

AGENDA

WASHOE COUNTY, NEVADA OPEB TRUST FUND BOARD OF TRUSTEES

January 27, 2011, 9:00 a.m.

**Room C110 (Central Conference Room)
Washoe County Administrative Complex, Building C
1001 E. 9th Street - Reno, Nevada 89512**

Facilities in which this meeting is being held are accessible to the disabled. Persons with disabilities who require special accommodation or assistance (e.g. sign language, interpreters or assisted listening devices) at the meeting should notify the Washoe County Manager's Office at 328-2000, 24 hours prior to the meeting.

Pursuant to NRS 241.020, the Agenda for the Board of Trustees Meeting has been posted at the following locations: Washoe County Administration Building (1001 E. 9th Street, Bldg. A), Washoe County Courthouse-Clerk's Office (Court and Virginia Streets), Washoe County Downtown Reno Library (301 S. Center Street) and Sparks Justice Court (630 Greenbrae Drive).

Supporting documentation for items on the Agenda provided to OPEB Trust Board members is available for viewing by members of the public at the Washoe County Comptroller's Office, 1001 E. 9th Street, Room D-120 Reno, Nevada.

Unless otherwise indicated by asterisk (*), all items on the agenda are action items upon which the Trustees will take action.

1. Roll call.*
2. Public Comment. Comment heard under this item will be limited to two minutes per person and may pertain to matters both on and off the agenda. The Trustees will also hear public comment during individual action items, with comment limited to two minutes per person. When addressing the Board, please announce your name for the record and speak clearly.
3. Approval of minutes from October 28, 2010 meeting
4. Unfinished Business (from previous meetings):
 - a. Review RBIF Performance Review for the quarter ending September 30, 2010;
 - b. Discuss BCC restated Trust Agreement between Washoe County, Nevada OPEB Trust Fund Board of Trustees and Washoe County;
5. Discussion and approval of OPEB Pooling Agreement;
6. Approve quarterly expenses, retiree health claims, and Interim Financial Report for 12/31/10;
7. Approve quarterly schedule for monthly cash transfers to the RBIF;
8. Items for member comments, topics for future agendas, statements relating to items not on the agenda*
9. Adjournment

BOARD OF TRUSTEES, WASHOE COUNTY, NEVADA OPEB TRUST FUND

THURSDAY, OCTOBER 28 2010, 9:00 A.M.

Present:

John Sherman, Chairman
Patricia Gonzales, Trustee
Bill Berrum, Trustee

Staff:

Terrance Shay, Legal Counsel
Sheri Mendez, Comptroller
Cynthia Washburn, Chief Deputy Comptroller
Sandra McGarva, Secretary

The Board convenes in regular session at approximately 9:10 a.m. at the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, Building C, Room C110. Roll is called, and for the record, Trustee Berrum arrives at approximately 9:20. The following business is conducted:

Mr. Shay advises that he has been assigned to serve as Legal Counsel, taking the place of Mr. Lipparelli.

Public Comment

No public comment is raised when Chairman Sherman announces the opportunity.

Approve minutes from July 15, 2001, 2010 meeting.

Trustee Gonzales states she saw no exceptions to the minutes of July 15, 2010, and moves to approve them as transcribed. Chairman Sherman seconds the motion. No objections are raised and the motion carries.

Items for member comments, topics for future agendas, statements relating to items not on the agenda.

Set calendar for quarterly meetings.

There is discussion with regard to scheduling the quarterly meetings for 2011. It is noted that the RBIF report will not be available until the latter part of each quarter, and the meetings should be scheduled to allow Board members a chance to review those quarterly reports prior to the meetings. It is agreed that Thursdays work well as a static day of the week to meet, and the following dates are set for the first three meetings:

- January 27
- April 28
- July 28

Staff is asked to distribute the RBIF quarterly reports to the Board members as soon as they are received in the office.

Accept the audited financial statements for June 30, 2010:

Discussion ensues with regard to the Washoe County, Nevada OPEB Trust Fund audited financial statements for the period from inception (May 11, 2010) to June 30, 2010. Mrs. Mendez states she has a copy of the Required Communication with Those Charged with Governance from Kafoury, and she states there were no states there were no difficulties encountered during the audit, and there were no findings or other issues.

She continues, directing attention to the section of the Report that discusses Subsequent Events (page 7, Note 5). It is noted that cash amounts of \$32.2 million and \$879,000 were transferred to the RBIF subsequent to year end. These contributions were made to the RHBP and the PEBP, respectively.

Mrs. Mendez advises there is still \$43 million in the Pool.

There is discussion with regard to the investment process of the first year of inception vs. following years, due to the one-third each transfers of the \$73 million to RBIF. Timing issues become important, and Chairman Sherman states he will be working with the County for what makes sense.

Trustee Berrum confirms he would like to see larger returns in the future.

Mrs. Mendez directs attention to page 3 of the financial statements, and discussion follows with regard to the balances on the Changes in Plan Net Assets.

Chairman Sherman makes reference to page 6, indicating the Notes include in-depth information, and page 8 includes an explanation of funding progress.

Trustee Gonzales adds that the Report looks very good.

With no further comment regarding this item, Trustee Berrum moves to accept the Washoe County, Nevada OPEB Trust Fund Audited Financial Statements from Inception (May 11, 2010) through June 30, 2010. Trustee Gonzales seconds the motion. All are in favor, the motion carries.

Review and approve Staff Report for BCC Agenda/Meeting of December 14, 2010.

Chairman Sherman notes that he will not want this to appear as a consent item, as he would like to discuss and explain various points contained in the Report.

As there are no other questions or comments on the Draft Staff Report, Trustee Gonzales moves to approve submission of the Staff Report to the BCC at their December 14, 2010 meeting. Trustee Berrum seconds the motion. All are in favor, motion carries.

Review and discuss RBIF financial statements for 6/30/10 and RBIF Performance Review for the fiscal year 2010, and for the quarter ending 9/30/10.

In reviewing the June 30, 2010 RBIF financial statements, it is noted the State has withdrawn from the Investment Fund. Chairman Sherman notes that next year's financial statements will look significantly different, as Washoe County is now the largest investor.

Brief discussion ensues with regard to various financial information contained in the RBIF Annual Financial Report, and Chairman Sherman indicates that, on the matter of target rates, Washoe County is looking for 7%, and RBIF is 8%.

(Staff is asked to include page numbers in the future on all documents contained in the OPEB Board's for ease of reference and navigation through the documents.)

Brief discussion ensues with review of the RBIF Fiscal Year 2010 Performance Review, noting the overall return was not as expected, but Washoe County's participation in the Investment Fund will make a significant difference in the year-end numbers for 2011.

It is noted there are no statements for the quarter ending September 30 yet available. They are to be sent to the Trustees when the Comptroller's Office receives them.

Review and approve revised budget for 2011.

Mrs. Mendez explains that the budget had to be revised subsequent to its prior approval because there were errors in the numbers for investment expense. It was necessary, however, to change other numbers for the fire entities, which are also subsequent to approval of the budget, and she advises that she added the Medicare Part D subsidy, as well.

There is discussion and it is noted that two fire entities transferred \$6 million. If the actuarial evaluation is updated, they may fund more.

Mr. Shay asks what happens if they (the fire entities) overfund, and Mendez states that a small overfunding may not cause significant issues, as the funding process is all based upon estimates. However, measures are in place to prevent excessive overfunding that may be recalled and used later for other than the intended purpose of the Fund. More discussion follows.

Mrs. Mendez explains the reason the budgeted cost of the audit is fixed among each participating plan is because the total cost is not based upon how the dollars invested by each plan in the Fund. Each entity, were they not included in the Fund, would pay the same amount being expensed for the audit of all participants.

Mrs. Mendez also explains that the investment expenses are budgeted based on the dollars invested by each plan because they are tied to investment earnings.

