

**CARSON CITY CONSOLIDATED MUNICIPALITY
NOTICE OF THE MEETING OF THE
OTHER POST EMPLOYMENT BENEFITS (“OPEB”) TRUST FUND BOARD
OF TRUSTEES**

Day: Wednesday
Date: November 15, 2023
Time: Beginning at 1:30 pm
Location: Community Center, Robert 'Bob' Crowell Board Room
851 East William Street
Carson City, Nevada

AGENDA

NOTICE TO THE PUBLIC:

Members of the public who wish to view the meeting may watch the livestream of the Other Post Employment Benefits Trust Fund Board of Trustees meeting at www.carson.org/granicus and by clicking on “In progress” next to the meeting date, or by tuning in to cable channel 191. Livestream of the meeting is provided solely as a courtesy and convenience to the public. Carson City does not give any assurance or guarantee that the livestream or cable channel access will be reliable. Although all reasonable efforts will be made to provide livestream, unanticipated technical difficulties beyond the control of City staff may delay, interrupt, or render unavailable continuous livestream capability.

The public may provide public comment in advance of a meeting by written submission to the following email address: publiccomment@carson.org. For inclusion or reference in the minutes of the meeting, your public comment must include your full name and be submitted via email by not later than 3:00 p.m. the day before the meeting. Public comment during a meeting is limited to three minutes for each speaker.

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT:

The public is invited at this time to comment on and discuss any topic that is relevant to, or within the authority of this public body.

4. FOR POSSIBLE ACTION: APPROVAL OF MINUTES - August 16, 2023

5. AGENDA ITEMS:

- 5.A For Discussion Only: Discussion and review of the Carson City, Nevada OPEB Trust Fund’s draft financial report for the fiscal year ending June 30, 2023.

Staff Summary: Carson City staff will present a draft of the OPEB Trust Fund's draft financial report for the fiscal year ending June 30, 2023.

- 5.B For Possible Action: Discussion and possible action regarding the OPEB Trust earnings report for the first quarter of Fiscal Year 2024.

Staff Summary: Carson City staff will present the OPEB Trust's earnings activity in the Carson City Investment Pool and Retirement Benefits Investment Fund for the three months ended September 30, 2023.

- 5.C For Possible Action: Discussion and possible action regarding the OPEB Trust activity for the first quarter of Fiscal Year 2024. (Sheri Russell-Benabou, srussell@carson.org)

Staff Summary: Carson City staff will present the OPEB Trust activity for the three months ended September 30, 2023.

6. FOR INFORMATION ONLY: FUTURE MEETING DATE

- 6.A For Discussion Only: Consideration of dates for the next meeting of the Carson City OPEB Trust Fund Board of Trustees.

7. PUBLIC COMMENT:

The public is invited at this time to comment on any matter that is not specifically included on the agenda as an action item. No action may be taken on a matter raised under this item of the agenda.

8. FOR POSSIBLE ACTION: TO ADJOURN

****PUBLIC COMMENT LIMITATIONS** - The Other Post Employment Benefits Trust Fund Board of Trustees as called to order, will provide at least two public comment periods in compliance with the minimum requirements of the Open Meeting Law prior to adjournment. No action may be taken on a matter raised under public comment unless the item has been specifically included on the agenda as an item upon which action may be taken. Public comment will be limited to three minutes per speaker to facilitate the efficient conduct of a meeting and to provide reasonable opportunity for comment from all members of the public who wish to speak. Testimony from a person who is directly involved with an item, such as City staff, an applicant or a party to an administrative hearing or appeal, is not considered public comment and is not subject to the three-minute time limitation.

Agenda Management Notice - Items on the agenda may be taken out of order; the public body may combine two or more agenda items for consideration; and the public body may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

Titles of agenda items are intended to identify specific matters. If you desire detailed information concerning any subject matter itemized within this agenda, you are encouraged to call the

responsible agency or the Finance Department. You are encouraged to attend this meeting and participate by commenting on any agenda item.

Notice to persons with disabilities: Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify the Finance Department in writing at 201 North Carson Street Ste 3, Carson City, NV, 89701, or by calling (775) 887-2133 at least 24 hours in advance.

To request a copy of the supporting materials for this meeting contact Kacie Huskey at khuskey@carson.org or call (775) 887-2133.

This agenda and backup information are available on the City's website at www.carson.org, and at the Finance Office - City Hall, 201 N. Carson Street, Ste 3, Carson City, Nevada (775) 887-2133.

This notice has been posted at the following locations:

www.carson.org

notice.nv.gov

**CARSON CITY OTHER POST EMPLOYMENT BENEFITS TRUST FUND
BOARD OF TRUSTEES (OPEB)
Draft Minutes of the August 16, 2023 Meeting
Page 1**

A regular meeting of the Carson City Other Post Employment Benefits Trust Fund Board of Trustees was scheduled for 1:30 p.m. on Wednesday, August 16, 2023 in the Community Center Robert “Bob” Crowell Board Room, 851 East William Street, Carson City, Nevada.

