DRAFT of Minutes

WASHOE COUNTY, NEVADA OPEB TRUST FUND BOARD OF TRUSTEES

January 22, 2026 at 10:00 am

held via Microsoft Teams

1. ROLL CALL [Non-action item]

   Chair Hill called the meeting to order at 10:00am. A quorum was established.

   PRESENT: Cathy Hill, Christine Vuletich, Crystal Sublet, Lori Cooke, and Tammi Davis;

   ABSENT:

   OTHERS PRESENT: Trenton Ross, Legal Counsel; Jelena Williams, Accounting Manager for Washoe County; Robert Andrews; Rebecca Mosher; and Abbe Yacoben.

2. PUBLIC COMMENT – [Non-action item]

   There was no public comment.

3. Welcome and introduction of new Trustee Crystal Sublet for Truckee Meadows Fire Protection District. [DISCUSSION ONLY]

   Cathy Hill welcomed Crystal Sublet to her first meeting as the new Chief Financial Officer of the Truckee Meadows Fire Protection District.

Crystal briefly introduced herself, noting her background in both corporate and government sectors, including prior work with Washoe County and most recently at the UNR Foundation. She expressed appreciation for returning to SAP systems and seeing familiar faces.

Cathy responded positively, noting Crystal's experience and emphasizing the Board's strength, consistent quorum, and engaged retiree members.

4. Review and discussion of Fiduciary Duties of Trustees and associated Nevada Revised Statutes. [DISCUSSION ONLY]

   Cathy Hill opened the discussion regarding the fiduciary duties of trustees and the associated Nevada Revised Statutes, noting that this annual review was particularly timely with the addition of Crystal Sublet to the Board. She explained that while a full training was not necessary at this meeting, it was important to revisit the foundational expectations of trusteeship. She emphasized that each board member acts in a fiduciary capacity, serving the best interests of Washoe County retirees without any personal benefit. Cathy encouraged board members to read the fiduciary materials provided by Jelena Williams after the meeting to reinforce their responsibilities and conduct.

   Jelena Williams, Accounting Manager for Washoe County, summarized key content from pages 4 through 9 of the meeting packet, which outlines the essential functions of a trustee. Jelena highlighted the three core fiduciary responsibilities: the duty of loyalty, which requires acting solely for the benefit of plan participants while avoiding conflicts of interest; the duty of care or prudence, which calls for informed and well-documented decision-making; and the duty to diversify, which requires trustees to mitigate risk through appropriately spread investments.

   Jelena also noted that these responsibilities are supported by Nevada law, specifically NRS 287.017, which mandates transparency, compliance with statutory guidelines, and the maintenance of formal investment policies. She affirmed that these fiduciary duties are not only legal requirements but also vital to the long-term financial security of beneficiaries.

   Cathy thanked Jelena for her presentation and reiterated the importance of understanding and honoring these responsibilities.

   Christine Vuletich added her thanks to Jelena as well, commenting that it is always helpful to be reminded of the Trust's purpose and the Board's obligations.

5. Approval of minutes from October 23, 2025 meeting. [FOR POSSIBLE ACTION]

   It was moved by Tammi Davis, seconded by Christine Vuletich, to approve the October 23, 2025 meeting minutes as written.

   There was no public comment.

   The motion passed unanimously.

6. Review and possible approval of year-to-date administrative expenditures and requested reimbursements to employers through December 31, 2025, in the amount of $7,598,246. [FOR POSSIBLE ACTION]

   Jelena Williams, Accounting Manager for Washoe County, presented the administrative expenditure report and reimbursement requests, directing the Board to pages 19 through 21 of the meeting packet. She began with an overview of administrative expenses on page 19, noting that for the first six months of the fiscal year, total expenditures amounted to $40,895, which remains well within the annual budget of $95,000. She confirmed that they expect to remain within budget through the end of the fiscal year.

   Cathy Hill added that upcoming accessibility requirements for posting agendas, minutes, and reports on the county website may result in new formatting expenses. She explained that if the workload is too large for staff to manage internally, the Board may engage an outside vendor to convert documents into an accessible format. The potential cost is expected to be relatively low and she expressed confidence that the Board could accommodate this cost within its existing budget.

   Jelena agreed, stating that even with this possible added cost, savings in other administrative service areas would keep total expenditures within the approved budget.

   She then guided the Board through page 20, which outlines reimbursement requests to Washoe County for two health benefit plans. For the Washoe County Retiree Health Benefits Plan, total revenue for the first six months was $3.7 million, and total benefit expenses reached $17 million. As a result, the reimbursement request to Washoe County was $7.5 million, which aligns with both expectations and historical patterns.