As there are no more comments or discussion, Trustee Gonzales moves to approve the Washoe County, Nevada OPEB Trust Fund Budget for the Year Ended June 30, 2011 – as revised.

Trustee Berrum seconds the motion. All are in favor. The motion carries.

Approve quarterly expenses, retiree health claims, and Interim Financial Report for 9/30/10.

Mrs. Washburn begins explaining information included on the Report, stating that actual expenditures incurred are shown. She adds that there was also a significant amount of expenses in October, which are

not on this report because the figures are not yet available. Brief discussion follows.

Trustee Gonzales inquires about realized and unrealized gains and losses, and Mrs. Washburn indicates that there was a loss, based on the first report for RBIF. Brief discussion follows and Gonzales asks that detail on the Administration expenses, similar to how it is identified in the Budget, be provided with future Interim Financial Reports, on a separate sheet.

With no more comment or discussion on this matter, Trustee Gonzales moves to approve the Washoe County, Nevada OPEB Interim Financial Report for the Three Months Ended September 30, 2010 – unaudited.

Trustee Berrum seconds the motion. All are in favor. The motion carries.

Approve updated schedule for cash transfer to the RBIF.

Mrs. Washburn distributes a handout that includes three different scenarios for scheduling contributions to the RBIF:

- **Scenario #1** assumes level transfers to RBIF from November through June, with General Fund transfer to Trust after June 24;
- **Scenario #2** assumes level transfers to RBIF from November through June, with a portion of General Fund transfers to the Trust moved forward to cover transfers to the Health Benefits Fund;
- **Scenario #3** assumes level transfers to RBIF from November through May, with a portion of General Fund transfers to the Trust moved forward to cover transfers to the Health Benefits Fund, and a final General Fund transfer before the RBIF transfer notification cutoff.

During review and discussion, Mrs. Mendez suggests that, rather than setting a fixed amount on the contributions, perhaps the amount should be a proportionate allocation determined on a quarterly basis.

Chairman Sherman states his preference would be to go with Scenario #2, and keep the transfers at \$1.9 million.

There is discussion with regard to the uncertainties with establishing a fixed transfer amount, given that the allocation amounts are not fixed. It is decided that the basis of Scenario #2 will be modified on a quarterly basis, wherein the Board can review the past transfers and approve a new schedule (if necessary) for future transfers.

Discussion exhausted, Trustee Gonzales moves to approve the Cash Transfer Schedule as indicated in Scenario #2, *amended* to indicate transfer amounts only through each quarter, with a new Schedule presented at the quarterly meetings to include options for cash transfer amounts that are in line with the contributions.

Trustee Berrum seconds the motion. All are in favor. The motion carries.

Approve agreement between Washoe County, Nevada OPEB Trust Fund Board of Trustees and Washoe County to retain OPEB Trust funds in the County's pooled investment fund.

Chairman Sherman notes that the Washoe County Investment Committee needs to approve the above-noted Agreement. Because the Trust Agreement is silent on cash investments held by the County before transfer to the RBIF, the Trust Agreement should probably be amended to include retention of the Trust assets (cash) in the Pool. This is an action the County will need to take. Once the Trust Agreement is amended it will come back to the Trustees for acceptance.

Other Business:

Chairman Sherman thanks the Trustees for their input and assistance with this Board, noting it is a voluntary endeavor, and wishes all Happy Holidays.

Trustee Berrum thanks Staff for the good work performed on behalf of the Board, stating that it is hard work and a job well done.

As there is no further business, the meeting is adjourned at 10:03 a.m.



WASHOE COUNTY

"Dedicated To Excellence in Public Service"

www.washoecounty.us

CM/ACM _____
Finance _____
DA _____
Risk Mgt. _____
HR n/a
Other n/a

STAFF REPORT

BOARD MEETING DATE: February 8, 2011

DATE: January 19, 2011
TO: Washoe County Board of County Commissioners
FROM: Sheri Mendez, Comptroller
THROUGH: John Sherman, Finance Director
328-2070, jsherman@washoecounty.us

SUBJECT: Approve the proposed restatement to the Trust Agreement for Washoe County, Nevada OPEB Trust Fund, to include investment options both in the Washoe County investment pool and in the State of Nevada's Retirement Investment Fund and, if approved, authorize Chairman to execute the restated Washoe County, Nevada OPEB Trust Agreement on behalf of Washoe County. (All Commission Districts)

SUMMARY

The Trust Agreement for the Washoe County, Nevada OPEB Trust Fund (the Trust) currently directs the assets to be invested in the State of Nevada's Retirement Benefits Investment Fund (RBIF). For shorter term cash management purposes, the use of the Washoe County Investment Pool is also recommended. The proposed restatement to the trust agreement expands the terms and conditions for the Trust to utilize both investment options.

Strategic Objective supported by this item: Sustainable Economic, Natural, Organizational, and Social Resources

Strategic Outcome supported by this item: Sustainable relationship between resources and obligations

PREVIOUS ACTION

On May 26, 2009, the Board of County Commissioners directed staff to take the necessary steps to create an irrevocable trust and to return to the Board for final approval.

On May 11, 2010, the Board of County Commissioners approved and authorized the Chairman to execute a Trust Agreement for Washoe County, Nevada Other Post Employment Benefits Trust Fund, the appointment of three trustees as the Board of Trustees for that Trust, and adopted a resolution authorizing the creation of a new fund titled Washoe County, Nevada OPEB Trust Fund; the Finance Director was also authorized to transfer the cash balance in the Pre-Funded Retiree Health Benefits Fund to the Washoe County, Nevada OPEB Trust Fund, approximately \$73 million, for investment in the Retirement Benefits Investment Fund.

BACKGROUND

In the May 11, 2010 staff report, two investment options were discussed for the trust assets: a) the State of Nevada's Retirement Benefits Investment Fund (RBIF) established pursuant to NRS 355.220, and b)

AGENDA ITEM # _____

the existing authorization for local governments in accordance with NRS 355.170 as used for the County's investment pool activity.

The final trust agreement directed assets of the Trust to be invested in the RBIF in order to maximize the long term earnings on the assets. However, there are shorter term cash management requirements to cover administrative expenses of the trust and to manage the timing of RBIF investments versus reimbursements of retiree benefit costs. The Trust has been using Washoe County's investment pool for these short term cash management requirements and is recommending a restatement to the trust agreement to formalize this arrangement.

FISCAL IMPACT

No fiscal impact.

RECOMMENDATION

It is recommended that the Board of County Commissioners approve the proposed restatement to the Trust Agreement for Washoe County, Nevada OPEB Trust Fund, to include investment options both in the Washoe County investment pool and in the State of Nevada's Retirement Investment Fund and, if approved, authorize Chairman to execute the restated Washoe County, Nevada OPEB Trust Agreement on behalf of Washoe County.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be to "approve the proposed restatement to the Trust Agreement for Washoe County, Nevada OPEB Trust Fund, to include investment options both in the Washoe County investment pool and in the State of Nevada's Retirement Investment Fund and, if approved, authorize Chairman to execute the restated Washoe County, Nevada OPEB Trust Agreement on behalf of Washoe County."

**TRUST AGREEMENT
FOR
WASHOE COUNTY, NEVADA
OPEB TRUST FUND
RESTATED EFFECTIVE FEBRUARY 8, 2011**

ARTICLE I.

Purpose of the Trust

This Trust is intended to provide the means to fund the post-retirement benefits provided by the employee benefit plans described herein. The Trust is intended to qualify as governmental trust established to provide an essential governmental function under Code Section 115 and is created pursuant to Nevada Revised Statutes § 287.017. The name of this Trust shall be the Washoe County, Nevada OPEB Trust Fund.

ARTICLE II.

Definitions

When used in this Trust, the following words shall have the following meanings, unless the context clearly indicates otherwise:

2.1 “Benefit Plan” means each of the employee post employment welfare benefit plans maintained by the Employers that are funded through this Trust and that are listed on Exhibit A hereto, which may be amended from time to time.

