

§115 Post-Retirement Medical Plan & Trust
*a single employer plan sponsored by
Truckee Meadows Water Authority*



DRAFT March 4, 2015 MINUTES

The meeting of the TMWA §115 Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, March 4, 2015 in the Truckee Meadows Water Authority Independence Room, 1355 Capital Blvd., Reno, Nevada.

Jessica Atkinson, Human Resources Manager, called the meeting to order at 1:30 p.m.

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

A quorum was present.

Voting Members Present:

Jeff Tissier
Lani Pouliot
Charles Atkinson
George Gaynor

Voting Members Absent:

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

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

4. DISCUSSION AND REQUEST TO APPOINT TMWA §115 POST-RETIREMENT MEDICAL TRUST CHAIRPERSON

Upon motion made by Trustee Pouliot and seconded by Trustee Atkinson, and carried by unanimous consent of the Trustees present, the Trustees appointed Jeff Tissier as chairperson for the two year term from January 1, 2015 through December 31, 2016.

5. DISCUSSION AND REQUEST TO APPOINT TMWA §115 POST-RETIREMENT MEDICAL TRUST VICE-CHAIRPERSON

Upon motion made by Trustee Gaynor and seconded by Trustee Tissier, and carried by unanimous consent of the Trustees present, the Trustees appointed Charles Atkinson as vice-chairperson for the two year term from January 1, 2015 through December 31, 2016.

6. REVIEW AND APPROVAL OF LEGAL OPINION LETTER REGARDING CONSTITUTIONALITY OF §115 POST-RETIREMENT MEDICAL TRUST

Mr. Tissier introduced Gus Rossi of Maupin, Cox & Legoy to report on this item. Mr. Rossi explained under statute, a legal opinion must be obtained to ensure that the trust investments do not violate the State of Nevada Constitution. Specifically, public entities cannot own stock in publically traded companies. Because this trust is separate and outside of TMWA, it is his qualified opinion that the creation of the trust does not violate the constitution. Jeff added that these trusts are set up by local government entities and the funds transferred into them are for the benefit of employee beneficiaries. He also stated that further down the agenda, the Trustees would be asked to take action on placing trust assets into the Retirement Benefit Investment Fund (RBIF) which is a mirror of PERS.

Upon motion made by Trustee Tissier and seconded by Trustee Pouliot, and carried by unanimous consent of the Trustees present, the Trustees approved the legal opinion letter regarding the constitutionality of the §115 Post-Retirement Medical Trust

7. DISCUSSION AND ACTION ON SIGNING §115 POST-RETIREMENT MEDICAL TRUST DOCUMENT BY TRUSTEES AND DIRECTING TMWA STAFF TO FILE THE TRUST DOCUMENT WITH THE DEPARTMENT OF TAXATION

Mr. Tissier stated that for background, the Trust document was presented to the TMWA Board

of Directors at their December 2014 meeting and was approved at that time. Representatives of the Washoe County Employees Association (WCEA) were in attendance. The objective was to mirror the Washoe County benefits as closely as possible. The only difference was that the TMWA trust would require enrollment in Medicare, which is a formality of the TMWA health plan and could not be changed. According to Mr. Tissier the WCEA representatives were satisfied that the new agreement did indeed mirror the Washoe County trust as closely as possible. Once this is approved it will be filed with the Department of Taxation and asset transfers will be initiated.

Upon motion made by Trustee Tissier and seconded by Trustee Atkinson, and carried by unanimous consent of the Trustees present, the Trustees approved the signing of the trust document and directed TWMA staff to file it with the Department of Taxation.

8. DISCUSSION AND APPROVAL OF ASSET TRANSFER OF WASHOE COUNTY TRUST ASSETS TO TMWA'S §115 POST-RETIREMENT MEDICAL TRUST

Mr. Tissier explained that negotiations with Washoe County, namely John Sherman, who is the Chairman of the Washoe County trust, established a set amount to be transferred to the TMWA trust from Washoe County. This amount was calculated based on the funded status of the Washoe County trust, times the asset base of the Washoe County Trust as of July 1, 2014. The amount calculated was \$540,000 and was approved for transfer. Mr. Tissier stated approval of this agenda item will satisfy the requirement to approve the receipt of those funds.

Upon motion made by Trustee Tissier and seconded by Trustee Pouliot, and carried by unanimous consent of the Trustees present, the Trustees approved the transfer of the Washoe County Trust assets to TMWA's §115 Post-Retirement Medical Trust.

9. DISCUSSION AND REQUEST TO APPOINT LEGAL COUNSEL FOR TMWA'S §115 POST-RETIREMENT MEDICAL TRUST

Mr. Tissier stated that Gus Rossi has been doing an excellent job helping with the §501-c-9 TMWA Post-Retirement Medical Trust (PRMT) and has been essential to ensuring compliance with Open Meeting Law as well as ensuring that meetings do not deviate from the agenda and provides legal counsel as needed.

Upon motion made by Trustee Tissier and seconded by Trustee Atkinson, and carried by unanimous consent of the Trustees present, the Trustees approved the appointment of Maupin, Cox

& Legoy and specifically of Mr. Gus Rossi to be legal counsel for the TMWA §115 Post-Retirement Medical Trust.