PRESENT: Lee Plemel, Trustee
Andrew Rasor, Trustee
Pamala Ganger, Trustee

STAFF: Sheri Russell-Benabou, Deputy Chief Financial Officer
Mihaela Neagos, Deputy District Attorney
Danielle Howard, Public Meetings Clerk
Minutes by: Briana Munoz, Public Meetings Clerk

NOTE: A recording of these proceedings, the board’s agenda materials, and any written comments or documentation provided to the Clerk, during the meeting, are part of the public record. These materials are available for review, in the Clerk’s Office, during regular business hours.

1. CALL TO ORDER

(1:32:12) –Trustee Plemel called the meeting to order at 1:32 p.m.

2. ROLL CALL

(1:32:44) – Roll was called, and a quorum was present.

3. PUBLIC COMMENT

(1:32:57) –Trustee Plemel entertained public comments; however, none were forthcoming.

4. FOR POSSIBLE ACTION: APPROVAL OF MINUTES – MAY 16, 2023

(1:33:23) –Trustee Plemel entertained comments, changes, and/or a motion. Trustee Ganger noted that although she was not a trustee at the May 16, 2023 meeting, she attended as Deputy Chief Financial Officer. Trustee Rasor added that he was also not a trustee at the time of the meeting but attended as well.

(1:33:48) – MOTION: Trustee Ganger moved to approve the minutes of the May 16, 2023 meeting as presented. Trustee Rasor seconded the motion. The motion carried 3-0-0.

5. AGENDA ITEMS:

5.A FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE SELECTION OF A CHAIR AND VICE CHAIR OF THE OTHER POST-

**CARSON CITY OTHER POST EMPLOYMENT BENEFITS TRUST FUND
BOARD OF TRUSTEES (OPEB)
Draft Minutes of the August 16, 2023 Meeting
Page 2**

EMPLOYMENT BENEFITS BOARD OF TRUSTEES, EACH FOR A TWO-YEAR TERM ENDING ON JUNE 30, 2025.

(1:34:22) – Trustee Plemel introduced the item. Ms. Russell-Benabou presented the report, which is incorporated into the record.

(1:35:01) – Trustee Plemel noted that he had served on the board for “a couple of years” and he would accept the position as chair if a nomination was made.

(1:35:19) – Trustee Rasor nominated Trustee Plemel as Chairman.

(1:35:50) – Trustee Gangar nominated Trustee Rasor as Vice Chair.

(1:36:02) – MOTION: Trustee Rasor moved to nominate Trustee Plemel as Chair of the Other Post-Employment Benefits Board of Trustees and Trustee Gangar moved to nominate Trustee Rasor as Vice Chair. Trustees Gangar and Rasor seconded each other’s motions. The motion carried 3-0-0.

5.B FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE OPEB TRUST EARNINGS REPORT FOR THE FOURTH QUARTER OF FISCAL YEAR 2023.

(1:36:26) – Trustee Plemel introduced the item. Ms. Russell-Benabou presented the OPEB Trust Earnings Report, which is incorporated into the record.

(1:38:18) –Trustee Gangar stated that she hoped the market continues to stabilize.

(1:38:36) –Trustee Plemel entertained public comments; however, none were forthcoming.

(1:38:45) – MOTION: Trustee Gangar moved to approve the OPEB Trust Earnings Report as presented. Trustee Rasor seconded the motion. The motion carried 3-0-0.

5.C. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE OPEB TRUST ACTIVITY FOR THE FOURTH QUARTER OF FISCAL YEAR 2023.

(1:39:01) – Trustee Plemel introduced the item. Ms. Rusell-Benabou presented the OPEB Trust Activity Report, which is incorporated into the record, and responded to clarifying questions.

(1:36:02) – MOTION: Trustee Gangar moved to approve the OPEB Trust Activity as presented. Trustee Rasor seconded the motion. The motion carried 3-0-0.

6. FOR INFORMATION ONLY: FUTURE MEETING DATE

CARSON CITY OTHER POST EMPLOYMENT BENEFITS TRUST FUND
BOARD OF TRUSTEES (OPEB)
Draft Minutes of the August 16, 2023 Meeting
Page 3

(1:42:56) – Trustee Plemel introduced the item. Ms. Russell-Benabou announced that the next meeting would take place in November and asked trustees to select a date.

(1:43:33) – Trustee Gangar noted that the November meetings are usually scheduled a week before Thanksgiving and suggested Tuesday, November 14, 2023 or Wednesday, November 15, 2023.

(1:43:52) – Chair Plemel and Trustee Rasor indicated that they were available on either date. Ms. Russell-Benabou stated that she would schedule the meeting for November 15, 2023.

7. PUBLIC COMMENT

(1:44:17) – Trustee Plemel entertained public comments; however, none were forthcoming.

8. FOR POSSIBLE ACTION: TO ADJOURN

(1:44:39) – Trustee Plemel adjourned the meeting at 1:44 p.m.

The Minutes of the August 16, 2023, Carson City Other Post Employment Benefits Trust Fund Board of Trustees regular meeting are so approved on this 15th day of November 2023.



STAFF REPORT

Report To: Other Post Employment Benefits Trust Fund Board of Trustees **Meeting Date:** November 15, 2023

Staff Contact: Sheri Russell-Benabou, Chief Financial Officer

Agenda Title: For Discussion Only: Discussion and review of the Carson City, Nevada OPEB Trust Fund’s draft financial report for the fiscal year ending June 30, 2023.

