

RESOLUTION NO. 8762

RESOLUTION REPEALING AND REPLACING RESOLUTION NO. 7938 IN ITS ENTIRETY, FOR “CITY OF RENO, NEVADA OTHER POST-EMPLOYMENT BENEFITS TRUST FUND” (OPEB) FOR FUNDING RETIREE HEALTH AND WELFARE BENEFITS; ESTABLISHING A BOARD OF TRUSTEES; PROVIDING FOR THE DUTIES AND POWERS OF THE TRUSTEES; PROVIDING VARIOUS TERMS OF THE TRUST; APPROVAL OF TRUST AGREEMENT FOR CITY OF RENO, NEVADA OPEB; TOGETHER WITH OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, the City Council for the City of Reno, Nevada (the “Council” and the “City”, respectively) has in the past agreed to pay some or all of the costs of certain post-employment benefits for City retirees and/or their dependents, including costs related to health insurance; and

WHEREAS, the Council has created a special trust fund, designated as the “City of Reno, Nevada Other Post-Employment Benefits Trust Fund,” for the purpose of depositing and segregating funds for the exclusive use of providing certain post-employment benefits;

WHEREAS, the Council has determined that it is in the best interest of its employees and retirees, and its residents and taxpayers to utilize a trust fund to hold accumulated assets and disburse payments for “Other Post-Employment Benefits” (OPEB); and

WHEREAS, it is the intent of the Council that contributions to this trust fund be irrevocable and protected from creditors; and

WHEREAS, the Council has determined the need to establish this trust fund in accordance with Statements No. 43 and No. 45 of the Governmental Accounting Standards Board (GASB) on OPEB; and

WHEREAS, Nevada Revised Statutes (NRS) 354.612 and Nevada Administrative Code (NAC) 354.241 require local government funds be created by resolution; and

WHEREAS, NRS 287.017 and the regulations issued thereunder require additional information and approvals for trust funds created for OPEB liabilities; and

WHEREAS, NAC 287.786 and regulations issued thereunder require the adoption of an annual budget and completion of an annual audit.

WHEREAS, the City desires to continue the irrevocable trust fund to receive contributions for the purpose of providing certain post-employment benefits, and to make distributions from this Trust Fund for certain post-employment benefits; and.

WHEREAS, this resolution repeals and replaces Resolution Number 7938 in its entirety.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RENO, NEVADA THAT:

Section 1. This resolution repeals and replaces Resolution Number 7938 in its entirety.

Section 2. This resolution hereby is designated by the short title the "OPEB Trust Fund".

Section 3. The Council hereby finds and determines that the public interest requires the Fund to address the requirements of Statements No. 43 and No. 45 of the Governmental Accounting Standards Board (GASB) on Other Post-employment Benefits (OPEB).

Section 4. Establishment of fund pursuant to NRS 354.612:

- a. The purpose of the fund is to accumulate monies for OPEB costs.
- b. This fund is created to accumulate monies for OPEB costs that are required to be recognized pursuant to the GASB statements, thereby providing a separately legal trust to accumulate the assets and generate investment earnings to pay future OPEB costs.
- c. The initial resources of the fund will be employer contributions, primarily from the General Fund. These contributions, along with estimated investment earnings on the fund's investments, will enable the Council to fund the OPEB costs.

- d. The method for controlling expenses of the fund will be accomplished by the monthly reconciliation process and limited authorities/segregation of duties of board members. The method for establishing revenues will be the same long term plan as established by the Retirement Benefits Investment Board.
- e. Periodic actuarial studies will be performed to determine the OPEB liabilities and the amount of reserves to be held in the fund.

Section 5. Establishment of OPEB trust fund pursuant to NRS 287.017 and the regulations issued thereunder:

- (a) This OPEB trust fund is intended to qualify as a non-taxable trust fund under Section 115 of the Internal Revenue Code of 1986, as amended, and is intended to comply with NRS 287.017.
- (b) Within the limitations of its budget, the City intends to make contributions to the OPEB trust fund in such an amount as it determines, consistent with generally accepted accounting principles, to provide, in whole or in part, the funding necessary for any future retirement benefits.
- (c) The OPEB trust shall be created as an entity separate from the City for the exclusive purpose of providing funds to pay for the post-retirement benefits provided by the employee welfare benefits plans maintained by the City (the "City Plans") and all assets of the fund are and will be irrevocably dedicated to, and shall be used for the exclusive purpose of, providing for the payment of benefits and for paying reasonable expenses of administering the fund, and will not be available to any creditors of the City.
- (d) All contributions to the fund, including any interest and income earned on the money in the fund, are held in trust, are irrevocable in nature, and must only inure to the benefit of the designated retiree participant beneficiaries according to the City Plans.
- (e) The sources of money expected to be deposited in the fund are those contributions required by the City Plans.
- (f) In accordance with NAC 287.778(1)(a), an OPEB Board of Trustees is appointed to serve as Trustee of the fund, and will consist of the following three (3) members:
 - (1) City of Reno Finance Director – Permanent board member
 - (2) City of Reno Assistant Finance Director or Finance Department Administrative Services Manager – Permanent board member
 - (3) Trust Beneficiary (current retiree benefitting from the fund) – Appointed by City Council
- (g) The term of office for the aforementioned appointed member of the OPEB Board of Trustees shall be for a period of four years; subject to renewal, as approved by the Council, for a period of one additional four-year term, but not to exceed a total period of eight years.
- (h) The powers, duties, rights, and obligations of the OPEB Board of Trustees must conform to the requirements of NRS 287.017 and NAC 287.760-287.792, as applicable.

- (i) The fund shall be maintained as a separate account and no other funds shall be commingled with the fund, and the fund monies shall not be used to finance debt and shall not be available for loans to other funds.

Section 6. The trust agreement known as the "Trust Agreement for City of Reno, Nevada OPEB Trust Fund," ("Trust Agreement") which reflects the requirements set forth above and attached in form to this Resolution as Exhibit A, hereby is ratified and adopted. The Mayor of the City has executed the Trust Agreement on behalf of the City and such execution was attested by the City Clerk.

Section 7. The Finance Director of the City is authorized and directed to take all action necessary to effectuate the provisions of this resolution, including, without limitation, forwarding all necessary documents to the Executive Director, Department of Taxation, Carson City, Nevada.

Section 8. This resolution shall be effective upon passage and approval.

Upon motion of Council Member Delgado seconded by Council Member Jardon, the foregoing Resolution was passed and adopted this 22nd day of January, 2020, by the following vote of the Council:

AYES: Delgado, Jardon, Brekhus, Duerr, Weber, Reese, Schieve

NAYS: None

ABSTAIN: None ABSENT: None

APPROVED this 22nd day of January, 2020.



HILARY L. SCHIEVE
MAYOR OF THE CITY OF RENO

ATTEST:



ASHLEY D. TURNEY
CITY CLERK AND CLERK OF THE CITY
COUNCIL OF THE CITY OF RENO, NEVADA