2.2 “Code” means the Internal Revenue Code of 1986, as amended.

2.3 “Dependents” means any spouse or other dependent of a former or retired employee of an Employer who is eligible to participate in any Plan, to the extent such spouse or other dependent is a “covered dependent” under the terms of the Plan.

2.4 “Effective Date” means the Effective Date of this restated Trust, which shall be February 8, 2011, which is the date on which the restated Trust is approved by the Washoe County Board of Commissioners.

2.5 “Employer” means each entity which is a local government, within the meaning of NRS 354.474, that is or becomes a participating employer in this Trust, as authorized by NAC 287.790(4) and as determined by the Trustee. In addition, each participating Employer must be an entity that is a state, a political subdivision of a state, or an entity the income of which is excluded from gross income under Code Section 115. The participating Employers shall be set forth on Exhibit B hereto, which may be amended from time to time.

2.6 “Investment Plan” means an investment plan developed by the Trustee pursuant to NRS 287.017(2)(g)(1) and NAC 287.788(2).

2.7 “NAC” means the Nevada Administrative Code, as amended from time to time.

2.8 “NRS” means the Nevada Revised Statutes, as amended from time to time.

2.9 “Participant” means any individual who is a former or retired employee of an Employer who is eligible to participate in a Plan and Dependents of such employees and former employees.

2.10 “Trust” and “Trust Fund” mean the Trust, as set forth in and by this document and all subsequent amendments thereto.

2.11 “Trust Sponsor” means Washoe County, Nevada.

2.12 “Trust Year” means the fiscal year ending on June 30 of each year.

2.13 “Trustee” means the person or persons appointed under Article VII and accepting the position as Trustee, and any duly appointed and qualified successor Trustees. The Trustee shall constitute the “board of trustees” as that term is used in NRS 287.017(2)(e).

2.14 Words used in the singular shall include the plural, words used in the plural shall include the singular, and words of one gender shall include other genders when the context so requires.

ARTICLE III.

Participation

Each Participant who is eligible to participate in a Benefit Plan shall be eligible to participate in this Trust.

ARTICLE IV.

Contributions

4.1 Determination of Contribution:

- (a) This Trust shall be funded by contributions by Participants and/or the Employer, and all such contributions to the Trust, and any earnings on such contributions, shall be irrevocable and shall become the property of the Trust.
- (b) Contributions to this Trust shall be made in accordance with, and in amounts prescribed by, the Benefit Plan.
- (c) The Employer may annually commission actuarial studies that estimate the liabilities of the Benefit Plans for the ensuing five fiscal years. The Employer shall notify the Trustee of the level of funding it expects to contribute to the Trust Fund.

4.2 Funding Policy: The policy of the Trust Sponsor is that this Trust shall be funded by Participant and/or Employer contributions. Such funding shall be determined pursuant to NAC 287.786(1) in a manner consistent with the Code and any other applicable laws and

regulations, in accordance with generally accepted accounting principles, and on a sound actuarial basis.

4.3 To Whom Contributions are to be Paid: Contributions shall be paid to the Trustees and shall become a part of the Trust Fund. All contributions to the Trust Fund and any earnings thereon shall be used only to:

- (a) Provide for the benefits of Participants in accordance with the Benefit Plans; and
- (b) Pay the reasonable administrative expenses incident to the provision of those benefits and expenses incurred in the administration of the Trust.

4.4 Corpus of Trust: The Trust shall consist of contributions made to the Trust, together with investments and reinvestments of the proceeds thereof, and all earnings and profits thereon, if any, less any losses, and less any expenses charged and distributions made pursuant to the terms of the Trust.

4.5 Investment of Trust:

- (a) In accordance with the purpose of the Trust Fund stated in NRS 287.017(2)(a), the Trust Fund shall invest monies for the purpose of funding all or a portion of the unfunded actuarial accrued liabilities associated with future retirement welfare benefits under the Benefit Plans. The Trust Fund may be used to pay current retirement welfare benefits under the Benefit Plans.
- (b) The investment of the assets of the Trust Fund shall be limited to the Retirement Benefits Investment Fund established pursuant to NRS 355.220 and authorized pursuant to NRS 287.017(2)(g)(1); provided however, that the Trustees may direct that the assets of the Trust Fund be invested on a short-term basis in the Washoe County Investment Pool established pursuant to NRS 355.168 and authorized pursuant to NRS 287.017(2)(g)(2).
- (c) All interest, earnings, dividends and distributions with respect to the investment of the Trust Fund, less any expenses charged with respect to such investments, must be deposited in the Trust Fund.
- (d) The Trust Fund shall be maintained as a separate account and no other funds shall be co-mingled with the funds in the Trust Fund, except to the extent otherwise permitted by NRS 287.017(2)(h) and NAC 287.790(4).
- (e) Trust Fund monies shall not be used to finance debt of the Trust Sponsor and shall not be available for loans to other funds of the Trust Sponsor.

ARTICLE V.

Payments From Trust

5.1 Payments Directed by Employer: The Trustee must transfer funds from the Trust Fund to the account designated by the Employer upon the request of the Employer's governing body in accordance with the requirements of the Retiree Benefits Investment Board pursuant to NRS 355.220. The request must include:

- (a) An explanation of how the proposed transfer will be used to fulfill the requirements of the Benefit Plans;
- (b) A copy of the Employer's approved budget reflecting the authorization of retirement benefits;
- (c) Minutes of the meeting of the Employer's governing body during which the transfer was proposed; and
- (d) The signature of the chairperson of the Employer's governing body.

If the request and supporting documentation do not meet the criteria of this Section 5.1, the Trustee may delay transfer until the Employer's governing body corrects the request. Payments from the Trust may be made only to the extent that the Benefit Plan benefits for which such payment is made are benefits permitted under the NRS.

5.2 Trust for Exclusive Benefit of Participants; Reversion Prohibited: This Trust has been established for the exclusive benefit of the Participants and their Dependents. Under no circumstances shall any funds contributed to or held by the Trustees at any time revert to the benefit of the Employer, except upon termination of the Trust as provided in Article VIII.

5.3 Transfer of Trust Assets Permitted: Notwithstanding Section 5.2 above, the Employer's governing body may amend the Employer's Benefit Plan to reserve the classification of Participants eligible for benefits under the Trust, and terminate such Participants' participation in the Trust or transfer their coverage to another trust complying with the provisions of NRS 287.017 to the extent permitted under and in compliance with Code Section 115. In the event a classification of Participants is transferred to another such trust, the Trustees may determine the allocable portion of reserves held by the Trust attributable to such transferred Participants and authorize such portion of Trust assets be transferred to the new trust. Any such transferred Trust assets shall be used exclusively for the purpose of providing health and welfare benefits to the Participants so transferred and similarly situated participants. Upon the transfer of such Participants, any and all right of such Participants and their beneficiaries under this Trust shall terminate, except as provided in the Benefit Plan, to the extent not inconsistent with the terms of this Trust, and except as otherwise required by law.

ARTICLE VI.

Trustees - Appointment, Resignation, and Removal

6.1 Appointment Of Trustees: This Trust shall be administered by three or more Trustees who shall be appointed by the Trust Sponsor's governing body to act in a fiduciary capacity for the beneficiaries of the Trust, pursuant to NRS 287.017(2)(e) and NAC

287.788(1)(a). No member of the Trust Sponsor's governing body that creates the Trust may be appointed as Trustee. By signing this Trust, each Trustee hereby accepts the trusteeship and agrees to receive and hold the Trust solely for the uses and purposes set forth herein and solely in accordance with the terms hereof.