Staff Summary: Carson City staff will present a draft of the OPEB Trust Fund’s draft financial report for the fiscal year ending June 30, 2023.

Agenda Action: Other / Presentation **Time Requested:** 10 Minutes

Proposed Motion

Discussion only – no motion necessary.

Board's Strategic Goal

Efficient Government

Previous Action

N/A

Background/Issues & Analysis

The OPEB Trust Fund's Financial Data is presented and audited as part of the Carson City Annual Comprehensive Financial Report ("ACFR"). The ACFR is due to be issued by November 30, 2023, and accepted by the Board of Supervisors in December 2023. Presented today, are draft pages of the final report, related to the OPEB Trust. Finance does not anticipate any changes at this time.

Applicable Statute, Code, Policy, Rule or Regulation

None

Financial Information

Is there a fiscal impact? No

If yes, account name/number:

Is it currently budgeted? No

Explanation of Fiscal Impact:

Alternatives

N/A

Attachment(s):

[PBC Final Financial Statements - 2023.pdf](#)

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

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CARSON CITY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	OPEB TRUST FUND	INVESTMENT TRUST FUND	CUSTODIAL FUNDS
ASSETS			
Cash and investments			
Unrestricted	\$ 69,342	\$ 8,837,583	\$ 976,544
Accounts receivable	-	-	75
Taxes receivable, delinquent	-	-	243,607
Due from other governments	-	-	8,330
Prepaid items	-	-	1,270
Restricted assets:			
Cash and investments	3,327,230	-	-
Total Assets	3,396,572	8,837,583	1,229,826
LIABILITIES			
Accounts payable	-	-	6,150
Due to other governments	-	-	937,883
Unearned revenue	4,112	-	-
Other liabilities	-	-	47,705
Total Liabilities	4,112	-	991,738
NET POSITION			
Restricted for OPEB participants	\$ 3,392,460	\$ -	\$ -
Restricted for pool participants	-	8,837,583	-
Restricted for organizations and other governments	-	-	207,243
Unrestricted	-	-	30,845
Total Net Position	\$ 3,392,460	\$ 8,837,583	\$ 238,088

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**CARSON CITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>OPEB TRUST FUND</u>	<u>INVESTMENT TRUST FUND</u>	<u>CUSTODIAL FUNDS</u>
ADDITIONS			
Investment income	\$ 346,121	\$ 180,365	\$ 3,111
Less: Banking fees	(844)	-	-
Total Investment income	345,277	180,365	3,111
Employer Contributions	1,347,949	-	-
Capital share transactions:			
Shares purchased	-	7,839,918	-
Shares redeemed	-	(7,556,608)	-
Collections for other governments	-	-	26,348,448
Total Additions	1,693,226	463,675	26,351,559
DEDUCTIONS			
Benefits	992,529	-	-
Payments to other governments	-	-	26,350,089
Total Deductions	992,529	-	26,350,089
Change in Net Position	700,697	463,675	1,470
Net Position, July 1	2,691,763	8,373,908	236,618
Net Position, June 30	<u>\$ 3,392,460</u>	<u>\$ 8,837,583</u>	<u>\$ 238,088</u>

**CARSON CITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

**Schedule of Changes in the City's net OPEB Liability and Related Ratios - City Plan
Last 10 Fiscal Years****

Carson City OPEB Plan & Trust	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability				
Service Cost	\$ 3,015,416	\$ 5,173,905	\$ 4,942,543	\$ 3,570,609
Interest	2,705,886	2,010,299	2,243,452	2,483,504
Differences between expected and actual experience	(1,872,848)	-	(19,232,287)	-
Changes of assumption	(9,419,404)	(26,503,530)	9,143,239	14,524,732
Benefit payments	<u>(1,548,339)</u>	<u>(1,461,979)</u>	<u>(1,548,857)</u>	<u>(1,405,201)</u>
Net Change	(7,119,289)	(20,781,305)	(4,451,910)	19,173,644
Total City OPEB Liability - Beginning of year	<u>61,426,640</u>	<u>82,207,945</u>	<u>86,659,855</u>	<u>67,486,211</u>
End of year (a)*	<u><u>\$ 54,307,351</u></u>	<u><u>\$ 61,426,640</u></u>	<u><u>\$ 82,207,945</u></u>	<u><u>\$ 86,659,855</u></u>
Plan Fiduciary Net Position*				
Contributions - employer	\$ 1,347,950	\$ 1,181,405	\$ 1,182,958	\$ 1,130,419
Net investment income	346,094	(249,526)	502,549	98,725
Benefit payments	(992,503)	(901,291)	(913,731)	(830,262)
Administrative expenses	(844)	(803)	(599)	-
Audit fees	-	-	-	-
Net Change	700,697	29,785	771,177	398,882
Plan Fiduciary Net Position - Beginning of year	<u>2,691,763</u>	<u>2,661,978</u>	<u>1,890,801</u>	<u>1,491,919</u>
End of year (b)*	<u><u>\$ 3,392,460</u></u>	<u><u>\$ 2,691,763</u></u>	<u><u>\$ 2,661,978</u></u>	<u><u>\$ 1,890,801</u></u>
Net OPEB Liability - ending (a)-(b)	<u><u>\$ 50,914,891</u></u>	<u><u>\$ 58,734,877</u></u>	<u><u>\$ 79,545,967</u></u>	<u><u>\$ 84,769,054</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	6.25%	4.38%	3.24%	2.18%
Covered-employee payroll	\$ 49,919,820	\$ 46,841,675	\$ 43,900,657	\$ 42,145,483
City's net OPEB Liability as a percentage of covered -employee payroll	101.99%	125.39%	181.20%	201.13%
Money-weighted rate of return	12.80%	-9.15%	26.29%	6.55%

Notes to Schedule

* Fiduciary Net Position includes only Employer Contributions and Benefit payments starting 6/30/2020.

** GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the City will present information only for those years for which information is available.

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<u>2019</u>	<u>2018</u>
\$ 3,573,271	\$ 3,515,230
2,671,900	2,479,794
(7,662,903)	2,114
(33,523)	(1,001,704)
<u>(1,383,965)</u>	<u>(1,241,578)</u>
(2,835,220)	3,753,856
<u>70,321,431</u>	<u>66,567,575</u>
<u>\$ 67,486,211</u>	<u>\$ 70,321,431</u>

\$ 1,664,500	\$ 1,561,560
96,597	66,158
(1,383,965)	(1,241,242)
(300)	(104)
<u>(15,000)</u>	<u>(13,000)</u>
361,832	373,372
<u>1,130,087</u>	<u>756,715</u>
<u>\$ 1,491,919</u>	<u>\$ 1,130,087</u>

<u>\$ 65,994,292</u>	<u>\$ 69,191,344</u>
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2.21%	1.61%
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\$ 40,421,318	\$ 39,084,686
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163.27%	177.03%
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7.13%	6.88%
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**CARSON CITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

**Schedule of the City's OPEB Contributions
Last Ten Fiscal Years***

<u>Nevada Public Employees' Benefit Plan (PEBP)</u>	2023	2022	2021	2020
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>349,597</u>	<u>370,814</u>	<u>380,823</u>	<u>417,248</u>
Contribution (deficiency) excess	<u>\$ 349,597</u>	<u>\$ 370,814</u>	<u>\$ 380,823</u>	<u>\$ 417,248</u>

Carson City OPEB Plan and Trust

Actuarially determined contributions	\$ 3,713,045	\$ 3,466,595	\$ 3,816,622	\$ 3,469,412
Contributions in relation to the actuarially determined contribution	<u>1,903,786</u>	<u>1,742,093</u>	<u>1,818,084</u>	<u>1,704,808</u>
Contribution (deficiency) excess	<u>\$ (1,809,259)</u>	<u>\$ (1,724,502)</u>	<u>\$ (1,998,538)</u>	<u>\$ (1,764,604)</u>
Covered-employee payroll	\$ 49,919,820	\$ 46,841,675	\$ 43,900,657	\$ 42,145,483
Contributions as a percentage of covered-employee payroll	3.81%	3.72%	4.14%	4.05%

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the City will present information only for those years for which information is available.

** PEBP is funded through pay-as-you-go basis, therefore the actuary did not determine any prefunding for this plan. The plan is closed, and is paying out it's final retirees, therefore, there is no covered payroll.

Valuation Date: 6/30/23

Actuarially determined contribution rates are calculated as of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost
Amortization method	Level percentage of payroll, (closed for PEBP)
Amortization period	30 years (N/A for PEBP)
Asset valuation method	Market value of assets (N/A for PEBP)
Inflation	2.5 percent
Healthcare cost trend rates	5.7 percent initial, fluctuating down to 4.0 percent by 2076
Salary increases	3.0 percent, average, including 3.0 percent wage inflation (N/A for PEBP)
Investment rate of return	7.25% and 7.5% for FY 2023 and 2022, respectively (N/A for PEBP)
Retirement age	In 2023 actuarial valuation, expected retirement ages of general employees were based on plan experience, including employees between 45 and 75 years of age.
Mortality	Mortality rates were based on the MP-2021 which can be found on the SOA website and the Social Security Administration (SSA) Intermediate Scale linearly over the 10 year period 2021-2030. These rates were then adjusted to anticipate future mortality improvement by applying MacLeod Watts Scale 2022 on a generational basis from 2010 forward.
Discount Rate	4.95% and 4.25% for FY 2023 and 2022, respectively

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<u>2019</u>	<u>2018</u>
\$ -	\$ -
<u>413,175</u>	<u>432,281</u>
<u>\$ 413,175</u>	<u>\$ 432,281</u>
\$ 3,257,271	\$ 3,442,671
<u>1,664,500</u>	<u>1,561,560</u>
<u>\$ (1,592,771)</u>	<u>\$ (1,881,111)</u>
\$ 40,421,318	\$ 39,084,686
4.12%	4.00%

**CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

DRAFT

As of July 1, 2010, the City formed its own self-insured workers compensation program. This program exposes the City to various risks of loss related to large claims based on the health of their work force; therefore, an excess loss policy provides coverage. Statutory limits for worker’s compensation coverage are \$2,000,000 for employer’s liability limits with self-insured retentions of \$2,000,000 for police and fire employees and \$750,000 for all other employees, per accident. The City’s total net position of the Worker’s Compensation Fund was \$139,623 at June 30, 2023.

