City of Las Vegas

Agenda Item No.: **70.**

AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: JUNE 16, 2010

DEPARTMENT: FINANCE AND BUSINESS SERVICES
DIRECTOR: MARK R. VINCENT ☐Consent ☒ Discussion

SUBJECT:
RESOLUTIONS:

R-49-2010 - Discussion and possible action regarding a Resolution authorizing the creation of a new fund titled City of Las Vegas, Nevada Other Post Employment Benefits Trust Fund (OPEB) for funding retiree health and welfare benefits; appointment of trustees, approval of Trust Agreement for City of Las Vegas, Nevada OPEB, and providing for other matters properly related thereto

Fiscal Impact

☐ **No Impact** ☐ **Augmentation Required**
☐ **Budget Funds Available**

Amount:
Funding Source: All Funds
Dept./Division: Finance and Business Services

PURPOSE/BACKGROUND:
The fiscal year 2009 Comprehensive Annual Financial Report disclosed a $39.8 OPEB obligation for normal cost plus a 30-year amortization of the unfunded actuarial liabilities, which was reported as $144.9 million. Although government accounting standards do not require funding of this liability, the fact remains that the City has an obligation to continue subsidizing the health insurance premiums for those retirees who opted into the State's Public Employment Benefit Plan, at a current cost of about $2.1M annually. Funding a trust to help pay for those future obligations makes sense, especially when able to access the investment opportunities afforded through the Public Employee Retirement System.

RECOMMENDATION:
Approval

BACKUP DOCUMENTATION:
1. Resolution No. R-49-2010
2. Submitted after Meeting Executed Trust Agreement For City of Las Vegas OPEB Trust Fund

Motion made by GARY REESE to Approve

Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 1; Excused: 0
RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE, STAVROS S. ANTHONY; (Against-None); (Abstain-None); (Did Not Vote-STEVEN D. ROSS); (Excused-None)

Minutes:
CANDACE FALDER, Deputy Director of Finance and Business Services, indicated staff is seeking approval to create the subject trust fund, appoint the trustees and approve the trust agreement. Currently, there is approximately $250 million in unfunded post-employment benefit liability. Creation of the trust will enable the City to start contributing to the fund for future payment benefits. There is no fiscal impact at this time.