



## **TRUCKEE MEADOWS FIRE PROTECTION DISTRICT STAFF REPORT**

**Board Meeting Date: June 1, 2021**

**DATE:** May 17, 2021  
**TO:** Truckee Meadows Fire Protection District Board of Fire Commissioners  
**FROM:** Cindy Vance, Chief Fiscal Officer  
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**THROUGH:** Charles A. Moore, Fire Chief  
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**SUBJECT:** Recommendation to authorize staff to submit a request for reimbursement on a quarterly basis from the Washoe County, Nevada Other Post-Employment Benefits (OPEB) Trust Fund for the cost of retiree health insurance premiums for Fiscal Year 2021-22. This Trust was established to provide a funding source for current and future retiree health costs. Monies transferred from this Trust will be placed into the District's General Fund. (All Commission Districts) FOR POSSIBLE ACTION

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### **SUMMARY**

Recommendation to approve staff to submit a request for reimbursement on a quarterly basis from the Washoe County, Nevada Other Post-Employment Benefits (OPEB) Trust Fund for the cost of retiree health insurance premiums for Fiscal Year 2021-22 (FY21/22). This Trust was established to provide a funding source for current and future retiree health costs. Monies transferred from this trust will be placed into the District's General Fund

### **PREVIOUS ACTION**

May 11, 2010, the Board of County Commissioners approved and authorized the Chairman to execute a Trust Agreement for the Washoe County, Nevada Other Post-Employment Benefits Trust Fund (Trust). The Trust Agreement was restated on February 8, 2011 to include investment options both in the Washoe County investment pool and in the State of Nevada's Retirement Benefits Investment Fund.

July 8, 2010, the Board of Fire Commissioners for Truckee Meadows Fire Protection District passed a resolution approving TMFPD's participation in the Trust.

August 4, 2010, the Board of Fire Commissioners for Sierra Fire Protection District (SFPD) passed a resolution approving SFPD's participation in the Trust.

April 14, 2015, the Board of County Commissioners authorized quarterly reimbursement from the Washoe County, Nevada OPEB Trust to the Washoe County Health Benefits Fund as directed by the Comptroller's office.

March 8, 2016, the Board of County Commissioners approved Ordinance No. 1577, directing the consolidation of the Truckee Meadows Fire Protection District and Sierra Fire Protection District into

one fire protection district known as the Truckee Meadows Fire Protection District. The ordinance provided for TMFPD to assume all duties, debts, obligations, liabilities, revenues, expenditures and assets of the SFPD. All operations and activities of SFPD ceased on June 30, 2016.

Each subsequent year, the Board of Fire Commissioners authorized quarterly reimbursement from the Washoe County, Nevada OPEB Trust to the Washoe County Health Benefits Fund as directed by the Comptroller's office.

### **BACKGROUND**

The requirements for requests for reimbursement from the Trust are set forth in Nevada Administrative Code (NAC) 287.792. Specifically, requests must be made by a participating employer's governing body and must include:

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

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. Past practice has been for the District to directly charge all retiree health premiums to the OPEB Trust. This practice does not comply with NAC 287.

Legal counsel for the Trust advised that the Board of Fire Commissioners may grant approval in advance for quarterly reimbursement to TMFPD from the OPEB Trust as directed by the Comptroller's office, with subsequent ratification by the Board of Fire Commissioners. District staff seeks advance approval from the Board of Fire Commissioners for quarterly requests for reimbursement from the Trust to the District's General Fund.

### **FISCAL IMPACT**

Quarterly reimbursement from the OPEB Trust to TMPPD ensures that the District is reimbursed on a routine and timely basis for the cost of retiree health premiums. These routine payments in turn ensure a steady and reliable cash flow which allows the District to meet its fiscal obligations to the health plan participants. Based on the historical retiree health premiums, the total annual reimbursements, made in quarterly payments, are estimated at approximately \$220,000.

### **RECOMMENDATION**

It is recommended that the Board of Fire Commissioners authorize staff to submit a request for reimbursement on a quarterly basis from the Washoe County, Nevada OPEB Trust Fund for the cost of retiree health insurance premiums for FY21/22. This Trust was established to provide a funding source for current and future retiree health costs. Monies transferred from this Trust will be placed into the District's General Fund.

**POSSIBLE MOTION**

Should the Board agree with staff's recommendation a possible motion would be:

*"I move to* authorize staff to submit a request for reimbursement on a quarterly basis from the Washoe County, Nevada OPEB Trust Fund for the cost of retiree health insurance premiums for FY21/22. This Trust was established to provide a funding source for current and future retiree health costs. Monies transferred from this Trust will be placed into the District's General Fund.