

# NOTICE OF PUBLIC MEETING

## AGENDA

### CLARK COUNTY OPEB BOARD OF TRUSTEES

Thursday, November 18, 2021, 3:00 PM

**PLEASE NOTE AT THIS TIME, THERE WILL BE NO IN-PERSON ATTENDANCE AT THE NOVEMBER 18, 2021 TRUSTEE MEETING.**

**If you desire to participate in this meeting, please listen via teleconference (audio only):**

**+1-408-418-9388 United States Toll (access code): 2498 625 1184**

<b>This meeting has been properly noticed and posted in the following locations:</b>		<b>Agenda Also Available At:</b>	
CC Government Center 500 S. Grand Central Pkwy Las Vegas, NV (Principal Office)	Regional Justice Center 200 Lewis Ave, 1 <sup>st</sup> Fl. Las Vegas, NV	City of Las Vegas 400 E. Stewart Ave Las Vegas, NV	City of No. Las Vegas 2200 Civic Center Dr. No. Las Vegas, NV
Third Street Building 309 S. Third St. Las Vegas, NV	Paradise Park Pool & Center 4775 McLeod Dr. Las Vegas, NV	City of Henderson 240 Water St. Henderson, NV	City of Boulder City 400 California Ave. Boulder City, NV
Winchester Park & Center 3130 S. McLeod Dr Las Vegas, NV	Desert Breeze Park & Community Ctr. 8275 Spring Mtn. Rd Las Vegas, NV	City of Mesquite 10 E. Mesquite Blvd. Mesquite, NV	Clark County Regional Govt. Ctr. 101 Civic Way Laughlin, NV

- Items on the agenda may be taken out of order.
  - The OPEB Board of Trustees may combine two or more agenda items for consideration.
  - The OPEB Board of Trustees may remove an item from the agenda or delay discussion relating to an item at any time.
  - If you do not wish to attend the meeting via teleconference but desire to provide written general public comment or public comment on an individual agenda item, please submit your comments prior to 11:30AM, November 18, 2021. You can submit your comments to [Leah.Dwyer@ClarkCountyNV.gov](mailto:Leah.Dwyer@ClarkCountyNV.gov). Be sure to include your name, address, the agenda item number on which you are providing comment, and your comment. Comments will not be read into the record and will be included as back-up materials for the record. All comments received will be compiled into a document and shared with members of the public body, meeting attendees and on the public website.
- The main agenda is available on Clark County's website, <http://www.ClarkCountyNV.gov>. For copies of agenda items and supporting backup materials, please contact Leah Dwyer at (702) 455-3327.

This is a period devoted to comments by the general public about items on this agenda. If you wish to speak to the OPEB Board of Trustees about items within its jurisdiction but not appearing on this agenda, you must wait until the "Comments by the General Public" period listed at the end of this agenda. Comments will be limited to three minutes. Speakers must clearly state their name (last name spelled for the record) and address. No action may be taken on a matter not listed on the posted agenda. If any member of the OPEB Board of Trustees wishes to extend the length of a presentation, this will be done by the Chair or the Board by majority vote.

1. Approval of agenda. (For possible action)
2. Approval of the minutes of the Clark County, Nevada OPEB Trustee meeting on May 13, 2021. (For possible action)
3. Approval of the Clark County OPEB Budget for fiscal year end June 30, 2022. (For possible action)
4. Receive an update on the fiscal years 2020 and 2021 Clark County OPEB Trust audit (For possible action).
5. Receive an update on the Clark County OPEB actuarial valuations. (For possible action)
6. Receive a report on financial statements as of and for the three months ending September 30, 2021. (For possible action)
7. Receive the Quarterly Investment Report from FHN Financial Main Street Advisors. (For possible action)
8. Trustee's/Staff announcements, requests for information, and topics for future agendas, Statements relating to items not on the agenda and any ideas and suggestions for greater efficiency, cost effectiveness and innovation in providing for the benefits of Clark County, Nevada OPEB Trust participants in accordance with the benefit plans. (No discussion on this item will take place among Trustees.)

#### **Comments by the General Public**

A period devoted to comments by the general public about matters relevant to the OPEB Board of Trustees' jurisdiction will be held. No action may be taken on a matter not listed on the posted agenda. Comments will be limited to three minutes. Speakers must clearly state their name (last name spelled for the record) and address. If any member of the OPEB Board of Trustees wishes to extend the length of a presentation, this will be done by the Chair or the Board by majority vote.

If you desire to provide a written general public comment on an item not appearing on this agenda but within the general jurisdiction of this body, please submit your comments prior to 11:30AM November 18, 2021. You can submit your comments to [Leah.Dwyer@ClarkCountyNV.gov](mailto:Leah.Dwyer@ClarkCountyNV.gov). Be sure to include your name, address, and your comment. Comments will not be read into the record and will be included as back-up materials for the record. All comments received will be compiled into a document and shared with the members of the public body, meeting attendees, and on the public body's website.



# OPEB Board of Trustees

CLARK COUNTY, NEVADA

Jessica Colvin  
*Chair*  
Laura Fitzpatrick  
*Vice-Chair*  
David Dobrzynski  
Trustee  
Joseph Piurkowski  
Trustee

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## CALL TO ORDER

The public meeting of the Clark County OPEB Board of Trustees meeting was called to order by Jessica Colvin, Clark County Chief Financial Officer on Thursday, May 13, 2021 at 3:01 PM.

**PLEASE NOTE THAT DUE TO COVID-19 RELATED COUNTY CLOSURES IN EFFECT AT THIS TIME, THERE WILL BE NO IN-PERSON ATTENDANCE AT THE**

**MAY 13, 2021 COMMISSION MEETING.**

**If you desire to participate in this meeting, please listen via teleconference (audio only):**

[+1-408-418-9388](tel:+14084189388) United States Toll

(access code): 187 689 4126

This public meeting was properly noticed and posted.

### **ATTENDEES:**

Jessica Colvin, Chair – via WebEx  
Joseph Piurkowski, Department of Aviation – Via WebEx  
Rick Phillips, FTN Financial – Via WebEx  
Anna Danchik, Clark County, Comptroller – Via WebEx  
Drew Solomon, Clark County, Principal Management Analyst – Via WebEx  
David Dobrzynski, Trustee – Via WebEx

There were no comments from the general public.

- 1. Approval of Agenda (For possible action)**
  - Motion made by Mr. Joseph Piurkowski to approve the Agenda for May 13, 2021 – motion passed unanimously
  
- 2. Approval of the minutes of the Clark County, Nevada OPEB Trustee meeting from February 18, 2021. (For possible action)**
  - A motion was made by Mr. Joseph Piurkowski to approve the minutes from the February 18, 2021 meeting - motion passed unanimously.

**3. Receive an update on the proposals for auditor services (For possible action)**

- Ms. Anna Danchik gave report. Eide Bailly has a slight increase of 3% per year.
- Ms. Anna Danchik will bring ratification letter to next meeting.
- No action taken.

**4. Receive a report on financial statements as of and for the nine months ending, March 31, 2021. (For possible action)**

- Ms. Anna Danchik summarized the financial statements.
- No action taken.