- (a) Pursuant to Section 4.5(b), assets of the Trust Fund shall be invested in the Retirement Benefits Investment Fund established pursuant to NRS 355.220; provided, however, that the Trustees may direct that the assets of the Trust Fund be invested on a short-term basis in the Washoe County Investment Pool established pursuant to NRS 355.168. As a result, the Trust Sponsor's governing body shall appoint at least three but no more than five Trustees who must include:
 - (1) At least one member who has a combination of education and experience of at least 5 (five) years in finance or economics;
 - (2) A public officer or employee of an Employer who manages the fiscal affairs of the Employer; and
 - (3) A beneficiary of the Trust.
- (b) A person appointed as a Trustee shall not have a substantial financial interest in the ownership or negotiation of securities or other financial instruments in which monies in the Trust Fund are invested.
- (c) Each Trustee shall be appointed for a term of at least two years but not to exceed four years. The Trust Sponsor's governing body may renew the term of any Trustee.

6.2 Resignation, Removal and Substitution of Trustees:

- (a) **Resignation and Removal:** Any Trustee may resign at any time upon 30 days' written notice to the Trust Sponsor's governing body. Any Trustee may be removed with or without cause at any time by the Trust Sponsor's governing body upon 30 days' written notice to such Trustee. The Trust Sponsor's governing body may remove a Trustee if the Trustee fails to attend two consecutive meetings or three meetings during a calendar year. Upon resignation or removal of any Trustee, the Trust Sponsor's governing body shall appoint a successor Trustee who shall have the same powers and duties as are conferred upon the Trustees appointed under this Trust. The Trust Sponsor's governing body may reappoint a Trustee and may alter the composition of the Trustees if required pursuant to Section 6.1.
- (b) **Successors' Liability:** No successor Trustee shall be liable or responsible for any acts or defaults of his or her predecessor or any predecessor co-Trustee, or for any losses or expenses resulting from or occasioned by anything done or neglected to be done in the administration of the Trust prior to his or her appointment as Trustee, nor shall a successor Trustee be required to inquire into or take any notice of the prior administration of the Trust.

6.3 Organization and Operation of Offices of Trustees:

- (a) The Trustees may adopt such procedures and regulations as they deem desirable for the conduct of their affairs.
- (b) The Trustees shall select a Chairman and Vice Chairman from among their membership.
- (c) The Chairman shall preside at all meetings of the Trustees. In case of the absence of the Chairman from any meeting of the Trustees or in case of the inability of the Chairman to act, the Vice Chairman shall perform the duties and acts authorized or required by the Chairman to be performed, as long as the inability of the Chairman to act may continue.
- (d) The Trust Sponsor's or the Employer's governing body shall provide the staff necessary to organize and notice meetings of the Trustees, take the minutes of the meetings, receive and disseminate financial reports of financial managers to the Trustees, and prepare financial reports and budgets for the Trustees.
- (e) The Trustees shall meet quarterly or at the call of the Chairman whenever business is presented.
- (f) A majority of the Trustees shall constitute a quorum of the Trustees for all purposes.
- (g) Except as provided in Section 4.5(c), all action by the Trustees at a meeting (and such meeting may be in person or a telephonic meeting) at which a quorum is present shall be by a majority of those present.
- (h) Any action to be taken without a meeting (either in person or telephonically) of the Trustees must be approved in writing by all of the Trustees.
- (i) Any action of the Trustees must be in writing.
- (j) No item of business shall be considered at a meeting of the Trustees unless it shall first have been entered upon the agenda for that meeting, provided, however, that items not appearing on the agenda may be taken up with the approval of a majority of the Trustees present when it has been determined that the matter is an emergency as permitted under NRS Chapter 241.
- (k) No member of the Trustees can bind the Trustees by word or action unless the Trustees have designated such member as the Trustees' agent for some specific purpose and for that purpose only.

- (l) In the event of a deadlock in any vote of the Trustees with respect to the operation or administration of the Trust, then the matter at issue shall remain in status quo until the next meeting of the Trustees. If the Trustees do not resolve such deadlock among themselves prior to the next meeting of Trustees, the question or matter shall again be presented at such next meeting. If at such next meeting the Trustees shall still be deadlocked and remain so until such meeting be adjourned, then, upon written notice of any Trustee to the other Trustees, the Trustees shall, within 30 days after receipt of such notice by the Trustees, appoint an independent fiduciary solely for the purpose of deciding upon the deadlocked matter. Such independent fiduciary shall render its decision on the matter, which decision shall be implemented as if decided at a meeting of the Trustees.
- (m) Any member of the Trustees may request a roll call vote of the Trustees, which shall be recorded in the minutes of the meeting.

ARTICLE VII.

Trustees - Duties and Powers

7.1 Duties and Powers of Trustees--In General: Subject to the requirements imposed by law, the Trustees shall be fiduciaries who shall have all powers necessary or advisable to carry out the provisions of this Trust and all inherent, implied, and statutory powers now or subsequently provided by law and shall be subject to the duties imposed on fiduciaries under applicable law. The Trustees shall be responsible for the management and control of the Trust Fund. The Trustees shall formulate and execute appropriate investment policies to govern the Investment Plan of the Trust Fund consistent with the requirements of NRS 287.017 and Sections 4.5(b) or (c) of this Trust. The Trustees shall decide all questions arising in the administration, interpretation, and application of the Trust, except as may be reserved under this Trust to the Trust Sponsor or an Employer. In addition:

- (a) As required by NRS 287.017(2)(e)(1), the Trust shall be administered in accordance with generally accepted accounting principles and actuarial studies applicable to the future provision of benefits to Participants;
- (b) To the extent required by NRS 287.017(2)(f)(3) or any similar applicable regulation, the Trustees shall cause the Trust to be audited each Trust Year by an independent certified public accountant, and the results of such audit shall be reported to the Employer;
- (c) As permitted by NRS 287.017, the Trust Fund assets attributable to the Employer's Benefit Plan or Benefit Plans may be pooled for the purposes of investment with the asset of any other employer and of any other trust fund established pursuant to NRS 287.017; provided, however, that each employer's interest in the Trust (1) is accounted for separately from the interest of any other employer, (2) is used to provide benefits only to the participants covered by the plan or plans of such employer; and (3) is not subject to the liabilities of any other employer.

- (d) In accordance with NRS 287.017 and Section 4.1(c) of this Trust, the Trustees shall submit a budget incorporating the level of funding to the Trust Fund to the Employer's governing body for its consideration, approval, and inclusion in the overall tentative and final budgets of the Employer's governing body. The tentative budget submitted by the Trustee must incorporate the amount of contributions to the Trust determined pursuant to NAC 287.786(1). The Employer's governing body may modify its budget at its discretion.

7.2 Duties and Powers of Trustees--Investment: To the extent permitted under NRS 287.017, the Trustees shall have the power to invest and/or reinvest any and all money or property of any description at any time held by them and constituting a part of the Trust, without previous application to, or subsequent ratification of, any court, tribunal, or commission, or any federal or state governmental agency, in such investments as are permitted under the express terms of this Trust.

None of the earnings of the Fund shall inure to the benefit of any Trustee or any private person, except that a Trustee or other individual may be a beneficiary of the Trust through participation in the Benefit Plan. A Trustee shall not be interested, directly or indirectly, as principal, partner, agent or otherwise, in any contract or expenditure created by the Trustees, or in the profits or results thereof.

In addition, to the extent permitted under NRS 287.017 and as provided in NAC 287.790(1)(a), the Trustees shall have the following specific powers:

- (a) To invest Trust assets in a "Retirement Benefits Investment Fund" established pursuant to NRS 355.220 and authorized pursuant to NRS 287.017(2)(g)(1) and Section 4.5(b); provided, however, that the Trustees may direct that the Trust assets be invested on a short-term basis in the "Washoe County Investment Pool" established pursuant to NRS 355.168 and authorized pursuant to NRS 287.017(2)(g)(2) and Section 4.5(b).
- (b) To collect and receive any and all money and other property of whatsoever kind or nature due or owing or belonging to the Trust Fund.
- (c) To cause any securities or other property to be registered in, or transferred to, the individual name of Trustee or in the name of one or more of its nominees, or to retain them in unregistered form, but the books and records of the Trust shall at all times show that all such investments are a part of the Trust Fund.
- (d) To settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Trust; to commence or defend suits or legal proceedings whenever, in its judgment, any interest of the Trust requires it; and to represent the Trust in all suits or legal proceedings in any court of law or equity or before any other body or tribunal, insofar as such suits or proceedings relate to any property forming part of the Trust Fund or to the administration of the Trust Fund.