The City is a defendant in various litigations arising in the normal course of its activities. A provision for loss, net of estimated insurance recoveries, is provided when it is probable that a loss has occurred, and the amount of loss can be reasonably estimated. When a loss is only estimable within a reasonable range, the lower end of the range is recorded and typically established in consultation with the District Attorney and the City’s insurance provider. Estimates are based on anticipated costs of alternative courses of action, up to and including the possibility of a matter going to trial. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

The liabilities for claims and judgments are reported in the Workers’ Compensation and Insurance Funds. Changes in the balances of claims liabilities during the past two years are as follows:

	Current Portion	Long-Term Portion	Totals	
			2023	2022
Unpaid claims, beginning of fiscal year	\$ 854,708	\$ 1,122,070	\$1,976,778	\$1,868,566
Claims and changes in estimates	1,584,622	(133,117)	1,451,505	1,177,163
Claim payments	<u>(1,472,842)</u>	<u>-</u>	<u>(1,472,842)</u>	<u>(1,068,951)</u>
Unpaid claims, end of fiscal year	<u>\$ 966,488</u>	<u>\$ 988,953</u>	<u>\$1,955,441</u>	<u>\$1,976,778</u>

Settlements have not exceeded coverages in any of the past three fiscal years.

On March 11, 2021 the American Rescue Plan Act (“ARPA”) of 2021 was passed, which established the Coronavirus State and Local Fiscal Recovery Fund of \$350 billion for eligible state, local, territorial, and tribal governments. Carson City is a consolidated municipality and will receive \$10,861,027 of the County Allocation and \$9,912,979 of the City Allocation, for a total of \$20,774,006. Funds are to be used to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery. Carson received the first half of the ARPA funds on June 22, 2021 and the second half of the funds on June 28, 2022. The funds can be used for eligible expenses starting on March 3, 2021 and must be obligated by December 31, 2024 and spent by December 31, 2026. As of June 30, 2023, the City has spent \$2,649,145.

B. LANDFILL CLOSURE AND POSTCLOSURE COSTS UPDATED

The City operates a Municipal Solid Waste Landfill. The operation of this landfill is regulated by both federal and state governments under Subtitle D (40 CFR Part 258) and NRS 444.556. Recognition of liability for closure and post closure care costs is based on landfill capacity used to date. This liability at June 30, 2023 is \$4,948,354 and is reported in governmental activities. It is estimated that the landfill will be used for an additional twenty-four years as of June 30, 2023, approximately 44.3% of its capacity had been utilized. The City passes the EPA "financial assurance test" for local governments, and will self-assure payment for its obligations for closure, post closure, and corrective care costs. The estimated total current cost of closure and post closure care, \$11,170,100 has been calculated in 2023 dollars in accordance with current federal and state regulations and will be adjusted each year for changes resulting from inflation, deflation or technology. As of June 30, 2023, the City has \$1,230,140 in Landfill Post closure savings to address this liability.

C. CONTINGENT LIABILITIES

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not determinable, it is the opinion of the District Attorney, the City's counsel, that resolution of these matters will not have a material adverse effect on the financial condition of the City.

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) UPDATED

Plan Descriptions. The City contributes to a single-employer defined benefit healthcare and life insurance plan, the City’s Retiree Subsidy Plan (City’s Plan), and a closed agent multiple-employer defined healthcare plan. The Trust was established by the Carson City Board of Supervisors on June 4, 2015 and is governed by a three-member Board of Trustees appointed by the Board

**CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

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of Supervisors in which at least one person who has combination of education and experience of at least five (5) years in finance or economics; a public office or employee of the City who manages the fiscal affairs of the City; and a current beneficiary of the Trust. The City also has some employees hired prior to December 1, 2008 who are eligible to participate in the State of Nevada Public Employees' Benefits Program (PEBP), which is now a closed agent multiple plan administered by a ten member governing board appointed by the Governor. Both plans provide medical, dental, vision, accidental death and dismemberment, and life insurance benefits to eligible retired City employees and beneficiaries. Carson City charges overhead to each active employee in addition to their annual premium, in order to save for other post-employment benefits, therefore, liquidation of these liabilities is dependent upon which fund each underlying employee works or worked with.

Benefit Provisions. are established pursuant to NRS 287.023 and amended through Board resolution and contracts between the City and the various bargaining units. The City explicitly subsidizes the healthcare premiums pursuant to the City's Plan and contracts negotiated with various bargaining units. The City currently contributes toward the cost of coverage as follows:

- Firefighters who retire under Nevada PERS after July 1, 2002, sheriff's department employees who retire under Nevada PERS after June 30, 2010, and Carson City Employee Association (CCEA – Classified Employees) who retire under Nevada PERS after July 1, 2013, at age 47 or older and with 20 or more years of service receive a percentage of the medical, dental, vision and life insurance premiums for themselves and their dependents. The City pays 90% of the retiree group health premium until age 65, then 50% of the retiree's Medicare supplement medical premium. The City pays 50% of dependent coverage until age 65, then 25% of the dependent's Medicare supplement medical premium.
- Unclassified Employees who retire under Nevada PERS after July 1, 2013, at age 47 or older and with 15 or more years of service receive a percentage of their medical, dental, vision and life insurance premiums for themselves and their dependents. If an employee has more than 15 years of service, the City pays 75% of the retiree group health premiums and 25% of their dependent's premium. Employees with over 20 years of service the City pays 90% of the retiree group health premiums and 50% of their dependent's premium. Once the retiree reaches age 65, the City pays 50% of the retiree's and 25% of their dependent's supplement medical premium.
- Employees that retired from the City prior to the above contract changes who had at least 10 years of service (including firefighters and sheriff's department retirees not yet eligible or not qualifying for the benefits above) received a subsidy of \$6 per month for each year of service toward the cost of their coverage. Retirees were allowed to elect to continue coverage for their spouse and other eligible dependents, however, had to do so at their expense.