**5. Discussion of the Quarterly Investment Report from FHN Financial Main Street Advisors. (For possible action)**

- Mr. Rick Phillips summarized the Quarterly Investment Report dated March 30, 2021 and the Economic/Market update dated May 13, 2021.

**6. Trustee's/Staff announcements, requests for information, and topics for future agendas, Statements relating to items not on the agenda and any ideas and suggestions for greater efficiency, cost effectiveness and innovation in providing for the benefits of Clark County, Nevada OPEB Trust participants in accordance with the benefit plans. (No discussion on this item will take place among Trustees.)**

- Discuss Budget for FY2022

**Comments by the General Public**

A period devoted to comments by the general public about matters relevant to the OPEB Board of Trustees' jurisdiction will be held. No action may be taken on a matter not listed on the posted agenda. Comments will be limited to three minutes. Speakers must clearly state their name (last name spelled for the record) and address. If any member of the OPEB Board of Trustees wishes to extend the length of a presentation, this will be done by the Chair or the Board by majority vote.

There were no comments from the general public.

There being no further business, the meeting was adjourned at 3:26 PM.

# OPEB Board of Trustees

CLARK COUNTY, NEVADA

Jessica Colvin

*Chair*

Laura Fitzpatrick

*Vice-Chair*

David Dobrzynski

Trustee

Joseph Piurkowski

Trustee

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**\*\*\*\*\*MEETING FOR AUGUST 19, 2021 DID NOT TAKE PLACE AS WE  
DID NOT HAVE A QUORUM – NO MINUTES WERE TAKEN\*\*\*\*\***



Clark County, Nevada OPEB Trust Fund  
 Budget  
 For the Fiscal Year Ended June 30, 2022

	FY22 Budget	Clark County	Department of Aviation
<b>Additions</b>			
Contributions			
Employer - Clark County	\$ -	\$ -	\$ -
Employer - Department of Aviation	-	-	-
Total contributions	-	-	-
Investment income (loss)			
Interest	91,619	65,930	25,689
Net increase (decrease) in fair value of investments	-	-	-
Total investment income (loss)	91,619	65,930	25,689
Less investment expense	(91,619)	(65,930)	(25,689)
Net investment income (loss)	-	-	-
Total additions	-	-	-
<b>Deductions</b>			
Benefits			
Administrative expenses			
Accounting services	-	-	-
Audit fees	21,000	15,112	5,888
Continuing education	2,400	1,727	673
Bank fees	600	432	168
Insurance	10,000	7,196	2,804
Retiree benefits	5,595,067	4,369,747	1,225,320
Trustee fees	320	230	90
Other	5,500	3,958	1,542
Total administrative expenses	5,634,887	4,398,402	1,236,485
Change in plan net assets	(5,634,887)	(4,398,402)	(1,236,485)
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>			
Beginning of year	202,796,250	148,726,245	54,069,622
End of year	\$ 197,161,363	\$ 144,327,843	\$ 52,833,136



Clark County, Nevada  
OPEB Trust Fund  
Statement of Plan Net Assets  
September 30, 2021

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	<u>Clark County</u>	<u>Department of Aviation</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments			
Cash	\$ 23,847	\$ 5,908	\$ 29,755
State of Nevada RBIF	149,095,881	54,287,030	203,382,911
Clark County Investment Pool	169,454	29,543	198,997
Total assets	<u>149,289,182</u>	<u>54,322,481</u>	<u>203,611,663</u>
<b>Liabilities</b>			
Accrued expenses	<u>4,455</u>	<u>1,736</u>	<u>6,191</u>
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>	<u>\$ 149,284,727</u>	<u>\$ 54,320,745</u>	<u>\$ 203,605,472</u>



Clark County, Nevada  
OPEB Trust Fund  
Statement of Changes in Plan Net Assets  
For the Period July 1, 2021 through September 30, 2021 - Budget to Actual

	Clark County	Department of Aviation	Total	Unapproved YTD Budget	Favorable (Unfavorable) Variance
<b>Additions</b>					
Contributions					
Employer - Clark County	\$ -	\$ -	\$ -	\$ -	\$ -
Employer - Department of Aviation	-	-	-	-	-
Total contributions	-	-	-	-	-
Investment income (loss)					
Interest	596,875	232,572	829,447	22,905	806,542
Net increase (decrease) in fair value of investments	803	313	1,116	-	1,116
Total investment income (loss)	597,678	232,885	830,563	22,905	807,658
Less investment expense	(15,346)	(5,980)	(21,326)	(22,905)	1,579
Net investment income (loss)	582,332	226,905	809,237	-	809,237
Total additions	582,332	226,905	809,237	-	809,237
<b>Deductions</b>					
Administrative expenses					
Accounting services	-	-	-	-	-
Audit fees	-	-	-	5,250	5,250
Continuing education	-	-	-	600	600
Bank fees	-	-	-	150	150
Insurance	-	-	-	2,500	2,500
Retiree benefits	-	-	-	1,398,767	1,398,767
Trustee fees	-	-	-	80	80
Other	-	-	-	1,375	1,375
Total administrative expenses	-	-	-	1,408,722	1,408,722
Change in plan net assets	582,332	226,905	809,237	(1,408,722)	2,217,959
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	148,702,395	54,093,840	202,796,235	159,230,986	43,565,249
End of year	\$ 149,284,727	\$ 54,320,745	\$ 203,605,472	\$ 157,822,264	\$ 45,783,208





#### Client Management Team

**Rick Phillips**

President & Chief Investment Officer  
702-575-6666  
rick.phillips@fhnmainstreet.com

**Tonya Dazzio**

Chief Operating & Compliance Officer  
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tonya.dazzio@fhnmainstreet.com

**Greg Balls, CFA**

Senior Portfolio Manager  
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**Dan Rusk, CFA**

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**Christine Wilson**

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**Ruth Phillips**

Financial Analyst  
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# Quarterly Investment Report

## Clark County OPEB Trust

### September 2021

Sector	Current Market Value	Prior Qtr Market Value	Period Change
U.S. Stocks - RBIF	100,860,320.21	108,001,865.20	(7,141,544.99)
U.S. Bonds - RBIF	57,525,250.08	48,079,682.54	9,445,567.54
International Stocks - RBIF	43,074,100.28	44,593,226.42	(1,519,126.14)
Cash Equivalents - RBIF	1,923,240.71	1,892,660.18	30,580.53
Clark County Inv Pool (Fixed Income)	198,997.52	198,818.91	178.61
<b>Total</b>	<b>203,581,908.80</b>	<b>202,766,253.26</b>	<b>815,655.54</b>

Cost vs Market Value

Market Value	203,581,908.80
Book Value	120,064,838.77
<b>Variance</b>	<b>83,517,070.03</b>