- (e) Generally, to do all acts, whether or not expressly authorized, which the Trustee deems necessary, but acting at all times according to the provisions of Nevada law to the extent permitted under NRS 287.017(2)(e), which provides the Trustees with all powers and duties that may be exercised by a nonprofit corporation under Nevada laws, but prohibits the Trust from borrowing money.
- (f) To file any tax returns required of the Trust.

Notwithstanding the above, the Trustees may not deposit the assets of the Trust Fund in the Retirement Benefits Investment Fund established pursuant to NRS 355.220, unless the Trustees obtain an opinion from the Employer's legal counsel that the investment of those Trust assets will not violate the provisions of Section 10 of Article 8 of the Constitution of the State of Nevada. Fiduciary responsibility for assets of the Trust Fund invested in the Retirement Benefits Investment Fund remains with the Trustees and not with the Retirement Benefits Investment Board. In addition, the Trustees have no authority to negotiate or otherwise determine the benefits afforded the beneficiaries of the Trust Fund pursuant to the Benefit Plans.

7.3 Valuation of Trust Fund: As of the last day of each Trust Year, the Trustees shall determine the fair market value of all assets of the Trust Fund.

7.4 Advice and Assistance to Trustees: The Trustees may employ such staff and may contract for the provision of such management, investment and other services, including without limitation, the services of accountants, actuaries and investment managers, as the Trustees determine necessary for the administration of the Trust. In addition, the Trustees may retain and consult with legal counsel, who may be counsel for the Employer or the Trustees' own counsel with respect to the meaning or construction of the Trust or the Trustees' obligations or duties. The Trustees shall be protected from any responsibility with respect to any action taken or omitted by them in good faith pursuant to the advice of such counsel, to the extent permitted by law.

7.5 Records and Accounts of the Trustees: The Trustees shall keep a record of all the Trustees' proceedings and shall keep all such books of account records, and other data as may be necessary in the administration and conduct of this Trust, including records to reflect the affairs of this Trust, to determine the amount of the respective Participants' interests in the Trust Fund, and to determine the amount of all benefits payable under this Trust. Subject to the requirements of law, any person dealing with the Trustees may rely on, and shall incur no liability in relying on, a certificate or memorandum in writing signed by the Trustees as evidence of any action taken or resolution adopted by the Trustees. The Trustees' records and accounts shall be open to inspection by the Employer's governing body at all reasonable times during business hours. The books and records of the Trust shall be kept in accordance with generally accepted accounting principles and the end of the fiscal year of the Trust shall be the Trust Year. After the close of each year of the Trust, the Trustees shall render a statement of assets and liabilities of the Trust Fund for such year.

7.6 Fees and Expenses: The Trustees may be paid such reasonable compensation as provided pursuant to Section 14 of Chapter 287 of the NAC. In addition, the Trustees shall be reimbursed for any necessary and reasonable expenses, including reasonable counsel and accounting fees, as well as the expense of the audit required pursuant to NRS 287.017 and Section 7.1(b) of this Trust, incurred by the Trustees in the administration of the Trust Fund. Such compensation and expenses may be paid from the Trust Fund. All taxes of any kind that may be levied or assessed under existing or future laws upon, or in respect of, the Trust Fund or the income thereof shall be paid by the Trustees from the Trust Fund.

ARTICLE VIII.

Continuance, Termination, and Amendment of Trust

8.1 Termination of Trust: This Trust shall continue in full force and effect for such time as may be necessary to accomplish the purposes for which it is created. The expectation of the Trust Sponsor is to continue this Trust indefinitely, but the continuance of the Trust is not assumed as a contractual obligation by any Employer. The right is reserved to each Employer's local governing body to terminate the Employer's participation in this Trust in whole or in part at any time. In addition, the right is reserved to the Trust Sponsor's governing body to terminate this Trust in whole or in part at any time, including the termination of any Employer's participation in this Trust.

8.2 Disposition of Trust Upon Termination: Upon the termination of the Trust, to the extent that the Trust assets are not transferred to a successor trust pursuant to Section 5.3, the Trustee shall hold the Trust Fund until it is completely exhausted by paying those benefits provided under the Benefit Plans and paying the reasonable expenses of the Trust, including expenses incurred in the termination and liquidation of the Trust; provided, however, that upon the complete satisfaction of all obligations under the Benefit Plans and the satisfaction of all liabilities of the Trust, any remaining Trust Fund assets may be transferred to the Employer as determined by the Trustee and in compliance with all applicable laws.

8.3 Amendments to Trust: At any time the Trust Sponsor's governing body may amend this Trust for any purpose by delivering to the Trustees signed copies of such amendment. Such amendment shall be effective as of the date specified by the Trust Sponsor's governing body, or if no date is specified, then on the first day of the next succeeding Trust Year.

ARTICLE IX.

Miscellaneous

9.1 Trust Not Subject to Creditors' Claims: No assignment of any benefit under the Trust will be recognized or permitted; nor shall any such benefit or any assets of the Trust Fund be subject to attachment, garnishment or the claims of any creditors of any Employer or any Participant or beneficiary of the Trust.

9.2 Text to Control: The headings of articles and sections are included solely for convenience of reference. If any conflict between any heading and the text of this Trust exists, the text shall control.

9.3 Severability: If any provision of this Trust is illegal, invalid or unenforceable for any reason, such illegality, invalidity or unenforceability shall not affect the remaining provisions. On the contrary, such remaining provisions shall be fully severable, and this Trust shall be construed and enforced as if such illegal, invalid or unenforceable provisions never had been inserted in the agreement.

9.4 Applicable Law: All questions, disputes or other issues relating to the Trust including but not limited to the interpretation, administration, operation and/or application of the Trust or its provisions shall be governed by the laws of the State of Nevada.

9.5 Changes in Governing Law: To the extent any provision in this Trust is included in compliance with the requirements of the NRS or the NAC, if any change to such requirement is made in the NRS or the NAC, this Trust Agreement shall be deemed to be amended to the extent required to reflect the corresponding change in the NRS or the NAC, provided that such deemed amendment does not cause the Trust to violate Code Section 115.

9.6 Execution in Counterparts. This Trust may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same agreement (and all signatures need not appear on any one counterpart), and this Trust will become effective when one or more counterparts has been signed by each party and delivered to the other party.

This restated Trust has been executed this ____ day of _____, 2011.

WASHOE COUNTY, NEVADA

By: _____
Title: _____
Date: _____

TRUSTEES

Printed Name: _____
Signature: _____
Date: _____

Printed Name: _____
Signature: _____
Date: _____

Printed Name: _____
Signature: _____
Date: _____

EXHIBIT A
BENEFIT PLANS FUNDED THROUGH TRUST

1. Washoe County Health Benefit Program (which includes health, dental, vision, life and AD&D coverages).
2. Washoe County's State of Nevada Public Employee Benefit Plan (which, as of the effective date of the Trust, is closed to new members).
3. Sierra Fire Protection District Retiree Group Medical Plan.
4. Truckee Meadows Fire Protection District Retiree Group Medical Plan.

EXHIBIT B

PARTICIPATING EMPLOYERS

1. Washoe County, Nevada: Participation effective on the original Effective Date of the Trust.
2. Sierra Fire Protection District: Participation effective upon approval of Trust by Sierra Fire Protection District Board of Fire Commissioners.
3. Truckee Meadows Fire Protection District: Participation effective upon approval of Trust by Truckee Meadows Fire Protection District Board of Fire Commissioners.