Under state law, retiree loss experience is pooled with active loss experience for the purposes of setting rates in the City's Plan. The difference between the true claims cost and the blended premium is an implicit rate subsidy that creates an OPEB liability for the City.

The City serves as a secondary carrier for retirees eligible for Medicare. Expenditures for post-employment healthcare and life insurance are recognized each month when premiums are paid.

Benefits provided for PEBP participants are established pursuant to NRS 287.023 and are subject to amendment by the State of Nevada each biennium. Pursuant to NRS 287.023 (as amended during the 2007 session of the Nevada Legislature), through November 29, 2008, retirees had the option to participate in the City's Plan for post-employment healthcare and life insurance benefits or to join PEBP offered by the State of Nevada. However, subsequent to November 29, 2008, retirees no longer have the option of joining PEBP, yet still retain the option to participate in the City's Plan. Local governments are required to pay the same portion of cost of coverage for those persons joining PEBP that the State of Nevada pays for those persons retired from state service who have continued to participate in the plan.

Employees covered by benefit terms: At June 30, 2023, the following employees were covered by the benefit terms:

	PEBP	Carson City OPEB
Inactive employees or beneficiaries currently receiving benefit payments	173	165
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active employees	-	642
	173	807

**CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

DRAFT

Contributions. As of July 1, 2015, the Board of Supervisors established the Carson City Other Post-Employment Benefits Trust Fund. The City intends to fund the Trust annually at approximately, \$300,000 per year, over normal costs. The net OPEB liability attributable to governmental activities is liquidated primarily by the General Fund. For Carson City OPEB Plan participants the amount of the subsidy has been described in the Benefit Provisions section of this note. Subsidy payments are transferred to the Carson City OPEB Trust monthly, and the Trust receives PERS deductions for the Employee paid portion of their premiums monthly as well. During the annual budget process, it is determined what amount will be contributed to the Trust as an extra employer contribution. For the year ended June 30, 2023, the City Contributed \$1,347,950 to the Carson City OPEB Trust.

The City is required to provide a subsidy for their retirees that have elected to join PEBP. The PEBP subsidy is paid on the pay-as-you-go basis. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually. The contributions required for PEBP subsidies depend on the date of retirement of prior years of PERS service for employees earned while working for the City. These subsidies are then allocated and billed to all applicable former employers of the retiree. The City’s portion of the monthly subsidies ranged from \$.78 to \$917.91 during the 2023 fiscal year. For fiscal year ended June 30, 2023, the City Contributed \$349,597 to PEBP.

Net OPEB Liability. The City’s net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuary valuation as of June 30, 2023. Underlying employee data was also as of June 30, 2023 and assumptions were rolled forward to determine the OPEB liability as of June 30, 2023.

Actuarial Methods and Assumptions. The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	City Plan	PEBP Plan
Actuarial valuation date	6/30/23	6/30/23
Actuarial cost method	Entry age normal cost	Entry age normal cost
Amortization method	Level percentage of pay	Level percentage of pay
Asset valuation method	Market Value	N / A
Actuarial assumptions:		
Inflation rate	2.50%	2.50%
Projected salary increases	3.0%	N/A
Investment rate of return	7.25%	N/A
Healthcare inflation rate	Medical – 6.8% *	Medical – 6.8% *
* Reducing each year until ultimate trend rate of 4% is reached.		

Mortality rates were based on the RP-2014 Combined Healthy Table (set-back 1 year for females). These rates were then adjusted to anticipate future mortality improvement by applying MacLeod Watts Scale 2022 on a generational basis from 2021 forward.

The actuarial assumptions used in the June 30, 2023, valuation was based on the most recently published report of the Nevada Public Employees Retirement System, dated June 30, 2021.

Investment Rate of Return. The long-term expected rate of return on the Carson City OPEB Trust Fund investment was determined using the expected yield of 7.25% published by Nevada’s Retirement Benefits Investment Fund (RBIF) in their audited financial statement as of June 30, 2022. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Stocks	50.5%	5.50%
International Stocks	21.5%	5.50%
U.S. Bonds	28.0%	0.75%
	100.0%	

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT

Discount Rate. The discount rate used to measure the total PEBP Liability, which is on a pay-as-you-go basis is 4.13% and 4.09% for Fiscal Year Ended, June 30, 2023 and June 30, 2022, respectively. The rate is based on the S & P General Obligation Municipal Bond 20-year High Grade Index.

