

**TAHOE DOUGLAS FIRE PROTECTION DISTRICT**  
**POST-RETIREMENT TRUST**  
**BOARD OF TRUSTEES MEETING**  
January 29, 2013

**Those Present:**

Trustee Bryce Cranch  
Secretary/Treasurer Bill Johnson  
Trustee Guy LeFever  
Vice Chairperson Chuck Salerno

Chairperson Ben Sharit  
Legal Counsel, Mike McCormick  
Administrative Assistant Kate Warner

**1. Call to order.**

The meeting was called to order at 11:07 am by Chairperson Sharit.

**2. Pledge of Allegiance.**

Pledge of allegiance was led by Trustee Johnson.

**3. Roll call.**

Trustee Cranch, Trustee Johnson, Trustee LeFever, Trustee Salerno and Chairman Sharit were all present.

**4. Approval of agenda**

A motion was made by Trustee LeFever to approve the agenda, second by Trustee Salerno. Motion carried 5-0

**5. Public Comment:**

None

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

- a. Approval of Minutes 09/18/12
- b. 2013 Post-Retirement Trust Meeting Schedule

Meeting minutes were amended, and the 2013 meeting schedule was changed to April 25, July 29, October 28 and January 27, 2014. A motion was made by Trustee Johnson to approve the Consent Calendar items with the amended meeting schedule, seconded by Trustee Cranch. Motion carried 5-0.

**7. For Possible Action: Consent Calendar moved forward**

None

**8. For Possible Action: 2013 Insurance Renewal Review**

Chairperson Ben Sharit

The insurance bidding process which began in November 2012 for 2013 resulted in a renewal with Aetna, our medical provider with an 18% increase in premiums. Aetna's justification was a 148% utilization rate, which TDFPD cannot verify. Our insurance broker, LBG successfully secured a new contract with Anthem with a 5% increase.

TDFPD was forced to leave Principal, our dental provider even though a two-year contract was in place, because of a misunderstanding of coverage for Medicare qualifying retiree spouses. LBG secured a new contract for dental insurance with Sun Life at the same premium rates with an enhanced plan increasing from \$1500 annual max to \$2000, but giving up the unused benefit rollover.

Vision insurance will continue directly with VSP, VSP coverage had been provided through our Principal contract in 2012, and the change improves the coverage to the 2011 levels.

Principal notified LBG on 12/31/12 that if we discontinued our dental coverage, there would be a 5% increase in our Life/AD&D plan (for current employees). Our LTD carrier Reliance Standard will provide Life/AD&D coverage effective February 1, 2013.

The Insurance Committee actively participated in the renewal process and is monitoring the Health Care Reform Act changes that could affect our premiums in 2014. Committee members are Ret. McLaughlin, Chief Allison, Capt. Cranch, Capt. Jones and Admin. Warner.

Another positive outcome was a \$10,700 donation from LBG, to TDFPD designated charities. This resulted from incentives from the insurance carriers that LBG does not accept. TDFPD pays LBG a flat rate per employee. The five (5) local charities that benefited were the Douglas County Sheriff's Advisory Council, Young at Heart Senior Citizens Club, WHS Boosters, Northern Nevada Children's Cancer and the Tahoe Douglas Senior Center.

**9. Presentation: Retiree Insurance Expenses – 4<sup>th</sup> Quarter 2012**

Chairperson Ben Sharit

Discussion on the tracking worksheet resulted in the following changes:

- 1.) H.S.A. fees are not broken down. There is not fee for an H.S.A. account with a minimum balance of \$2500. Trustee Johnson recommended that the amount is small so rather

than have to wait on detailed reports from US Bank, just divide the total by # of participants and then times the retirees with H.S.A.;

- 2.) paid expenses will separated from current accrued expenses until the payment was made;
- 3.) the monthly ARC will be added; and
- 4.) the monthly revenue payments to TDFPD for retiree dependent children benefits will be added.

David and Johnson staff will review all supporting documentation. No action was taken on this item.

**10. For Possible Action: Proposal to accept an Engagement Letter from Grant Thornton, LLP to conduct the 2012 Post-Retirement Trust Audit**  
Chairperson Ben Sharit

As required by law, the Post-Retirement Trust must be audited annually.

The proposal was for \$10,000, plus 6% for expenses. There was discussion that this seemed high considering that there were less than 10 transactions in the year and Trustees asked for additional information on what would be required for the first audit. No action taken.

**Treasurer's Report** – was not on the agenda, no action was taken on this item.

Edward Jones account: Trustee Johnson reported that the balance as of the last BOT meeting in the Edwards Jones was \$28,000 in total receipts. Expenses paid were: \$3225 attorney fees for document drafting (Sept/Oct), \$56 bank fees. Interest earned was \$35.01 resulting in a balance of \$24,754.01 on 12/31/12 and there are sufficient funds available to cover operational cost including the audit expense.

RBIF account: The investment of \$2,500,000 into RBIF had increased by \$97,260 through November 2012 and the market is good, so Trustee Johnson anticipates growth in December as well.

**11. Confirm next meeting: Thursday, April 25, 2013 at 11:00 am and tentative agenda items.**

Tentative agenda items:

- Audit Status – Engagement Letter from Grant Thornton, LLP
- 4<sup>th</sup> Quarter 2012 - Updated
- Treasurer's Report to be added to the permanent agenda
- Discussion on the GASB45 report and specifically the 4-8%

Trustee Johnson requested to re-open Item #10, since timing was a concern. Trustee Johnson made a motion to authorize the Fire Chief to sign the engagement letter and commit to fees not to exceed \$7500.00, all inclusive with Grant Thornton, LLP. Trustee Cranch seconded the motion. Direction was given that if the auditors cannot lower the fee to \$7500.00 a special session would be necessary. Motion carried 5-0.

**11. Adjourn**

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

The meeting was adjourned at 11:50 am.

Note: The 2011 Tax Filing and the RBIF Financial Report October 2012 were circulated for review.

Meeting was recorded.

**Kate Warner**  
**Administrative Assistant**  
**Tahoe Douglas Fire Protection District**

Approved