OPEB POOLING AGREEMENT

1. **PARTIES** This Pooling Agreement (“Agreement”) is entered into between Washoe County, by and through its duly constituted Board of County Commissioners (“County”), and the Other Post Employee Benefits (“OPEB”) Trust, by and through its Trustees, and all parties are hereafter occasionally referred to as “the Parties.”

2. **RECITALS**

2.1 The County is a public agency under NRS 277.100;

2.2 The OPEB Trust is a governmental trust, created by the County under authority contained in NRS chapter 287, and established as the means to fund certain post-retirement benefits;

2.3 NRS 287.017 establishes that assets of the OPEB Trust may, as directed by the Trustees of the OPEB Trust, be invested in any investment which is authorized for a local government pursuant to NRS 355.170;

2.4 NRS 355.170 sets forth a list of authorized investments in which the County may invest;

2.5 NRS 355.168 and 355.175 authorize the County’s Treasurer (“Treasurer”) to invest by pooling any money held by the Treasurer for public agencies/local governments;

2.6 The OPEB Trust desires to have certain monies it holds, and intended for ultimate deposit to the Retirement Benefits Investment Fund established pursuant to NRS 355.220, temporarily deposited with Treasurer to be pooled with monies of County and other local governments for investment in County’s pooled investment fund (“Fund”); and

2.7 County and the OPEB Trust desire to enter into a pooling agreement to set forth the terms and conditions upon which said monies are to be pooled and invested in the Fund.

3. **PRIOR AGREEMENTS** This Agreement cancels and supersedes, as of the date hereof, any previous agreement, whether oral or written, between County and the OPEB Trust regarding the subject of this Agreement.

4. **AUTHORIZATION TO POOL AND INVEST** The Trustees of the OPEB Trust hereby authorize the County and Treasurer, and the County and Treasurer agree, to invest certain monies tendered by the OPEB Trust in the Fund without compensation pursuant to the terms and conditions hereof.

5. IDENTIFICATION OF OPEB TRUST'S MONIES The OPEB Trust will deposit certain monies with Treasurer from time to time for the purposes set forth herein.

6. INVESTMENTS AND ALLOCATION

6.1 Treasurer shall invest OPEB Trust's monies in such securities as authorized by NRS 287.017, 355.170 and 355.171 as well as other applicable provisions of Nevada Revised Statutes and any special applicable law and in accordance with County's investment policies (a copy of which the OPEB Trust acknowledges it has received).

6.2 Treasurer will allocate and distribute on account for the OPEB Trust a pro rata share of any gains, losses and interest earnings in the Fund based upon the proportion of the OPEB Trust's monies to the total value of the Fund and also based on the average cash balance in the Fund over the applicable accounting period. Any related third party charges shall likewise be allocated to the OPEB Trust. The OPEB Trust acknowledges that County and Treasurer utilize the services of a professional fund manager as well as a statutorily required third party custody agent and that the OPEB Trust's pro rata share of expenses will include the fees to pay these professional managers/agents.

7. PROCESSING THE OPEB TRUST'S PAYMENTS Upon the express written request of the OPEB Trust, the Treasurer may act as paying agent to process the OPEB Trust's deposits to the Retirement Benefits Investment Fund.

8. REPORTING The Washoe County Comptroller shall deliver to the OPEB Trust as soon as practical following the end of each quarter of each fiscal year a report revealing the Fund's balances, earnings, losses and pro rata allocations thereof to the OPEB Trust.

9. OPEB TRUST'S AUTHORIZED AGENTS The OPEB Trust shall promptly advise Treasurer in writing of the name(s) and address(es) of its employee(s)/agent(s) who is/are authorized to advise and instruct Treasurer concerning the matters of this Pooling Agreement. The OPEB Trust will also provide to Treasurer specimen signatures of the authorized employee(s)/agent(s). Treasurer shall not suffer any liability whatsoever with respect to any action taken in reliance upon any written instructions or notices which Treasurer shall, in good faith, believe to be genuine and to have been signed by the OPEB Trust's authorized employee(s)/agent(s).

10. WITHDRAWALS AND TERMINATION

10.1 The OPEB Trust is entitled to make partial withdrawals of its monies out of the Fund provided the OPEB Trust delivers to Treasurer written notice and specific instructions regarding said withdrawal. Treasurer shall comply therewith at the first reasonable opportunity presented by the markets and in consideration of the type of investments used in the Fund, but only so long as the Fund incurs no loss or risk to its remaining investments, and further so long as the OPEB Trust pays any penalties, losses

and third-party-expense related to said withdrawal. Cash distribution shall be determined by par value of securities at liquidation, if necessary.

10.2 This Agreement may be terminated by either party upon thirty days (30) written notice or upon the enactment of any law inconsistent herewith. The value of the Fund at the expiration of said thirty (30) days shall determine the pro rata value of the OPEB Trust's monies, including earnings and losses, available to be distributed to the OPEB Trust. Notwithstanding the thirty (30) day notice, such distributions of the OPEB Trust's monies from the Fund shall occur over that period of time which, in the reasonable determination of Treasurer, is necessary to protect the Fund's other investments from risk and loss in accordance with sec. 10.1, above, not to exceed eight (8) months. The party electing to terminate this Agreement shall pay all penalties, losses and third-party-expense related to such distributions.

11. INDEMNIFICATION/ HOLD HARMLESS/ WAIVER

11.1 The Parties agree that each will be responsible for any liability or loss that may be incurred as a result of any claim, demand, cost, or judgment made against that party arising from any negligent act or negligent failure to act by any of that party's employees, agents, or servants in connection with the performance of obligations assumed pursuant to this Agreement.

11.2 Each party further agrees, to the extent allowed by law pursuant to NRS Chapter 41, to hold harmless, indemnify and defend the other from any and all losses, liabilities, or expenses of any nature to the person or property of another, to which each may be subjected as a result of any claim, demand, action, or cause of action arising out of the negligent acts, errors or omissions on the part of its own employees, agents, or servants.

11.3 The indemnification obligation pursuant to this section is conditioned upon receipt of prompt written notice by the indemnifying party of the indemnified party's actual written notice of any action or pending claim or cause of action. The indemnifying party shall not be liable to hold harmless any attorney's fees and costs for the indemnified party's chosen right to participate with legal counsel.

11.4 The OPEB Trust agrees that it is investing at its own risk and that past performance is no guarantee for future performance. The OPEB Trust knowingly and intentionally waives any right to assert all claims, suits, actions, costs, losses, penalties, taxes and liabilities, including court costs and attorney's fees, which are alleged to arise from or are related to investment performance under this Agreement.

12. MISCELLANEOUS PROVISIONS

12.1 This Agreement is binding upon and inures to the benefit of the Parties and their respective successors and assigns.

12.2 This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof, and supersedes and replaces all prior understandings and agreements, whether verbal or in writing, with respect to the subject matter hereof.

12.3 This Agreement may not be modified, amended, assigned, transferred, nor may any rights, obligations or duties hereunder be delegated in any respect without the written consent of the other party hereto.

12.4 In the event either party brings any legal action or other proceeding with respect to the breach, interpretation, or enforcement of this Agreement, or with respect to any dispute relating to any transaction covered by this Agreement, the parties in such action or proceeding hereby agree that neither party is entitled to an award of attorneys fees whether or not a party is deemed to be a prevailing party and that reimbursement to the prevailing party or parties therein for all reasonable costs of litigation will be in accordance with Nevada law as may be determined by the Court.

12.5 This Agreement is made in, and shall be governed, enforced and construed under the laws of the County of Washoe and the State of Nevada. The Parties consent to the personal jurisdiction of any state court of competent jurisdiction located in Washoe County, Nevada and to the service of process by any means authorized by any such state court under the laws of the State of Nevada. The exclusive venue of any action, proceeding or counterclaim arising out of or in connection with this Agreement shall be Washoe County, Nevada.

