

**TAHOE DOUGLAS FIRE PROTECTION DISTRICT**  
**POST-RETIREMENT TRUST**  
**BOARD OF TRUSTEES MEETING**  
October 22, 2018

**Those Present:**

Chairman Ben Sharit  
Vice-Chairman Chuck Salerno  
Secretary/Treasurer Bill Johnson

Trustee Scott Baker  
Trustee Scott Vandover  
Office Manager Kate Warner

**1. Call to order.**

The meeting was called to order at 11:15 am by Chairman Sharit.

**2. Pledge of Allegiance.**

Pledge of allegiance was led by Trustee Salerno.

**3. Roll call.**

Trustees Baker, Johnson, Sharit, Salerno and Vandover were all present. Quorum confirmed.

**4. Approval of agenda.**

A motion was made by Trustee Baker to approve the agenda, seconded by Trustee Johnson. Motion carried 5-0.

**5. Public Comment:**

None.

**6. For Possible Action: Approval of Consent Calendar.**

- a. Approval of Minutes 12/18/17
- b. Quarterly Expense Report

Warner noted that item a. should read 03/19/18. A motion was made by Trustee Salerno to approve the Consent Calendar items, seconded by Trustee Vandover. Motion carried 5-0.

- 7. For Possible Action:**  
**Consent Calendar moved forward.**  
None.

- 8. Discussion and possible action:**  
**GASB 75 Actuarial Report for District Plan OPEB Liability**  
Chairman Sharit

Trustee Salerno inquired as to the possibility of having a representative from Bickmore present the material to the board. It is an actuarial estimate of the liability, and if Trustees would like clarification on the math, we can put those in writing and submit them to Bickmore. Through the years, all the work with the actuary has been over the phone. Trustee Salerno asked about the reduction in the discount rate in 2015 of 8% to the 2018 rate of 7.5%. Rates were dictated by GASB 75 (P2 Par 2). The Trust, since inception in 2011, has never seen rates lower than 20%. Trustee Johnson asked about the report schedule going forward. Actuarial updates will now be provided annually in a summarized format. The lower discount rate does increase the ADR (\$815,000). It was reiterated that the fire district and the Trust are in a sound financial position to meet the retiree's health benefit liability now and in the future.

A motion was made by Trustee Johnson to approve the Consent Calendar items, seconded by Trustee Salerno. Motion carried 5-0.

- 9. Report:**  
**Discussion - GASB 75 Actuarial Report for PEPB OPEB Liability. No action will be taken on this item.**  
Chairman Sharit

The Actuarial Report for PEPB OPEB Liability was provided by the actuary as a separate report for the first time. This is a fire district liability, as these retirees are not covered by the Trust. No discussion.

Note: It was clarified that the posted agenda and the book agendas were different. Auditors confirmed that they would not have the 2017 Trust reports ready by the meeting date, so they were removed from the posted agenda.

- 10. Report:**  
**Treasurer's Report**  
Secretary-Treasurer Johnson

Trustee Johnson reviewed the A/P process, stating that the Trust expenses are now being written weekly from the Trust Wells Fargo account, and are reviewed and approved by Chief Baker and Trustee Johnson. It was recommended the quarterly funding be provided by the fire

district going forward. There has not been a contribution to RBIF in over a year, and the balance as of 09/30/18 was \$11,115,226.

Trustee Baker expressed his concern that the crews do not understand the Trust. Trustee Vandover added that he felt at the November 2017 BOT meeting when the EideBailly auditor came and clarified the changes in the GASB and recommended the Trust begin to pay the expenses to meet the new definition of the a Trust the procedures were understood by the union members, and definitely the E-Board.

Trustee Baker added that the money in the RBIF is invested and there would be fees paid if pulled out to pay monthly expenses. He is concerned that crews feel that we should be paying expenses out of the RBIF, but if we did that, we would just need to replace that money. Current employees are not paying for retiree's benefits. It is one Trust, one pool of funds – some funds are invested (RBIF), some funds are paying expenses (WF).

Trustee Johnson confirmed that the RBIF has never been drawn on. If we did not make the procedure change with the A/P, the Trust would not meet the new definition and would have to be reported on the fire district's books as a liability.

Chairman Sharit gave a historical perspective....rules have been changing over the years. In 2000-2001, employees gave up 2% of a salary increase to begin funding the retiree's health and in 2010, there had been \$7.5M set aside, when the actuary that year informed the fire district that 8% could not be used, auditors said that the highest we could earn as a governmental agency is 3%. So the Trust was established to enable the fire district to invest in the RBIF and use the 8%. Once the Trust was approved by the IRS, the district slowly started to move the funds from the Health Insurance Fund into the RBIF. At that point, the Actuarial Determined Contribution (ADC) was \$574,500 a year, so rather than pull money out of RBIF to pay expenses; the funds moving from the Health Insurance Fund are being used to pay the monthly expenses.

OM Warner has reported that 2019 insurance renewals are coming in flat, but the process is not complete. Trustee Baker added that the Insurance Advisory Committee also asked for quotes for self-insurance, but decided to sit tight with current providers due to the no increase quotes.

**11. For Possible Action:**

***Discussion and possible action on 2019 budget and investment needs.***

*Chairperson Sharit*

OM Warner provided worksheets documenting the payment due back to the fire district for the July 1-November 30, 2017 premiums \$242,522 as per the auditors, and an additional \$100,000 was estimated for the balance of the year. Approximately \$333,000 was recommended to be

requested from the fire district. Trustee Baker clarified that the Trust needs to submit a budget to the fire district for funding. Trustees Baker and Johnson agreed that it would be best to complete the funding prior to the end of the year and to fund quarterly in 2019.

Trustee Johnson made a motion to request funding of \$400,000, Trustee Vandover seconded the motion. Motion approved 5-0.

**12. Discussion:**

***Discussion on future agenda topics. No action will be taken.***

Chairperson Sharit

***Confirm next meeting, Monday, December 17, 2018 @ 0900 and possible agenda items.***

***Adjourn.***

Trustee Vandover motioned to adjourn the meeting. Trustee Sharit seconded the motion. No discussion, motion carried 5-0.

The meeting was adjourned at 11:52 am.

The meeting was recorded.

**Kate Warner  
Office Manager  
Tahoe Douglas Fire Protection District**