   The bottom section of the page referenced the Public Employees' Benefits Program (PEBP) plan, with a reimbursement request of $59,626, also consistent with expectations. Combined, the total reimbursement to Washoe County for the first half of the year was $7,583,624.

   Turning to page 21, Jelena presented financials for the Truckee Meadows Fire Protection District. For the second quarter, the reimbursement request was $14,622. Plan member premium payments for the first six months totaled $139,000, while benefit expenses came to $219,000. These figures, too, were consistent with expectations.

   Jelena concluded her report and invited questions.

   It was moved by Lori Cooke, seconded by Cathy Hill, to approve of year-to-date administrative expenditures and requested reimbursements to employers through December 31, 2025, in the amount of $7,598,246.

   There was no public comment.

   The motion passed unanimously.

7. Acknowledge receipt of interim financial statements for the period ending December 31, 2025. [FOR POSSIBLE ACTION]

   Jelena Williams presented the financial highlights for the six months ending December 31, 2025. Referencing pages 22 through 27 of the meeting packet, she began by reviewing the key figures on page 22. The first chart detailed assets by category across the plans, including allocations in the Washoe County Investment Pool, the State of Nevada's Retirement Benefits Investment Fund (RBIF), and other holdings. The RBIF remained the largest investment category, with $469 million held in Trust.

   She noted that the net assets—calculated after subtracting liabilities such as accounts payable and amounts due to employers—stood at $464 million, reflecting a year-to-date increase of $25.9 million. This growth was largely attributed to investment income. The following two charts on the same page showed net change in plan assets at $25.9 million. Further charts on this page showed activities across the three benefit plans, as well as comparison of actual to budgeted figures. Williams emphasized that overall actuals aligned with expectations, with the exception of investment income, which significantly exceeded the budget due to the conservative assumptions used in the financial planning process.

   Specifically, investment income included $1.2 million in realized gains and $26 million in net unrealized gains. These figures were based on data from November 30, 2025, due to a standard one-month reporting lag in investment reporting to Washoe County.

   She explained that while most financial metrics remained on track, the large variance in investment income was a positive outcome and consistent with the Board's historically cautious budgeting approach. The remainder of the packet (pages 23 to 27) included more detailed breakdowns of these figures.

   Trustee Lori Cooke asked for clarification regarding the $1.2 million in realized gains, specifically whether this figure met expectations given the larger pool of unrealized gains. Jelena confirmed that realized gains were not only within expectations but actually exceeded the budget. She explained the difficulty in predicting market behavior and reaffirmed that the budgeting process remained intentionally conservative to reflect this uncertainty. She further clarified that the $11 million investment income budget included both realized and unrealized gains.

   Cathy Hill added that the overperformance of investment income was a favorable outcome and informed the Board that Rick Combs, the RBIF administrator, would be attending the July meeting to present his investment strategy and offer further insight into the funds he manages.

   It was moved by Christine Vuletich, seconded by Lori Cooke, to acknowledge receipt of interim financial statements for the period ending December 31, 2025.

   There was no public comment.

   The motion passed unanimously.

8. Review and discussion of Cash Flow Projections and Planned Transfers to/from the Nevada Retirement Benefits Investment Fund for the fiscal year ended June 30, 2026. [NON-ACTION ITEM]

   Jelena Williams directed the Board to review pages 28 through 30 of the meeting packet, which outlines the cash flow statement for the OPEB Trust for the fiscal year ending June 30, 2026. These pages present the Trust's cash activities on a monthly basis using a cash basis format.

   Page 28 provides a consolidated summary of the three OPEB plans, while pages 29 and 30 offer detailed monthly cash flow schedules for each individual plan. Williams highlighted a scheduled transfer of $3.3 million from the RBIF to the Trust occurring on February 1st. This transfer is intended to support ongoing OPEB Trust operations.

   She confirmed that the Trust does not anticipate any negative cash balances at year-end, and invited questions from the Board regarding the cash flow projections or plan-specific transfers. No questions were raised.

9. Informational review and discussion of the Nevada Retirement Benefits Investment Fund–investment process, returns, assets, changes in investment strategy, outlook, and related topics. [NON-ACTION ITEM]

   Jelena Williams directed the Board to page 31 of the packet, which contains the investment performance summary for RBIF as of September 30, 2025. She noted that the majority of OPEB Trust investments are held in this fund. The fiscal year-to-date return, reflecting three months of activity, was 5.2%, and the one-year return stood at 11.6%. Since its inception in 2008, the fund has generated a cumulative return of 7.9%, which Williams affirmed was consistent with overall market performance.