**Total Gain/Loss % Since Inception**      **69.56%**

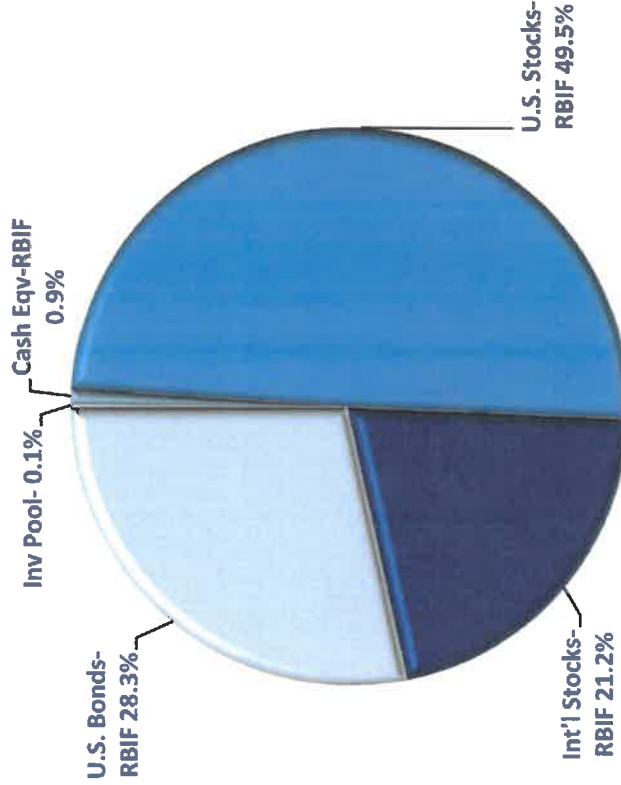
**Annualized Gain/Loss%**      **8.24%**

RBIF Allocations	Target	Range
U.S. Equity	49%	46.5%-54.0%
International Equity	21%	19.0%-23.5%
U.S. Bonds	30%	25%*

\*Rebalance minimum

Note: First deposit into RBIF was 1/30/15

Total Asset Allocation

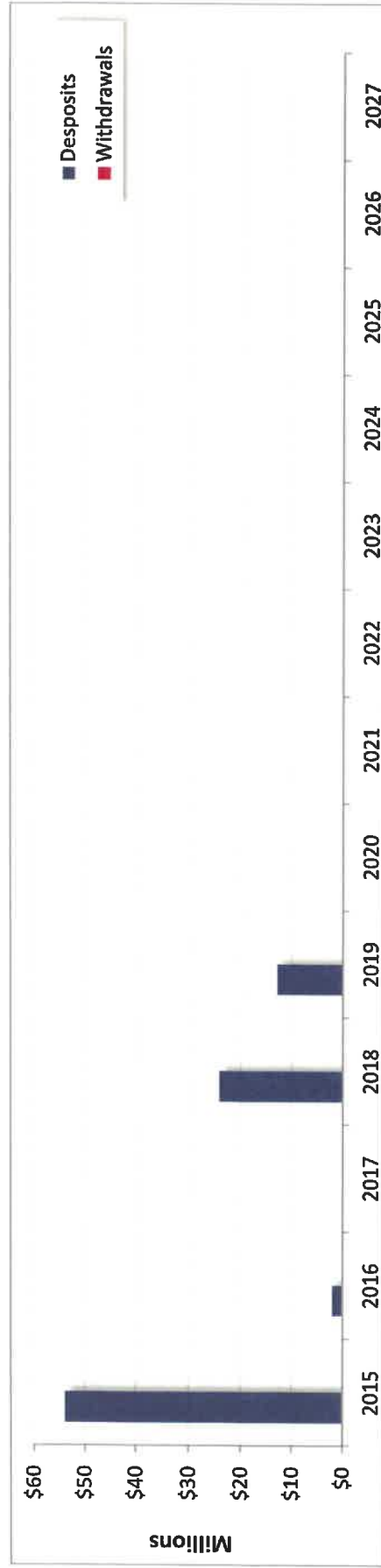


Fiscal Year Contributions/Withdrawals to RBIF in \$Millions

Month	Fiscal Year 2016		Fiscal Year 2017		Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020		Fiscal Year 2021	
	Dep	Withdrl	Dep	Withdrl	Dep	Withdrl	Dep	Withdrl	Dep	Withdrl	Dep	Withdrl
July	4.50								1.61			
August	4.50								1.61			
September	4.50						2.41		1.61			
October	4.50						2.41		1.61			
November	4.50						2.41		1.61			
December	4.50		2.00				2.41		1.61			
January	4.50						2.41		1.61			
February	4.50						2.41		1.61			
March	4.50						2.41		1.61			
April	4.50						2.41					
May	4.50						2.41					
June	4.50						2.41					
<b>Total</b>	<b>54.00</b>	<b>0.00</b>	<b>2.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>24.08</b>	<b>0.00</b>	<b>12.91</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Fiscal Year Contributions/Withdrawals to RBIF - \$Millions

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
	26.9	54.0	2.0	24.1	12.9	0.0	0.0							119.9

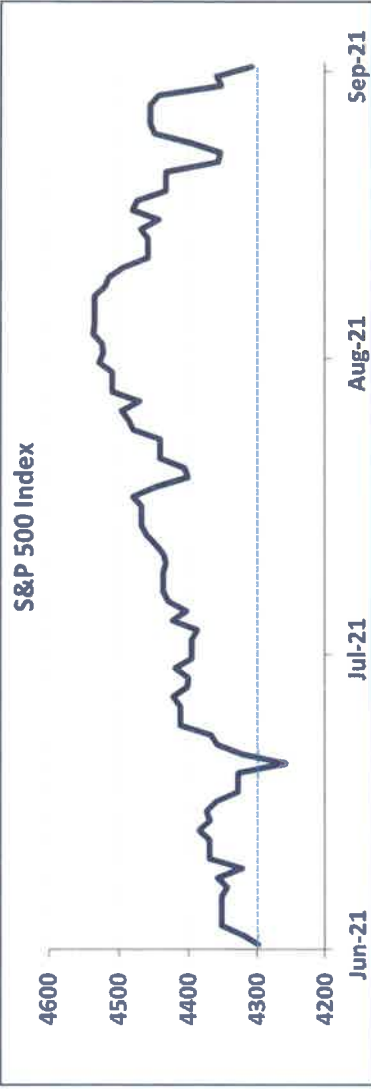


**S&P 500 (Domestic Stocks)**

**Quarterly Return: 0.59%**

**Key Points**

- The Fed Continues its Accommodative Policy
- Higher Than Expected Inflation Worry Investors
- Less Fiscal Stimulus

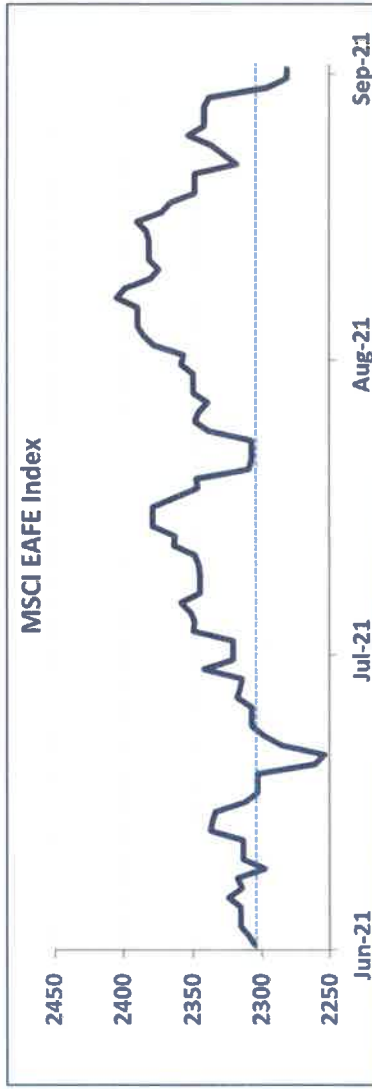


**MSCI EAFE (International Stocks)**

**Quarterly Return: (0.29%)**

**Key Points**

- Central Banks Inject Liquidity on Global Scale
- Projected Global Growth Slows
- Inflation Runs Hotter on Global Scale

