

Post Retirement Medical Plan & Trust

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



TO: Board of Trustees of the Post Retirement Medical Plan & Trust
FROM: Jeff Tissier, TMWA CFO and Trust Chairman
DATE: March 13, 2013
SUBJECT: **Presentation and approval of Calendar Year 2013 Budget**

Recommendation

The Board of Trustees approves the Calendar Year 2013 budget.

Suggested Motion

Move to approve the Calendar Year 2013 Budget.

Discussion

The Calendar Year 2013 Budget for the Post-Retirement Medical Plan and Trust (PRMPT) is provided for the trustees review in ***Attachment A***. The budget reflects current contributions/additions from the employer, the retirees' portion of health premiums as well as certain administrative expenses that are borne by the trust for legal fees and annual audit. No unrealized gain/loss in asset fair value is planned for this year due to potential market volatility, although the *Retirement Benefit Investment Fund (RBIF)* allocates approximately \$9,000 to \$10,000 a month in dividends and interest to TMWA's account which is retained in the RBIF.

The PRMPT expects to incur about \$210,000 in retiree health care premium expense for existing and three potential future Plan participants and a modest amount of legal and audit fees. The legal expenses are anticipated at 10 hours throughout the calendar year which reflects legal representation at trustee meetings and limited administrative assignments. Total PRMPT assets are expected stay above \$6.0 million at this time and are reflective of a very healthy funding level to meet future Plan participant needs.

The presented level of retiree premiums and contributions do not anticipate potential increases from additional retirees entering the PRMPT that have not declared retirement.

**Truckee Meadows Water Authority
Post-Retirement Medical Plan & Trust
Comparative Financial Information & 2013 Budget**

	ACTUAL PRIOR AUDITED YEAR ENDING 12/31/2011	ACTUAL PRIOR UNAUDITED YEAR ENDING 12/31/2012	FINAL BUDGET TO APPROVE 12/31/2013
ADDITIONS			
Contributions from employer	\$ 185,251	\$ 201,104	\$ 218,000
Contributions from Plan Members	\$ 13,793	\$ 39,194	\$ 45,000
Investment income	\$ 105,969	\$ 688,323	\$ -
Total Additions	\$ 305,013	\$ 928,621	\$ 263,000
DEDUCTIONS			
Benefits Paid	\$ (106,870)	\$ (181,725)	\$ (210,000)
Administrative Expenses	\$ (14,756)	\$ (14,222)	\$ (15,000)
Total Deductions	\$ (121,626)	\$ (195,947)	\$ (225,000)
Net Increase (Decrease) in Trust Assets	\$ 183,387	\$ 732,674	\$ 38,000
Trust Assets as of Beginning of Year	\$ 5,840,247	\$ 6,023,634	\$ 6,756,308
Trust Assets as of End of Year	\$ 6,023,634	\$ 6,756,308	\$ 6,794,308
Plan Participants	18	18	21

Attachment A