   She emphasized that the portfolio is performing well and remains aligned with strategic goals. It continues to be structured to meet long-term return objectives while managing risk appropriately. Williams added that the fund's performance is monitored regularly and that RBIF investment reports will continue to be provided on a quarterly basis.

   Christine Vuletich inquired about the benchmark RBIF uses to measure market performance.

   Williams responded that she did not have that information immediately available but would bring it to the April meeting.

   Crystal Sublet then asked whether RBIF serves only Washoe County and Truckee Meadows Fire, or if other agencies participate as well.

   Cathy Hill confirmed that twelve agencies are involved, and that Washoe County comprises over 40% of the total fund.

10. Review and discussion of the Nevada Retirement Benefits Investment Fund's Annual Financial Report for the period Ended June 30, 2025. [DISCUSSION ONLY]

Jelena Williams, Accounting Manager at Washoe County, directed attendees to review pages 32 through 48 of the meeting packet, which contained the audited financial statements for the Retirement Benefits Investment Fund (RBIF). She began by clarifying that RBIF is a component unit of the State of Nevada and issues its own standalone financial report, which is subject to annual independent audits.

Referring specifically to page 35, Williams pointed out that the second paragraph contains the independent auditor's opinion. The auditor issued a modified opinion affirming that the financial statements present fairly, in all material respects, the financial position of RBIF as of June 30, 2025, in accordance with U.S. Generally Accepted Accounting Principles. Williams emphasized that this represents a clean audit opinion, the highest possible rating.

Turning to page 37, Williams discussed the Management's Discussion and Analysis section, which noted that as of June 30, 2025, investments in the fund had increased by 3.7% compared to the prior fiscal year. This growth was primarily attributed to strong investment performance. She also highlighted that there were distributions totaling $87 million in FY25, a significant increase from $3.5 million in FY24, primarily due to the Washoe County School District withdrawing the majority of its investments.

On page 38, within the Financial Analysis section, Williams reported that RBIF's net position increased by $22.2 million during the fiscal year. This was attributed to three primary components: $9.9 million in contributions from participating trusts, $99.6 million in net investment income, and $87.2 million in distributions to participating trusts.

Williams noted that the remaining pages of the financial section contain standard financial statements, footnotes, and supporting schedules, but she chose not to review these in detail. However, she did call attention to page 48, which lists the participating trusts and their investment balances. She confirmed that, as of June 30, 2025, Washoe County continued to hold the largest balance at $440 million.

Following this presentation, Lori Cooke asked for clarification regarding the nature of the large distribution. She raised concern about public perception and whether the withdrawal was to another trust.

Williams explained that the funds were not distributed to another trust but were instead moved to a different investment portfolio outside of the RBIF.

Cooke expressed appreciation for the clarification, noting the importance of ensuring that stakeholders understand the funds were not spent or dissolved, but simply reallocated.

Cathy Hill added that while the movement impacted RBIF's total and investment income, the Trust balance remained intact.

Williams concluded the item and opened the floor for any additional questions or comments.

11. Review and discussion of external auditors' engagement communication and required communication with the Board of Trustees in connection with the audit of the Trust's fiscal year ended June 30, 2025 financial statements. [DISCUSSION ONLY]

    Jelena Williams directed the Board's attention to pages 49 through 53 of the meeting packet, which included two required communications from the independent auditors, Eide Bailly LLP. She explained that the first letter, located on pages 49–50, was issued prior to the commencement of the audit engagement and is dated November 4, 2025. This preliminary communication outlined the auditor's responsibilities, the planned scope of the audit, and standard disclosures required under generally accepted auditing standards. Williams encouraged members to review the letter at their convenience for general education purposes, emphasizing that it serves as a routine component of the audit process.

    The second letter, presented on pages 51–53, is the formal post-audit communication dated January 8, 2026, which coincides with the official issuance of the audit report. Williams explained that this document is also a standard requirement and functions as a summary of the auditors' conclusions following completion of their procedures. She highlighted the key affirmations found on page 53: the auditors reported no disagreements with management, no consultations with other accounting firms for alternative opinions, and no audit-imposed conditions that would have altered the content or format of the final report. These affirmations collectively indicate a clean and successful audit for fiscal year 2025.

    Williams concluded by acknowledging the collaborative effort involved in completing the audit and expressed gratitude to Rebecca Mosher for her significant contributions throughout the process.

    Chair Cathy Hill publicly echoed this recognition and formally extended appreciation to Mosher.

    Tammi Davis also added her congratulations, emphasizing the substantial effort behind such a smooth audit process, which she noted may go unrecognized by those outside the immediate committee.