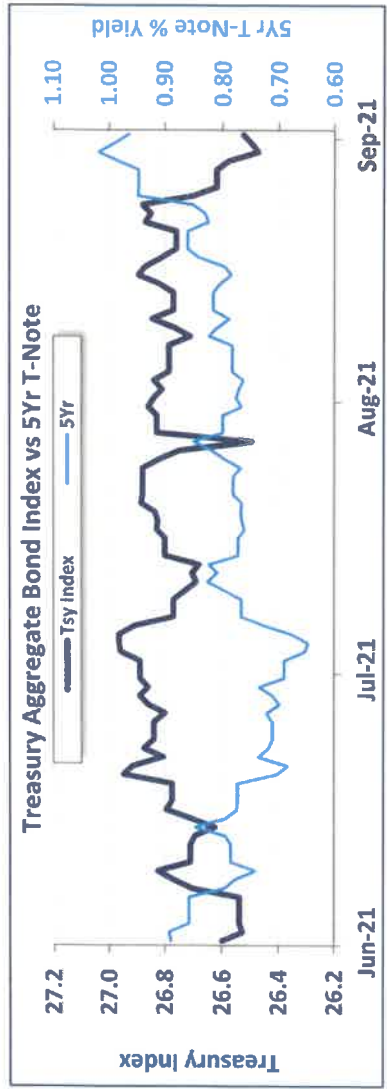


**BAML US Treasury Bond Index (Domestic Fixed-Income)**

**Quarterly Return: (0.01%)**

**Key Points**

- Yield Curve Steepens on Taper Discussions
- Fed Recognizes Higher Inflation
- Virus Concerns Abate