12.6 No delay or omission by either party in exercising any right or power hereunder shall impair any such right or power or be construed to be a waiver thereof, unless this Agreement specifies a time limit for the exercise of such right or power or unless such waiver is set forth in a written instrument duly executed by the person granting such waiver. A waiver of any person of any of the covenants, conditions, or agreements hereof to be performed by any other party shall not be construed as a waiver of any succeeding breach of the same or any other covenants, agreement, restrictions or conditions hereof.

12.7 All notices, demands or other communications required or permitted to be given in connection with this Agreement, shall be in writing, and shall be deemed delivered when personally delivered to a party (by personal delivery to an officer or authorized representative of an agency party) or, if mailed, three (3) business days after deposit in the United States mail, postage prepaid, certified or registered mail, addressed to the Parties as follows:

Washoe County Treasurer
Administration Complex of Washoe County
1001 East Ninth Street
Reno, Nevada 89512

OPEB Trust
Administration Complex of Washoe County/Finance
1001 East Ninth Street
Reno, Nevada 89512

Either party may change its designated representative or its address for notice by written notice given in accordance with the foregoing provisions.

12.8 The Agreement may be executed in one or more counterpart copies, and each of which so executed, irrespective of the date of execution and delivery, shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument. This Agreement may be recorded.

12.9 This Agreement is effective upon the date the last signing party signs this Agreement ("Effective Date").

IN WITNESS WHEREOF, the Parties have executed this Agreement.

WASHOE COUNTY

Dated this _____ day of _____, 2011

By: _____
John Breternitz, Chairman
Board of Commissioners

ATTEST:

OPEB TRUSTEES

Dated this _____ day of _____, 2011

Printed Name: _____

Signature: _____

Printed Name: _____

Signature: _____

Printed Name: _____

Signature: _____

WASHOE COUNTY, NEVADA OPEB TRUST
ADMINISTRATIVE EXPENSE DETAIL - BUDGET vs. ACTUAL
FISCAL YEAR ENDING JUNE 30, 2011

	Washoe Co Retiree Health Benefit Program	State of Nevada Public Employee Benefit Plan	Truckee Meadows FPD Retiree Group Medical Plan	Sierra FPD Retiree Group Medical Plan	2011 Total
<u>BUDGET</u>					
Administrative Expenses					
Actuarial valuations	\$ 15,000	\$ 3,000	\$ 9,000	\$ 9,000	\$ 36,000
Accounting and administrative services	5,000	5,000	5,000	5,000	20,000
Audit fees	1,375	1,375	1,375	1,375	5,500
Trustee fees	250	250	250	250	1,000
Operating Expenses	200	200	200	200	800
	<u>21,825</u>	<u>9,825</u>	<u>15,825</u>	<u>15,825</u>	<u>63,300</u>
<u>ACTUAL (as of 12/31/10)</u>					
Administrative Expenses					
Actuarial valuations	\$ -	\$ -	\$ -	\$ -	\$ -
Accounting and administrative services	1,384	1,384	927	927	4,622
Audit fees	2,750	2,750	-	-	5,500
Trustee fees	160	160	-	-	320
Operating Expenses	-	-	-	-	-
	<u>4,294</u>	<u>4,294</u>	<u>927</u>	<u>927</u>	<u>10,442</u>
<u>VARIANCE</u>					
Administrative Expenses					
Actuarial valuations	\$ 15,000	\$ 3,000	\$ 9,000	\$ 9,000	\$ 36,000
Accounting and administrative services	3,616	3,616	4,073	4,073	15,378
Audit fees	(1,375)	(1,375)	1,375	1,375	-
Trustee fees	90	90	250	250	680
Operating Expenses	200	200	200	200	800
	<u>17,531</u>	<u>5,531</u>	<u>14,898</u>	<u>14,898</u>	<u>52,858</u>

WASHOE COUNTY, NEVADA OPEB TRUST FUND

Fiscal Year 2010 / 2011

Interim Financial Report for the Six Months ended December 31, 2010 - unaudited

	Combined Trust		
	Budget	Actual	Variance
Additions			
Contributions			
Employer:			
Prefunding	\$ 23,018,162	\$ 4,454,475	\$ (18,563,687)
Contributions for incurred cost	1,039,000	99,242	(939,758)
Plan member	2,700,000	1,371,895	(1,328,105)
Other	64,000	49,981	(14,019)
Total Contributions	<u>26,821,162</u>	<u>5,975,593</u>	<u>(20,845,569)</u>
Investment Income			
Interest and dividends	2,192,950	720,493	(1,472,457)
Net appreciation in fair value of investments	1,461,950	991,627	(470,323)
	<u>3,654,900</u>	<u>1,712,120</u>	<u>(1,942,780)</u>
Less investment expense	87,717	32,588	55,129
Net Investment Income	<u>3,567,183</u>	<u>1,679,532</u>	<u>(1,997,909)</u>
Total Additions	<u>30,388,345</u>	<u>7,655,125</u>	<u>(22,733,220)</u>
Deductions			
Benefits	12,594,100	5,578,304	7,015,796
Administrative expense	63,300	10,442	52,858
Total Deductions	<u>12,657,400</u>	<u>5,588,746</u>	<u>7,068,654</u>
Net Change in Plan Net Assets	17,730,945	2,066,379	(15,664,566)
Net Assets Held in Trust for Other Postemployment Benefits			
Beginning of year	73,563,382	73,563,382	-
End of Period	<u>\$ 91,294,327</u>	<u>\$ 75,629,761</u>	<u>\$ (15,664,566)</u>
Components of Net Assets:			
Invested in Washoe County Pool		\$ 30,006,087	
Invested in State RBIF		47,978,474	
Interest Receivable		151,619	
Less: Accounts Payable		(3,708)	
Less: Due to Employer(s)		(2,502,711)	
Net Assets		<u>\$ 75,629,761</u>	

WASHOE COUNTY, NEVADA OPEB TRUST FUND

Fiscal Year 2010 / 2011

Interim Financial Report for the Six Months ended December 31, 2010 - unaudited

Washoe County - Retiree Health Benefit Plan			
	Budget	Actual	Remaining
Additions			
Contributions			
Employer:			
Prefunding	\$ 17,462,910	\$ 1,451,838	\$ (16,011,072)
Contributions for incurred cost	-	-	-
Plan member	2,689,000	1,367,018	(1,321,982)
Other	64,000	49,981	(14,019)
Total Contributions	20,215,910	2,868,837	(17,347,073)
Investment Income			
Interest and dividends	2,078,740	684,797	(1,393,943)
Net appreciation in fair value of investments	1,385,820	978,428	(407,392)
	3,464,560	1,663,225	(1,801,335)
Less investment expense	83,149	31,006	52,143
Net Investment Income	3,381,411	1,632,219	(1,853,478)
Total Additions	23,597,321	4,501,056	(19,096,265)
Deductions			
Benefits	11,064,100	5,269,044	5,795,056
Administrative expense	21,825	4,294	17,531
Total Deductions	11,085,925	5,273,338	5,812,587
Net Change in Plan Net Assets	12,511,396	(772,282)	(13,283,678)
Net Assets Held in Trust for Other Postemployment Benefits			
Beginning of year	72,317,270	72,317,270	-
End of Period	\$ 84,828,666	\$ 71,544,988	\$ (13,283,678)
Components of Net Assets:			
Invested in Washoe County Pool		\$ 27,735,217	
Invested in State RBIF		46,069,700	
Interest Receivable		141,205	
Less: Accounts Payable		(927)	
Less: Due to Employer(s)		(2,400,207)	
Net Assets		\$ 71,544,988	