    Williams thanked all present and reiterated her satisfaction with the timely completion of the audit and the absence of any findings.

12. Informational review and discussion of the Fiscal Year Ended June 30, 2025 Audited Financial Statements. [DISCUSSION ONLY]

    Jelena Williams referred the Board to pages 54 through 80 of the meeting packet, which contained the finalized financial statements for the OPEB Trust Fund. These statements had previously been presented in preliminary form at the October meeting and were now finalized following the completion of the independent audit.

    Williams reported that the Trust concluded fiscal year 2025 in a strong financial position. The fiduciary net position increased by $41 million, reaching $438.2 million. Total additions to the Trust were $69.3 million, comprising $22.7 million in employer and other contributions and $46 million in net investment income.

Cathy Hill noted this represented substantial year-over-year growth.

Williams added that benefit payments and administrative expenses totaled $28 million for the year. Investment returns from funds held primarily in RBIF were robust, with a reported return of 11.9%. As of June 30, 2025, the Trust's assets were projected to cover benefits and administrative expenses for approximately 15.5 years. This projection is documented on page 62 of the packet.

She further noted that the plan remains well-funded. The fiduciary net position as a percentage of total OPEB liability stood at 87% for the Washoe County Retiree Health Benefit Plan, 104% for PEBP, and 92% for the Truckee Meadows Fire Protection District.

On page 58, Williams pointed to the second paragraph, where the independent auditors issued an unmodified, or clean, opinion. This confirmed that the accompanying financial statements fairly presented the Trust's financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles.

13. Review and discussion of July 1, 2025 OPEB plan valuations prepared by Foster & Foster, Inc. [DISCUSSION ONLY]

Jelena Williams directed the Board's attention to pages 81 through 188 of the meeting packet, which contained three actuarial valuation reports prepared by Foster & Foster, Inc.—one for each plan: the Washoe County Retiree Health Benefit Plan, the Public Employee Benefits Program (PEBP), and the Truckee Meadows Fire Protection District.

The actuarial valuations were conducted in compliance with GASB Statements No. 74 and 75 and reflect the financial position as of June 30, 2025. For the Washoe County Retiree Health Benefit Plan, the total OPEB liability was reported at $476.7 million with a fiduciary net position of $416 million, resulting in a net OPEB liability of $60 million and a funded ratio of 87%.

The PEBP plan showed a total OPEB liability of $2.8 million and a net position of $3 million, resulting in net OPEB assets of approximately $139,000. The Truckee Meadows Fire Protection District plan reported a total liability of $20 million and a net position of $18.7 million, with a net OPEB liability of $1.5 million. This brought its funded ratio to 92%, an improvement from 78% in the prior year.

All three plans benefited from an increase in the discount rate, which rose from 5.75% to 6.5%, along with positive investment returns. Williams concluded that all plans showed improved funding levels and full compliance with applicable GASB standards.

Board Member Lori Cooke offered a reminder that decisions regarding the discount rate are made by the Trust Board, not unilaterally by auditors or investment advisors.

Williams affirmed this, noting the Board's process included review of investment performance, consultation with independent auditors, and concurrence from Foster & Foster. She emphasized that the decision was informed and collaborative, rather than arbitrary.

No further questions or comments were raised following the summary.

14. Trustees'/Staff announcements, requests for information, and topics for future agendas. Meeting dates for calendar year 2026 are January 22, April 23, July 23, and October 22 (fourth Thursday of first month of each calendar quarter). The meeting will begin at 10:00 am. [NON-ACTION ITEM]

    Cathy Hill noted for the record that she would not be in attendance at the April 23 meeting. She reminded the Board that in July, Rick Combs would give a presentation regarding RBIF, which he administers. She also acknowledged that Vice Chair Christine Vuletich had requested a future agenda item seeking clarification on the benchmark used by RBIF, which would be added.

    Tammi Davis took the opportunity to welcome the newest Board member. She expressed her appreciation for the group and offered encouragement, noting that although there is a lot to learn, the new member would settle in quickly.

    Christine Vuletich also offered remarks, echoing Davis's sentiment and thanking all involved for their work on the Board and behind the scenes. As a retiree, she expressed her gratitude for the Board's efforts and the confidence that came from seeing the results of their diligence.

    Crystal Sublet added her own thanks to Jelena Williams for reaching out in advance of the meeting to provide background and context, noting that it was only her third week and that the information made participating in her first Board meeting more approachable.

15. PUBLIC COMMENT – [NON-ACTION ITEM]

    There was no public comment.

16. Meeting adjourned at 10:49.am.