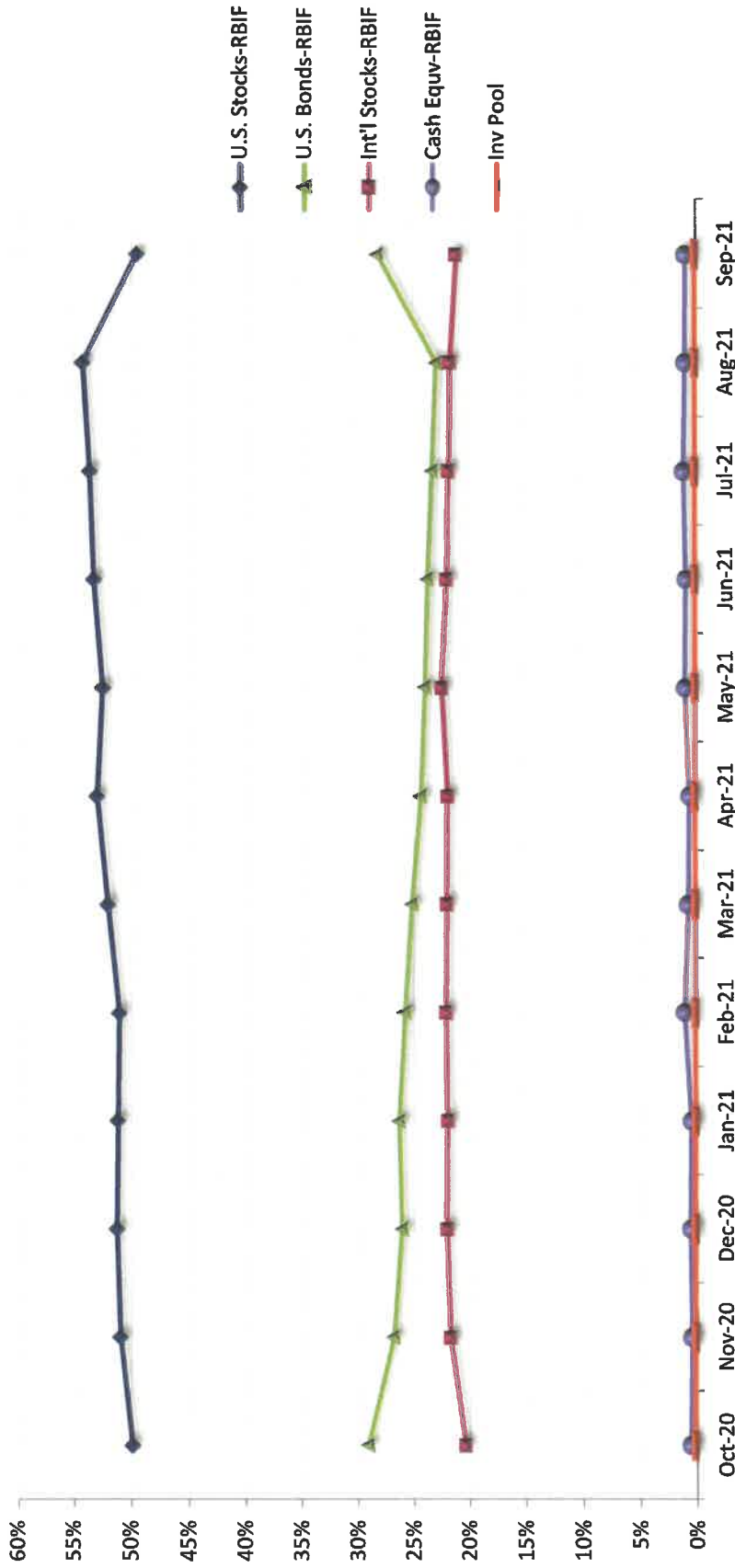




# Historical Sector Allocation - All Assets

Clark County OPEB Trust

9/30/2021

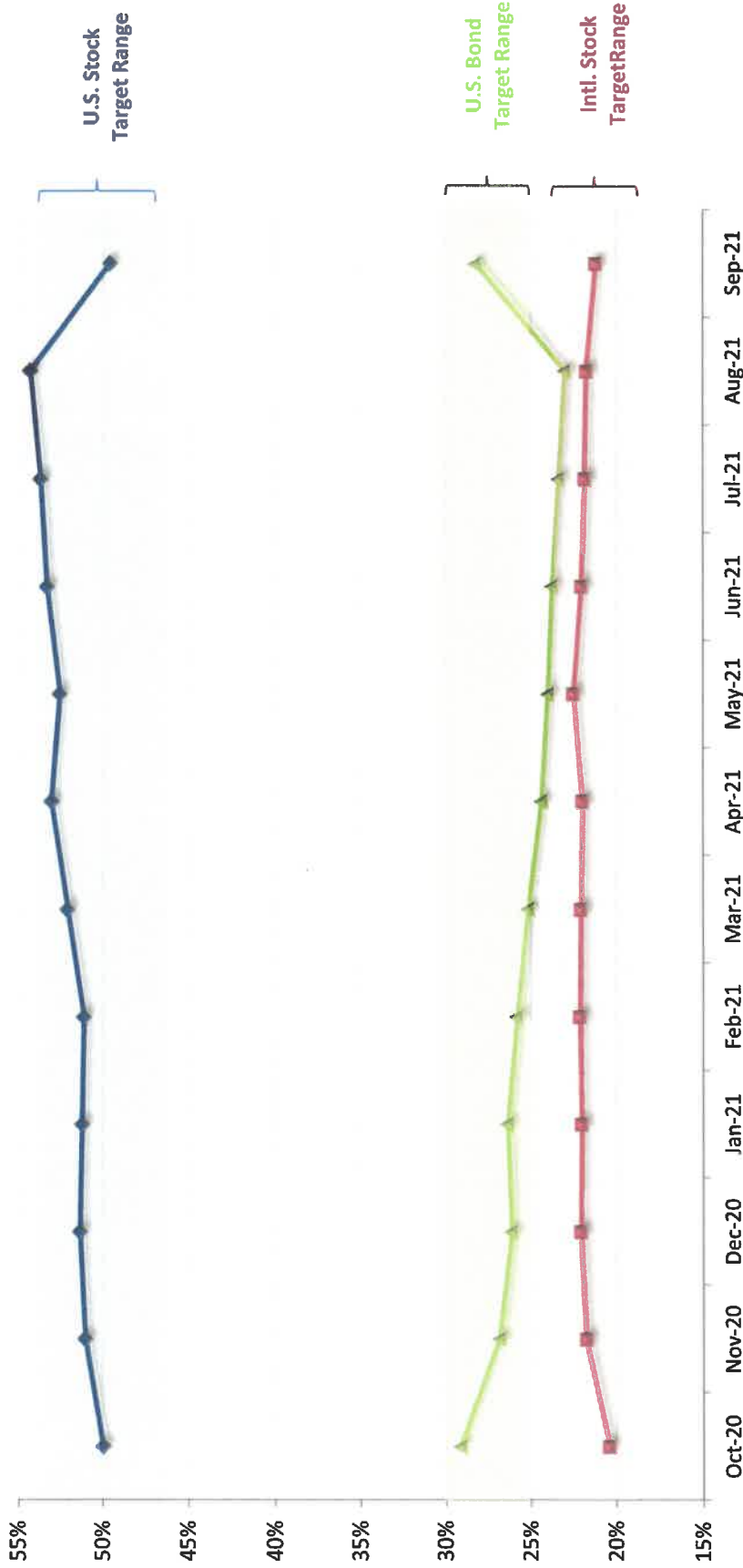


Sector	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
CC Inv Pool	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
U.S. Stocks - RBIF	49.9%	50.9%	51.3%	51.2%	51.1%	52.0%	53.0%	52.5%	53.3%	53.6%	54.3%	49.5%
U.S. Bonds - RBIF	29.1%	26.8%	26.1%	26.3%	25.7%	25.1%	24.3%	24.0%	23.7%	23.3%	23.0%	28.3%
Int'l Stocks - RBIF	20.4%	21.7%	22.0%	22.0%	22.1%	22.0%	21.9%	22.4%	22.0%	21.8%	21.7%	21.2%
Cash Equiv - RBIF	0.5%	0.4%	0.6%	0.5%	1.0%	0.7%	0.6%	1.0%	0.9%	1.1%	1.0%	0.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