WASHOE COUNTY, NEVADA OPEB TRUST FUND

Fiscal Year 2010 / 2011

Interim Financial Report for the Six Months ended December 31, 2010 - unaudited

	Washoe County - NV PEBS Plan		
	<u>Budget</u>	<u>Actual</u>	<u>Remaining</u>
Additions			
Contributions			
Employer:			
Prefunding	\$ 540,090	\$ 102,637	\$ (437,453)
Contributions for incurred cost	-	-	-
Plan member	-	-	-
Other	-	-	-
Total Contributions	<u>540,090</u>	<u>102,637</u>	<u>(437,453)</u>
Investment Income			
Interest and dividends	32,230	12,123	(20,107)
Net appreciation in fair value of investments	<u>21,480</u>	<u>35,550</u>	<u>14,070</u>
	53,710	47,673	(6,037)
Less investment expense	<u>1,289</u>	<u>603</u>	<u>686</u>
Net Investment Income	<u>52,421</u>	<u>47,070</u>	<u>(6,723)</u>
Total Additions	<u>592,511</u>	<u>149,707</u>	<u>(442,804)</u>
Deductions			
Benefits	480,000	205,141	274,859
Administrative expense	<u>9,825</u>	<u>4,294</u>	<u>5,531</u>
Total Deductions	<u>489,825</u>	<u>209,435</u>	<u>280,390</u>
Net Change in Plan Net Assets	102,686	(59,728)	(162,414)
Net Assets Held in Trust for Other Postemployment Benefits			
Beginning of year	<u>1,246,112</u>	<u>1,246,112</u>	-
End of Period	<u>\$ 1,348,798</u>	<u>\$ 1,186,384</u>	<u>\$ (162,414)</u>
Components of Net Assets:			
Invested in Washoe County Pool		\$ 110,185	
Invested in State RBIF		1,178,674	
Interest Receivable		956	
Less: Accounts Payable		(927)	
Less: Due to Employer(s)		<u>(102,504)</u>	
Net Assets		<u>\$ 1,186,384</u>	

WASHOE COUNTY, NEVADA OPEB TRUST FUND

Fiscal Year 2010 / 2011

Interim Financial Report for the Six Months ended December 31, 2010 - unaudited

Truckee Meadows FPD - Retiree Group Med Plan			
	<u>Budget</u>	<u>Actual</u>	<u>Remaining</u>
Additions			
Contributions			
Employer:			
Prefunding	\$ 4,529,201	\$ 2,500,000	\$ (2,029,201)
Contributions for incurred cost	1,000,000	94,472	(905,528)
Plan member	-	-	-
Other	-	-	-
Total Contributions	<u>5,529,201</u>	<u>2,594,472</u>	<u>(2,934,729)</u>
Investment Income			
Interest and dividends	71,680	20,831	(50,849)
Net appreciation in fair value of investments	<u>47,780</u>	<u>(18,566)</u>	<u>(66,346)</u>
	119,460	2,265	(117,195)
Less investment expense	<u>2,867</u>	<u>866</u>	<u>2,001</u>
Net Investment Income	<u>116,593</u>	<u>1,399</u>	<u>(119,196)</u>
Total Additions	<u>5,645,794</u>	<u>2,595,871</u>	<u>(3,049,923)</u>
Deductions			
Benefits	1,000,000	94,472	905,528
Administrative expense	<u>15,825</u>	<u>927</u>	<u>14,898</u>
Total Deductions	<u>1,015,825</u>	<u>95,399</u>	<u>920,426</u>
Net Change in Plan Net Assets	4,629,969	2,500,472	(2,129,497)
Net Assets Held in Trust for Other Postemployment Benefits			
Beginning of year	-	-	-
End of Period	<u>\$ 4,629,969</u>	<u>\$ 2,500,472</u>	<u>\$ (2,129,497)</u>
Components of Net Assets:			
Invested in Washoe County Pool		\$ 1,864,033	
Invested in State RBIF		629,160	
Interest Receivable		8,206	
Less: Accounts Payable		<u>(927)</u>	
Net Assets		<u>\$ 2,500,472</u>	

WASHOE COUNTY, NEVADA OPEB TRUST FUND

Fiscal Year 2010 / 2011

Interim Financial Report for the Six Months ended December 31, 2010 - unaudited

Sierra FPD - Retiree Group Med Plan

	<u>Budget</u>	<u>Actual</u>	<u>Remaining</u>
Additions			
Contributions			
Employer:			
Prefunding	\$ 485,961	\$ 400,000	\$ (85,961)
Contributions for incurred cost	39,000	4,770	(34,230)
Plan member	11,000	4,877	(6,123)
Other	-	-	-
Total Contributions	<u>535,961</u>	<u>409,647</u>	<u>(126,314)</u>
Investment Income			
Interest and dividends	10,300	2,742	(7,558)
Net appreciation in fair value of investments	6,870	(3,785)	(10,655)
	<u>17,170</u>	<u>(1,043)</u>	<u>(18,213)</u>
Less investment expense	412	113	299
Net Investment Income	<u>16,758</u>	<u>(1,156)</u>	<u>(18,512)</u>
Total Additions	<u>552,719</u>	<u>408,491</u>	<u>(144,228)</u>
Deductions			
Benefits	50,000	9,647	40,353
Administrative expense	15,825	927	14,898
Total Deductions	<u>65,825</u>	<u>10,574</u>	<u>55,251</u>
Net Change in Plan Net Assets	486,894	397,917	(88,977)
Net Assets Held in Trust for Other Postemployment Benefits			
Beginning of year	-	-	-
End of Period	<u>\$ 486,894</u>	<u>\$ 397,917</u>	<u>\$ (88,977)</u>
Components of Net Assets:			
Invested in Washoe County Pool		\$ 296,652	
Invested in State RBIF		100,940	
Interest Receivable		1,252	
Less: Accounts Payable		(927)	
Net Assets		<u>\$ 397,917</u>	

Scenario #2 as approved: Assumes level transfers to RBIF Nov - June, with portion of GF transfers to trust moved forward to cover transfers to HB's fund.

Updates per Trustee discussion: Includes 2nd quarter expenses to be reimbursed to Washoe County

* Actual through 12-31-10, FY 10/11 Budget for remainder

	Beginning Pooled Cash	Prefunding Receipts from GF	Prefunding Receipts from Fire Funds	Pooled Cash After Receipts	Cash Needed for Admin Exps *	WC Pool Earnings	Cost Reimbursements to Employer	Transfer to RBIF	Ending Pooled Cash
July	\$73,400,616		\$ 2,500,000	\$75,900,616	\$ (160)	\$ 321,437		\$(21,000,000)	\$ 55,221,893
August	55,221,893		400,000	55,621,893	-	203,680		(3,800,000)	52,025,573
September	52,025,573			52,025,573	(915)	96,356		(8,300,000)	43,821,014
October (Trustee Meeting)	43,821,014	\$ 1,554,475		45,375,489	(1,000)	133,643	\$ (1,554,475)	(3,800,000)	40,153,657
November	40,153,657			40,153,657	(160)	(144,155)		(4,900,000)	35,109,342
December	35,109,342			35,109,342	(8,207)	(209,903)		(4,900,000)	29,991,232
January (Trustee Meeting)	29,991,232	2,503,000		32,494,232	(8,810)	-	(2,502,711)	(4,900,000)	25,082,711
February	25,082,711			25,082,711	(8,810)	-		(4,900,000)	20,173,901
March	20,173,901			20,173,901	(8,810)	-		(4,900,000)	15,265,091
April (Trustee Meeting)	15,265,091	2,503,000		17,768,091	(8,810)	-	(2,502,711)	(4,900,000)	10,356,570
May	10,356,570			10,356,570	(8,810)	-		(4,900,000)	5,447,760
June	5,447,760	7,443,103		12,890,863	(8,810)	-		(4,900,000)	7,982,053
		<u>\$14,003,578</u>	<u>\$ 2,900,000</u>		<u>\$ (63,302)</u>	<u>\$ 401,058</u>	<u>\$ (6,559,897)</u>	<u>\$(76,100,000)</u>	