For the City Plan the discount rate was based on a crossover test is 4.95% and 4.25% for Fiscal Year ended June 30, 2023 and June 30, 2022, respectively. The projection of cash flows used to determine the discount rate assumed that City Contributions would only equal approximately 1% of total salaries annually and does not meet the total actuarially determined contribution rate. Based on this assumption, the OPEB plan's fiduciary net position is not projected to meet all projected OPEB payments for current and inactive employees at this time. Therefore, the crossover test was applied to all periods of projected benefit payments to determine the total OPEB Liability. The crossover test blended the expected Trust rate of return as well as the S & P General Obligation Municipal Bond 20 Year High Grade Index.

Changes in the Net OPEB Liability.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<u>PEBP</u>			
Balance at June 30, 2022	\$ 5,715,373	\$ -	\$ 5,715,373
Changes for the year:			
Interest cost	226,610	-	226,610
Contributions - Employer	(349,597)	-	(349,597)
Changes in assumptions	(1,062,534)	-	(1,062,534)
Net changes	(1,185,521)	-	(1,185,521)
Balance at June 30, 2023	\$ 4,529,852	-	\$ 4,529,852
<u>CARSON CITY PLAN</u>			
Balance at June 30, 2022	\$ 61,426,640	\$ 2,691,763	\$ 58,734,877
Changes for the year:			
Service cost	3,015,416	-	3,015,416
Interest cost	2,705,886	-	2,705,886
Contributions – employer	-	1,903,786	(1,903,786)
Net investment income	-	345,250	(345,250)
Changes of assumptions	(11,292,252)	-	(11,292,252)
Benefit payments	(1,548,339)	(1,548,339)	-
Net changes	(7,119,289)	700,697	(7,819,986)
Balances at June 30, 2023	\$ 54,307,351	\$ 3,392,460	\$ 50,914,891
Totals	\$ 58,837,203	\$ 3,392,460	\$ 55,444,743

Sensitivity Tests. Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates are included in the table below. The table presents the net OPEB liability of the City as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
PEBP	3.13%	4.13%	5.13%
City Plan	3.95%	4.95%	5.95%
Net PEBP Liability	\$ 5,003,667	\$ 4,529,852	\$ 4,126,594
Net OPEB Liability	60,366,319	50,914,891	43,381,604

**CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

DRAFT

Sensitivity of net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB Liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (5.8% decreasing to 2.9%) or 1 percentage point higher (7.8% decreasing to 4.9%) than the current healthcare cost trend rates:

	1% Decrease	Health Care Trend Rates (Current)	1% Increase
Net PEBP Liability	\$ 4,145,008	\$ 4,529,852	\$ 4,972,259
Net OPEB Liability	42,721,276	50,914,891	61,472,101

PEBP Plan Fiduciary Net Position. Detailed information about the plan's fiduciary net position is available in separately issued financial reports as follows:

PEBP: The Nevada PEBP Master Plan Document and audited Financial Statements can be obtained by writing to the Nevada Public Employees' Medical Program, 901 South Stewart Street, Suite 101, Carson City, NV 89701.

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2023, the City recognized OPEB expense of (\$835,924) for PEBP and \$343,740 for the City Plan. At June 30, 2023, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	PEBP		City Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other inputs	\$ -	\$ -	\$ 12,769,637	\$ 28,378,097
Plan experience	-	-	698,947	17,031,838
Investment experience	-	-	37,453	-
Total	\$ -	\$ -	\$ 13,506,037	\$ 45,409,935

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	<u>City Plan</u>
2024	(\$ 5,161,968)
2025	(5,087,572)
2026	(4,764,947)
2027	(4,440,095)
2028	(5,763,119)
Thereafter	<u>(6,686,197)</u>
	<u>(\$31,903,898)</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of the events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.



STAFF REPORT

Report To: Other Post Employment Benefits Trust Fund Board of Trustees **Meeting Date:** November 15, 2023

Staff Contact: Sheri Russell-Benabou, Chief Financial Officer

Agenda Title: For Possible Action: Discussion and possible action regarding the OPEB Trust earnings report for the first quarter of Fiscal Year 2024.

Staff Summary: Carson City staff will present the OPEB Trust’s earnings activity in the Carson City Investment Pool and Retirement Benefits Investment Fund for the three months ended September 30, 2023.

Agenda Action: Formal Action / Motion **Time Requested:** 5 minutes

Proposed Motion

I move to approve the OPEB Trust earnings report as presented.

Board's Strategic Goal

Efficient Government

Previous Action

N/A

Background/Issues & Analysis

N/A

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Earnings on Trust

Is it currently budgeted? No

Explanation of Fiscal Impact: See attachment for earnings detail.