10. DISCUSSION AND RECOMMENDATION ON APPOINTING AN ACCOUNTING FIRM TO CONDUCT ANNUAL AUDIT AND PREPARE APPROPRIATE TAX FILINGS FOR §115 POST-RETIREMENT MEDICAL TRUST FOR CALENDAR YEARS 2015 AND 2016

Chairman Tissier said that TMWA has had a long relationship with the accounting firm of Kafoury Armstrong which was recently merged into the firm of Eide Bailly. He then introduced Kristen Chinvarasopak, who is a partner at the firm and was in attendance. He said that Kristen had been engaged in the TMWA external audit since its inception, and in addition they perform the audits and tax filings on the §501-c-9 trust. He then recommended that Eide Bailly be appointed to conduct the audit of the §115 Trust.

Upon motion made by Trustee Tissier and seconded By Trustee Gaynor, and carried by unanimous consent of the Trustees present, the Trustees approved the appointment of Eide Bailly to conduct annual audits and prepare appropriate tax filing for the §115 Post-Retirement Medical Trust for calendar years 2015 and 2016.

11. DISCUSSION AND RECOMMENDATION ON ESTABLISHING A LOCAL DISBURSEMENT (CHECKING) ACCOUNT TO PROCESS MONTHLY PREMIUMS AND TRANSACT OTHER APPROPRIATE BUSINESS OF THE §115 POST-RETIREMENT MEDICAL TRUST

Mr. Tissier stated that a local disbursement (checking) account would be established in order to pay beneficiary premiums and transact business on a day to day basis. This will be independent from the investment account for the RBIF as separation is a statutory requirement. The account would be set up with a minimum amount of money to meet requirements for paying bills for legal fees, auditor's fees, etc.,. A budget will be created by Jeff and the account will be funded accordingly.

Upon motion made by Trustee Tissier and seconded by Trustee Pouliot, and carried by unanimous consent of the Trustees present, the Trustees approved the establishment of a local disbursement (checking) account to process monthly premiums and transact other appropriate business of the §115 Post-Retirement Medical Trust.

12. DISCUSSION AND RECOMMENDATION ON ENTERING INTO CONTRACT WITH THE RETIREMENT BENEFIT INVESTMENT FUND (RBIF)

Mr. Tissier stated that this item is also a statutory requirement. The RBIF has been set up for participating agencies to pool their assets and put those assets under professional money management. Once set up, monthly status reports will be sent to the trustees. Additionally, Jeff does a quarterly §501-c-9 analysis that provides a geographic distribution of assets. The asset mix is approximately 70 percent equities and 30 percent fixed income. And while this is, in his opinion, a somewhat risky asset mix, because the equity market is in a recovery cycle, he considers it to be very well diversified.

Upon motion made by Trustee Tissier and seconded by Trustee Atkinson, and carried by unanimous consent of the Trustees present, the Trustees approved entering into a contract with the Retirement Benefit Investment Fund (RBIF).

13. DISCUSSION AND ACTION CONFIRMING THE OBTAINMENT OF APPROPRIATE INSURANCE COVERAGE FOR THE §115 POST-RETIREMENT MEDICAL TRUST

Mr. Tissier stated that the requirement to obtain liability coverage for the §115 Trust parallels what occurs with the §501-c-9 Trust. He has asked the general liability carrier provide coverage for the §115 Trustees. This is a non-ERISA plan, which means risk is low. There are strong controls over the awarding of benefits business is conducted according to the terms of the trust document. Coverage is actually already in place and also includes Trustee coverage for non-willful errors and omissions.

Upon motion made by Trustee Tissier and seconded by Trustee Gaynor, and carried by unanimous consent of the Trustees present, the Trustees approved obtaining appropriate insurance coverage for the §115 Post-Retirement Medical Trust.

14. DISCUSSION AND POSSIBLE TRUSTEE DIRECTION REGARDING MEETING TIMES AND DATES FOR 2015

Ms. Atkinson referred to the staff report which listed the recommended dates and times for the upcoming trust meetings. She stated that since the PRMT traditionally meets on the third Tuesday of each quarter and since legal counsel is invited to both meetings she recommended that the § 115 OPEB PRMT meet immediately following the §501-c-9 meeting.

Upon motion made by Trustee Tissier and seconded by Trustee Pouliot, and carried by unanimous consent of the Trustees present, the Trustees approved the meeting times and dates,

with the exception of the date of the inaugural meeting being changed to March 4, 2015.

15. DISCUSSION OF TRUSTEE FIDUCIARY ADMINISTRATIVE DUTIES

Ms. Atkinson, reported that in order to ensure prudent governance of the trust, all trustees have been asked to take a Fiduciary Responsibility class. She has engaged an online organization that offers the training, and has enrolled all of the trustees in that training. Once each trustee registers they will have 180 days to complete the class. She also stated that she would be in touch with each person to answer questions and give them their registration information and more details.

16. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There was some general discussion about the current state of the market and its possible ramification on the trust. Mr. Tissier stated that an actuarial analysis would be prepared and agendized along with the budget review as soon as they are ready.

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

There was no public comment.

18. ADJOURNMENT

With no further business to discuss, Chairman Tissier adjourned the meeting at 1:59 p.m.

Minutes were approved by the Trustees in session on _____.

Respectfully Submitted,

Jessica Atkinson, Recording Secretary