# Historical Sector Allocation - RBIF Assets

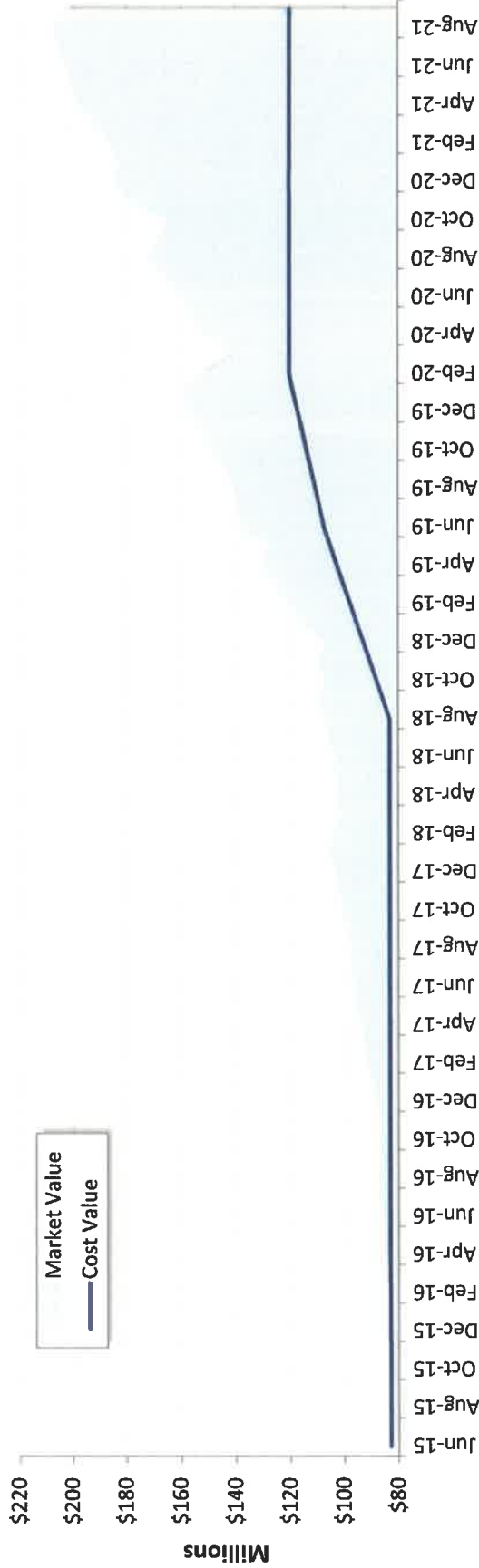
Clark County OPEB Trust

9/30/2021

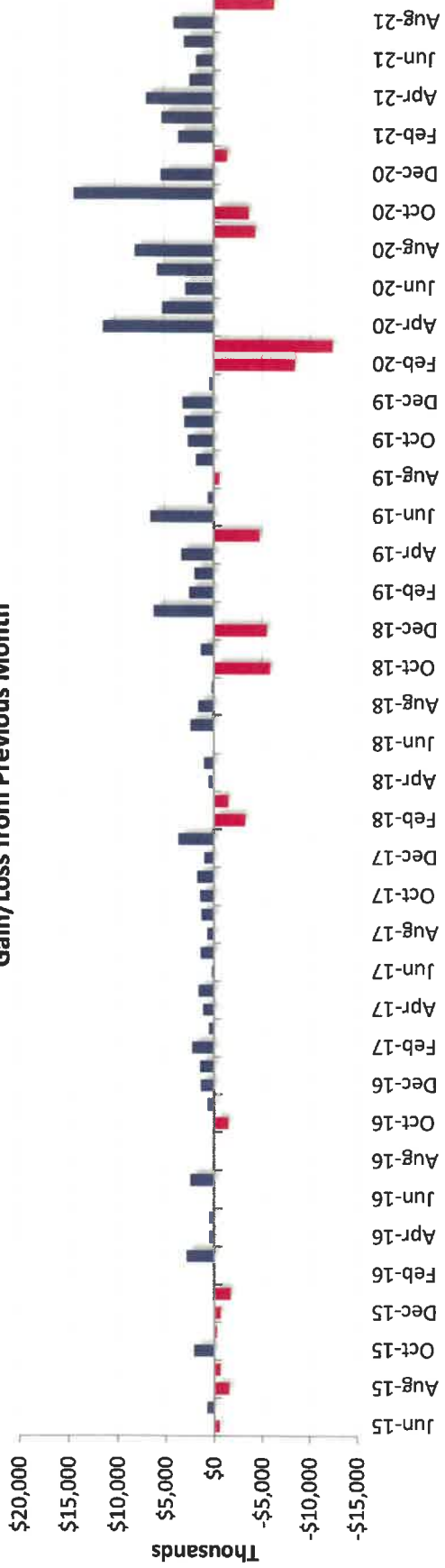


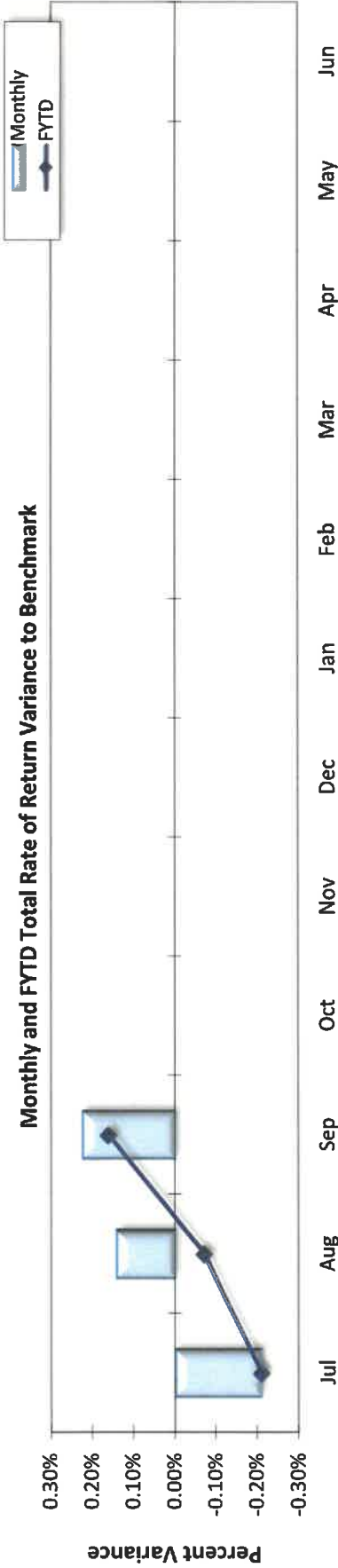
RBIF Sector	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
U.S. Stocks - RBIF	50.0%	51.0%	51.3%	51.2%	51.1%	52.1%	53.1%	52.5%	53.3%	53.7%	54.3%	49.6%
Int'l Stocks - RBIF	20.4%	21.7%	22.0%	22.0%	22.1%	22.0%	22.0%	22.5%	22.0%	21.8%	21.7%	21.2%
U.S. Bonds - RBIF	29.1%	26.8%	26.1%	26.3%	25.8%	25.1%	24.4%	24.0%	23.7%	23.3%	23.0%	28.3%
Cash Equiv - RBIF	0.5%	0.4%	0.6%	0.5%	1.0%	0.7%	0.6%	1.0%	0.9%	1.1%	1.0%	0.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Cost Value vs. Market Value

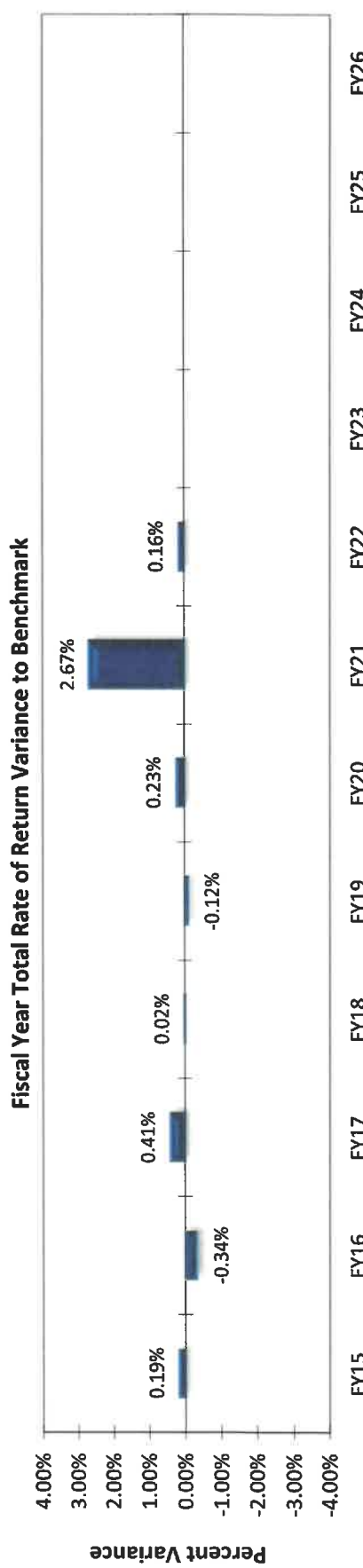


Gain/Loss from Previous Month





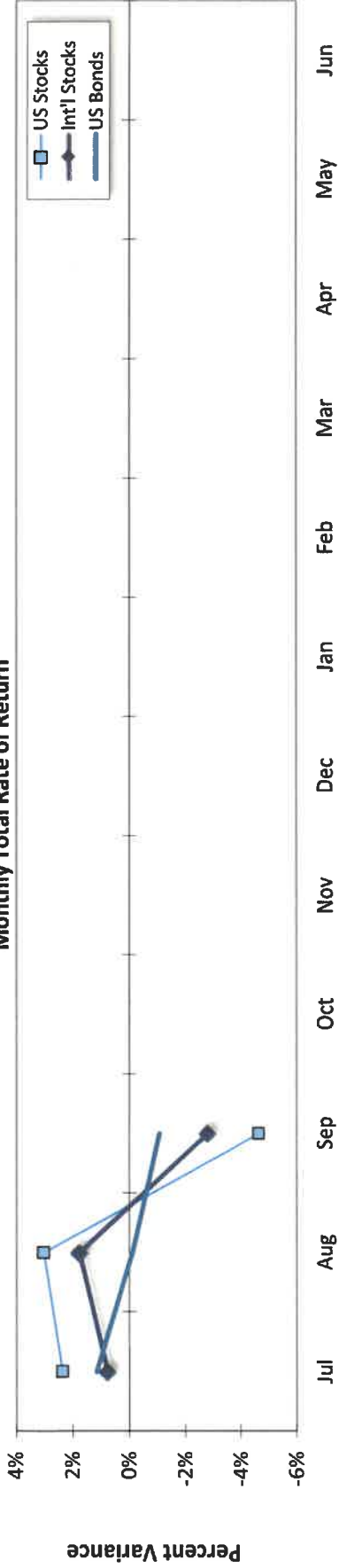
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>RBIF Portfolio</b>	1.465%	1.977%	-2.966%									
<b>RBIF Benchmark</b>	1.677%	1.835%	-3.189%									
<b>Monthly Variance</b>	-0.212%	0.142%	0.223%									
<b>FYTD Variance</b>	-0.212%	-0.072%	0.161%									



