatest appreciation shown on the report are in the U.S investments, and those investments are in his opinion extremely well diversified.

30 percent of the fund is in U.S. denominated bonds, which in light of the strength of the dollar is also a very prudent investment. Expectations are that the U.S. dollar will continue to be very strong in the near future.

Mr. Tissier concluded by stating that even if there is a significant market correction, our fund and is very well protected because it has a very good asset base and is currently 130 percent

funded. Very few funds in the country are as well funded.

He also stated that prior trustee decisions allowed the fund to take advantage of market changes back in 2009 and the benefits are evident today.

8. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Mr. Tissier stated he will bring back the completed budget at the next meeting.

8. PUBLIC COMMENT

There was no public comment.

9. ADJOURNMENT

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

Minutes were approved by the Trustees in session on _____.

Respectfully Submitted,

Cara Rives, Recording Secretary