

TAHOE DOUGLAS FIRE PROTECTION DISTRICT
POST-RETIREMENT TRUST
BOARD OF TRUSTEES MEETING
April 5, 2012

Those Present:

Trustee Tim Allison
Trustee Bill Johnson
Trustee Guy LeFever

Trustee Chuck Salerno
Trustee Ben Sharit
Guest Larry Schussel, Retired TDFPD Eng

1. Action Item: Call to order.

The meeting was called to order at 11:01 am by Trustee Sharit.

2. Action Item: Pledge of Allegiance.

Pledge of allegiance was led by Trustee LeFever.

3. Action Item: Roll call.

Trustee Allison, Trustee Johnson, Trustee LeFever, Trustee Sharit were present. Trustee Salerno was absent.

4. Action Item: Public comment.

Trustee Salerno arrived.

5. Action Item: Approval of the Agenda.

Trustee Johnson moved to approve the agenda. Trustee LeFever seconded the motion. No discussion. Motion carried with a vote of 5-0.

6. Action Item: Consent Items moved forward.

There were none.

7. Discussion and Possible Action: Approval of the Certificate of Board of Trustees of the Tahoe Douglas Fire Protection District Post-Retirement Medical Plan & Trust
Trustee Ben Sharit

Exhibit A on P26 will need to be updated to reflect the recent MOU signed with the Union on 03/26/12 detailing the change in the Medicare coverage for retirees; however the Certification of the Opinion Letter is necessary for the trust attorney to proceed to move into the Retirement Benefits Investment Fund (RBIF).

Trustee Johnson questioned P4 procedures for the payments to go directly to the insurance carriers. Trustees LeFever and Allison stated that this change was made by our attorney as the Trust has to be "arms length" from the Fire District so money cannot go back and forth from the Fire District. The transfers need to be from the Fire District to the Trust, then from the Trust to the insurance carrier.

Trustee LeFever moved the Board approve the Certificate of Board of Trustees of Tahoe Douglas Fire Protection District Post-Retirement Medical Plan & Trust as presented. Seconded by Trustee Johnson.

Question of clarification was raised as to a change in the five Trustees due to a newly elected President for the Local 2441 International Association of Firefighters. Trustee Sharit said that the change would be addressed at the next meeting along with election of officers for the Trust.

Motion carried 5-0.

8. Discussion and Possible Action Item: Approval of Engagement Letter with Maupin, Cox and LeGoy.
Trustee Ben Sharit

This is the engagement letter to retain the Attorney Gus Rossi and his firm to represent the Trust in connection with issues pertaining to the administration of the Plan. This firm was initially hired by the District to set up the Trust. Attorney Rossi is available to attend BOT meetings as needed. The Trust now assumes responsibility for administrative fees.

Trustee LeFever made the motion to approve the Engagement Letter as presented. Seconded by Trustee Salerno.

Question of clarification was raised on Item #IV. Arbitration. Trustee Sharit confirmed that the Board releases the right to go to court over any issues, and will be required to use arbitration, and it is the law firm's choice as to the resolution organization. He also added that the Fire

District's Attorney George Echan has reviewed the engagement letter as well, and the option exists to terminate the agreement at any time.

Motion carried 5-0.

9. Discussion and Possible Action Item: *Approval of proposed Opinion Letter from Maupin, Cox & LeGoy required under NRS 287.017 to transfer funds to Nevada RBIF*
Trustee Sharit

This is an Opinion Letter drafted by Attorney Rossi to be signed and submitted to RBIF. Trustee LeFever made the motion to approve the Opinion Letter as presented. Seconded by Trustee Allison.

Question of clarification, is another Opinion Letter needed to conduct business with Edward Jones/Wayne Omel. Trustee Sharit advised that that was not necessary as the account has already been established as part of the set up process by the Fire District.

No public comment.

Motion carried 5-0.

10. Discussion and Possible Action Item: *Resolution #01-2012 Tahoe Douglas Fire Protection District*
Trustee Sharit

This documents the initial 2.5M that will be transferred from the Fire District to the Post-Retirement Trust as approved at the March 21, 2012 District BOT meeting as pursuant to NRS Section 287.017.

Public Comment: Guest Schussel asked if this is the initial 2.5M to be invested, what is the entire amount. Trustee Sharit stated that the GASB45 report will determine the amount necessary to adequately fund the trust, that report is expected to be complete by June 30, 2012.

Additional funds do reside in the Health Insurance Fund to address cash flow issues for current retiree benefits. It was determined that 2.5M was a good number to invest and reduce the annual required contribution (ARC) for the Trust plan, while providing for cash flow needs for the Fire District.