	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
<b>RBIF Portfolio</b>	2.61%	1.59%	12.51%	8.33%	7.82%	6.65%	27.44%	0.40%				
<b>Benchmark</b>	2.42%	1.93%	12.10%	8.31%	7.94%	6.42%	24.77%	0.24%				
<b>Yearly Variance</b>	0.19%	-0.34%	0.41%	0.02%	-0.12%	0.23%	2.67%	0.16%				

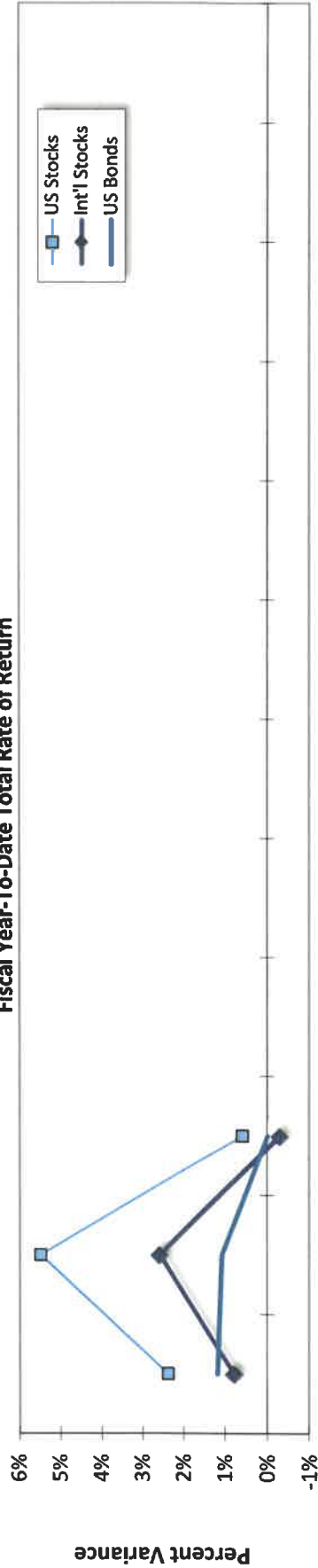
Benchmark: 49% S&P 500, 30% Barclays Aggregate Bond, 21% MSCI EAFE -- RBIF Returns are net of fees  
 FY 2015 Started for the month ending February 2015

Monthly Total Rate of Return

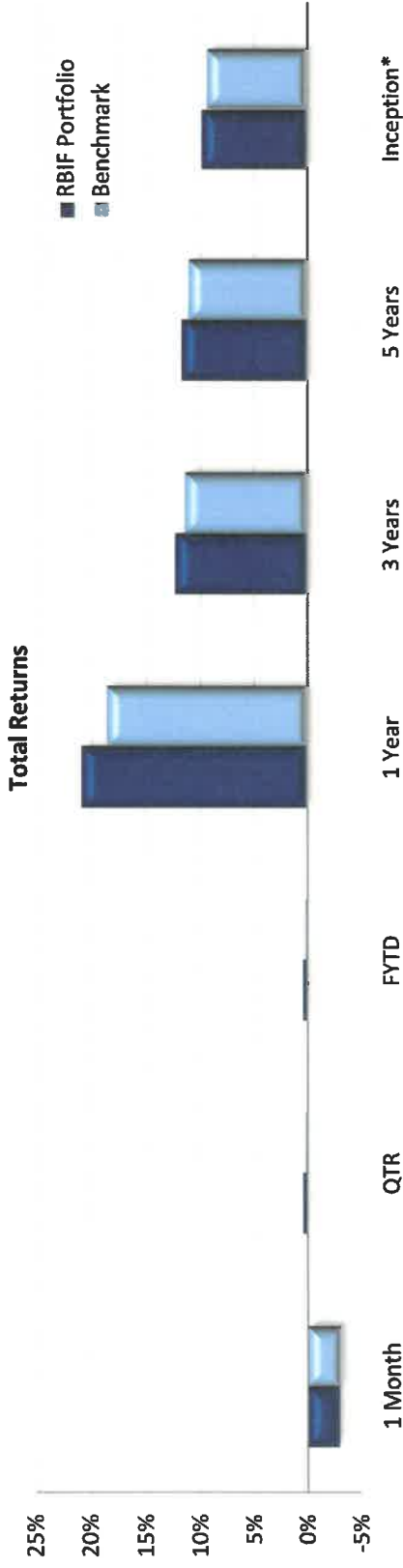


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
U.S. Stocks	2.38%	3.04%	-4.65%									
Int'l Stocks	0.77%	1.79%	-2.80%									
U.S. Bonds	1.17%	-0.10%	-1.07%									

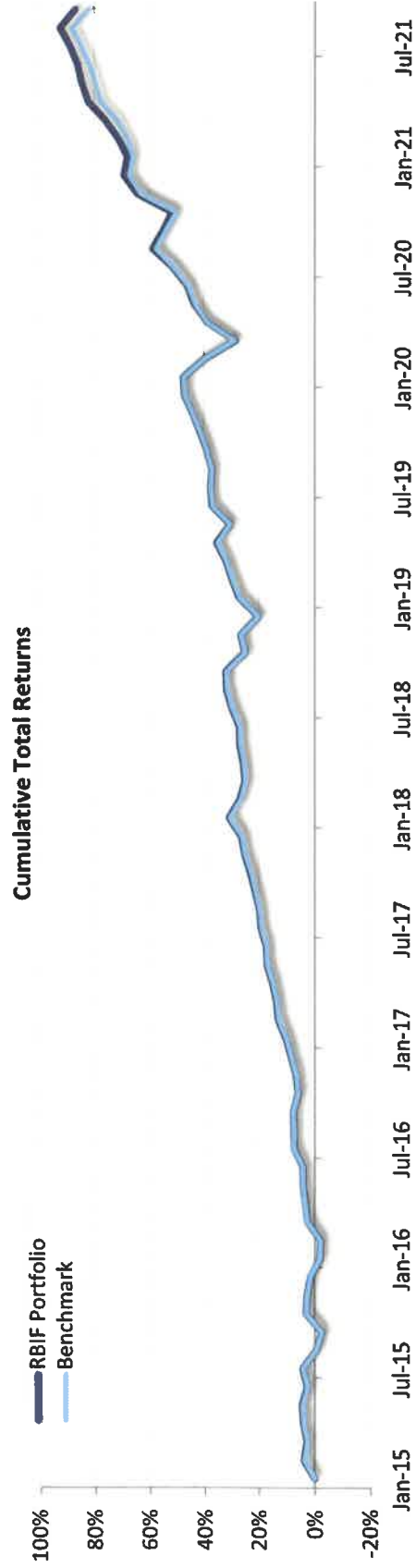
Fiscal Year-To-Date Total Rate of Return