Alternatives

N/A

Attachment(s):

Earnings Report FY24.pdf

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)

CARSON CITY OPEB TRUST FUND
EARNINGS REPORT
June 30, 2024

	Interest Earnings		Gains/Losses		Fees	
Carson City Investment						
	Pool	RBIF	RBIF	RBIF		Total Earnings
July-23	\$ 107.55	\$ 4,500.20	\$ 71,720.23	\$ (48.36)		\$ 76,279.62
August-23	119.28	7,583.11	(63,845.09)	(150.97)		(56,293.67)
September-23	159.05	6,438.12	(126,847.54)	(59.10)		(120,309.47)
October-23	-	-	-	-		-
November-23	-	-	-	-		-
December-23	-	-	-	-		-
January-24	-	-	-	-		-
February-24	-	-	-	-		-
March-24	-	-	-	-		-
April-24	-	-	-	-		-
May-24	-	-	-	-		-
June-24	-	-	-	-		-
	<u>385.88</u>	<u>18,521.43</u>	<u>(118,972.40)</u>	<u>(258.43)</u>		<u>(100,323.52)</u>
Fair Market Value Adjustment	<u>-</u>					<u>-</u>
	385.88					(100,323.52)
Investment Expense	<u>-</u>					<u>-</u>
	<u>\$ 385.88</u>					<u>\$ (100,323.52)</u>



STAFF REPORT

Report To: Other Post Employment Benefits Trust Fund Board of Trustees **Meeting Date:** November 15, 2023

Staff Contact: Sheri Russell-Benabou, Chief Financial Officer

Agenda Title: For Possible Action: Discussion and possible action regarding the OPEB Trust activity for the first quarter of Fiscal Year 2024. (Sheri Russell-Benabou, srussell@carson.org)

Staff Summary: Carson City staff will present the OPEB Trust activity for the three months ended September 30, 2023.

Agenda Action: Formal Action / Motion **Time Requested:** 5 minutes

Proposed Motion

I move to approve the OPEB Trust activity as presented.

Board's Strategic Goal

Efficient Government

Previous Action

N/A

Background/Issues & Analysis

The attached report is a summary of income and expenses for the OPEB Trust. If there were no new participants and no participants leaving the plan, the revenue and expenses would net to zero. However, there is always some participant movement, and therefore, it takes a month or two for the insurance companies to stop and start benefits and adjust the premiums accordingly.

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? No

If yes, account name/number: N/A

Is it currently budgeted? No

Explanation of Fiscal Impact: N/A

Alternatives

N/A

Attachment(s):

[OPEB Monthly Reconciliation FY24.pdf](#)

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

CARSON CITY OPEB TRUST FUND
MONTHLY RECONCILIATION
June 30, 2024

	Revenues				Expenses					Monthly
	PERS Withheld	City Subsidy	Retiree Pay	TOTAL	Medical	Dental	Vision	Life & AD&D	TOTAL	P&L
Jul-23	\$ 55,542.71	\$ 85,787.72	\$ 2,909.10	\$ 144,239.53	\$ 134,798.95	\$ 9,265.48	\$ 875.49	\$ 314.42	\$ 145,254.34	\$ (1,014.81)
Aug-23	55,964.30	85,738.51	2,909.10	144,611.91	133,494.81	8,898.54	875.49	314.42	143,583.26	1,028.65
Sep-23	54,766.97	84,172.59	2,909.10	141,848.66	130,972.42	8,678.14	1,531.57	310.44	141,492.57	356.09
Oct-23	-	-	-	-	-	-	-	-	-	-
Nov-23	-	-	-	-	-	-	-	-	-	-
Dec-23	-	-	-	-	-	-	-	-	-	-
Jan-24	-	-	-	-	-	-	-	-	-	-
Feb-24	-	-	-	-	-	-	-	-	-	-
Mar-24	-	-	-	-	-	-	-	-	-	-
Apr-24	-	-	-	-	-	-	-	-	-	-
May-24	-	-	-	-	-	-	-	-	-	-
Jun-24	-	-	-	-	-	-	-	-	-	-
Prepays			3,611.79	3,611.79			860.99	302.87	1,163.86	
City Contribution									-	
TOTALS	\$ 166,273.98	\$ 255,698.82	\$ 12,339.09	\$ 434,311.89	\$ 399,266.18	\$ 26,842.16	\$ 4,143.54	\$ 1,242.15	\$ 431,494.03	369.93
								Investment Income (Loss)		(100,323.52)
								City Deposit to OPEB Trust		-
										<u>\$ (99,953.59)</u> Current Year Earnings
ASSETS										
								Cash	\$ 3,294,954.30	9/30/2023
								Receivable	-	
								Prepaid	1,163.86	Vision, Dental, Life & AD&D
								TOTAL ASSETS	<u>\$ 3,296,118.16</u>	
LIABILITIES & NET POSITION										
								Deferred/Unearned Revenue	\$ 3,611.79	Prepaid Premiums
								Accounts Payable	-	Vision, Dental, Life & AD&D
								Beginning Fund Balance	3,392,459.96	
								Current Year Net Earnings	<u>(99,953.59)</u>	
								TOTAL LIABILITIES & NET POSITION	<u>\$ 3,296,118.16</u>	



STAFF REPORT

Report To: **Meeting Date:** November 15, 2023

Staff Contact:

Agenda Title: For Discussion Only: Consideration of dates for the next meeting of the Carson City OPEB Trust Fund Board of Trustees.

Agenda Action: Other / Presentation **Time Requested:**

Proposed Motion

Discussion Only

Board's Strategic Goal

Previous Action

Background/Issues & Analysis

Applicable Statute, Code, Policy, Rule or Regulation

Financial Information

Is there a fiscal impact? No

If yes, account name/number:

Is it currently budgeted? No

Explanation of Fiscal Impact:

Alternatives

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)