11. Discussion and Possible Action Item: *Approval of Contract between Retirement Benefits Investment Board and Tahoe Douglas Fire Protection District Post-Retirement Plan and Trust Trustee Sharit*

This is the contract between the Trust Board and RBIF for the investment of the funds; it was developed by Attorney Rossi in conjunction with the RBIF Board.

Trustee Johnson made the motion to approve the contact as presented. Seconded by Trustee LeFever. No further discussion. No Public Comment.

Motion carried 5-0.

12. Discussion and Possible Action Item: *Approval to transfer funds to Nevada RBIF Trustee Sharit*

Options were presented for the distribution of funds held with Edward Jones to Retirement Benefits Investment Fund (RBIF) for a projected return on investment (ROI) of 4-8%. Opinions were reviewed with Ken Lambert, the Chief Investment Officer for NV PERS.

Clarification was asked on the Trust option to change the investment schedule in the future. The transfers are at the end of each month, and are designed for long term investments. Caution was stressed that there needs to be some liquidity to pay for the retiree premiums beginning July 1, until the GASB45 is completed. There are clearly advantages to investing strong initially to reduce the ARC and affect the GASB45 report.

Clarification was asked as to the procedures with RBIF and if funds can be returned to handle cash flow, and if Lambert would be avail to meet with the BOT. Trustee Sharit advised that Lambert is not available, as the State has cut back and presentations are not currently available. The entities currently participating in RBIF do not request funds back, and all agencies are investing strictly for the long term benefits. It is on the trust board to determine the cash flow needs and withhold investing those amounts into RBIF.

Trustee LeFever made the motion to immediately move 1.5M into RBIF at the end of April, followed by 500K each month for 2 months to a total of 2.5M (Apr/May/Jun). Seconded by Trustee Allison.

Trustee LeFever stressed the desire to invest strong on the initial investment to lower the ARC number. Trustee Johnson recommended a more conservative approach until the GASB45 is complete, to allow time for the budgeting process.

The ARC number will be the recommendation for “pre-funding” as per the results of the GASB45. That number will cover the retiree premiums for the year as well as cover the liability for the future 30 years. The ARC funds will be deposited into the Edward Jones account and then the Trust Board will determine the investment plan.

Trustee LeFever amended his motion to eliminate the 500K May and June investments. The motion now states to invest 1.5M at the end of April. Question was raised if additional funds are invested before June 30th, will another actuary be required. Trustee LeFever said that we can provide our investment intentions verbally for the report. No further discussion. No public comment.

Motion carried 5-0.

13. Presentation: *Summary Plan Description for Tahoe Douglas Fire Protection District Post-Retirement Trust*
Trustee Sharit

This is the summary plan description that will be provided to the retirees, the document was created by Attorney Rossi. It was noted that the document needs to be updated to replace our previous carriers with our current carriers.

14. Presentation: *NAC 287-778 and NRS 287.017*
Trustee Sharit

These documents are for reference for the Trustees. These are the NV laws that provide avenue for the Fire District to invest in this way to maximize the ROI.

15. Discussion and Possible Action Item: *Approval of Conflict of Interest and Disclosure Policy*
Trustee Sharit

Policy was drafted by Attorney Rossi to guide the business of the Board.

Trustee LeFever made the motion to adopt the policy as presented. Seconded by Trustee Salerno. No discussion. No public comment.

Motion carried 5-0.

16. Report: *Financial Statements as of 04/02/2012*

Trustee Johnson asked if there were any stronger investment options with Edward Jones and any check writing restrictions. Trustee Sharit will review options with Wayne Omel for a future meeting. Signature procedures will also be clarified.

17. Discussion: ***Confirm next meeting, Wednesday, July 11, 2012 @ 11:00am, possible agenda items.***

It was noted that July will be the next quarterly meeting. A special meeting will be called sooner to review the budget.

Possible agenda items for a special meeting: Budget Calendar – Fiscal vs. calendar year
Tentative Budget
Additional Investment Direction with Edward Jones and RBIF
Presentation of a draft actuary report
Trustee Replacement Union Representative Election of Officers

Trustees Johnson and LeFever will contact the State of NV to review budget requirements and timelines.

No public comment.

18. Action Item: ***Adjourn.***

A motion was made by Trustee Allison to adjourn the meeting. Trustee LeFever seconded the motion. No discussion, motion carried 5-0.

The meeting was adjourned at 12:12 pm.

This meeting was recorded on audio tape.

Kate Warner
Administrative Assistant
Tahoe Douglas Fire Protection District