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
U.S. Stocks	2.38%	5.49%	0.58%									
Int'l Stocks	0.77%	2.57%	-0.30%									
U.S. Bonds	1.17%	1.07%	-0.01%									

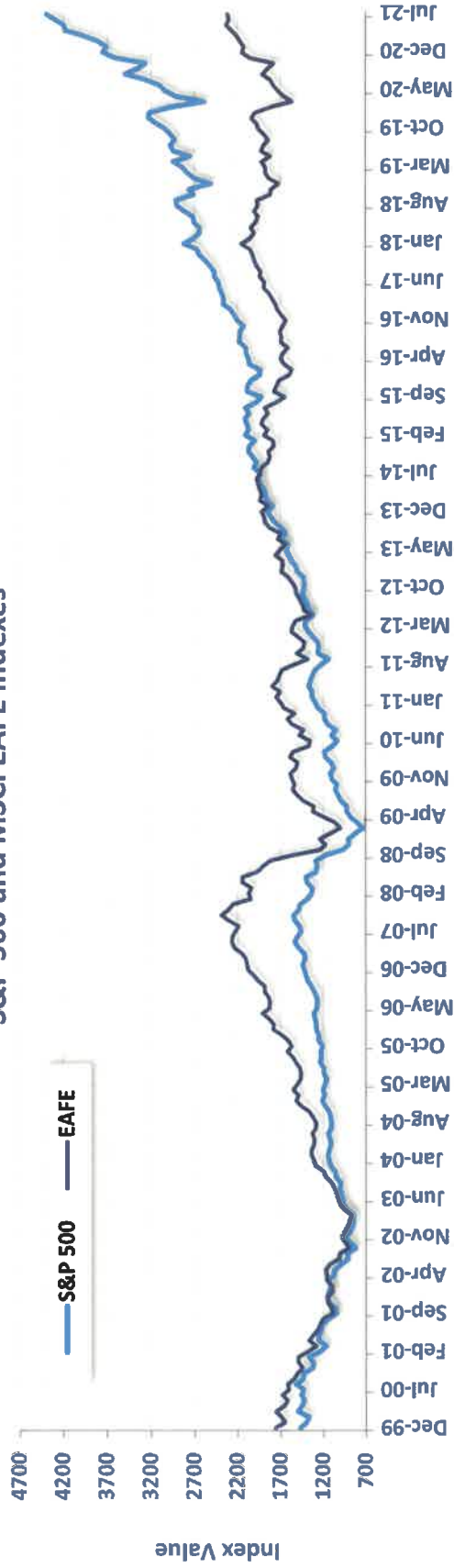


	Latest Month	Latest QTR	FYTD	One Year	Three Years	Five Years	Since Inception*
RBIF Portfolio	-2.97%	0.40%	0.40%	20.80%	12.28%	11.66%	9.83%
Benchmark	-3.19%	0.24%	0.24%	18.57%	11.41%	11.07%	9.41%
Variance	0.22%	0.16%	0.16%	2.24%	0.87%	0.59%	0.43%

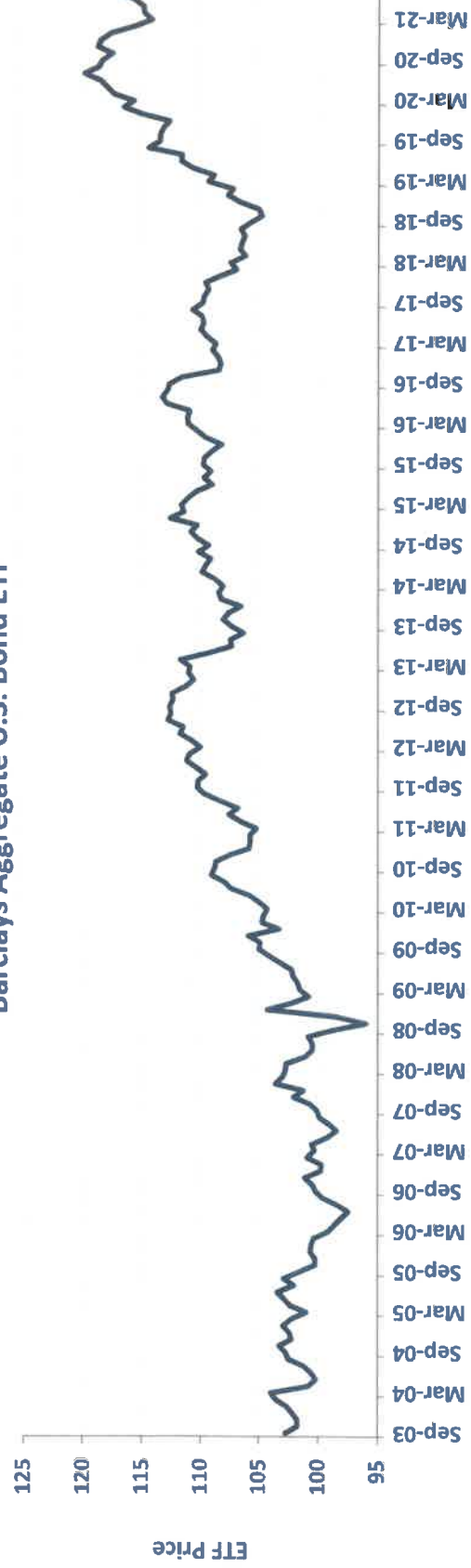


\*Inception Date of 1/31/2015

S&P 500 and MSCI EAFE Indexes



Barclays Aggregate U.S. Bond ETF





## Glossary and Disclosure

### Report Source Data:

RBIF: Bank of New York Mellon

Benchmark: Bloomberg

Clark County Investment Pool: FHN Main Street

### RBIF Information:

RBIF investments are overseen by Nevada PERS personnel

Investment object is to generate an 8% long-term return, exceeding CPI by 4.5%

Asset classes will be rebalanced according to range triggers shown on page 2

Rebalancing funding source/destination shall be those asset classes furthest away from their targets

### Glossary:

S&P 500: S&P index capturing large-cap U.S. based companies

MSCI EAFE: MSCI index capturing large and mid-cap equities across developed markets in EAFE (Europe, Australasia, and the Far East), excluding the U.S. and Canada

Barclays Aggregate Treasury Index: ETF which seeks to track the investment results of an index composed of U.S. Treasury bonds and notes

Barclays Aggregate Bond: Barclays index which tracks an index of U.S. investment-grade government (including mortgage-backed) and corporate bonds

ETF: Exchange traded fund, is a marketable security that tracks an index, such as the Barclays Aggregate Bond Index

Investment Pool: Short-term, high quality fixed income pool overseen by the Clark County Treasurer

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# Clark County OPEB Trust

## Quarterly Economic/Market Update

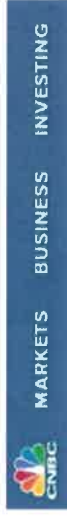


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November 18, 2021

# This is Not the \*Inflation\* You Are Looking For

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## Fed Chair Powell calls inflation 'frustrating' and sees it running into next year

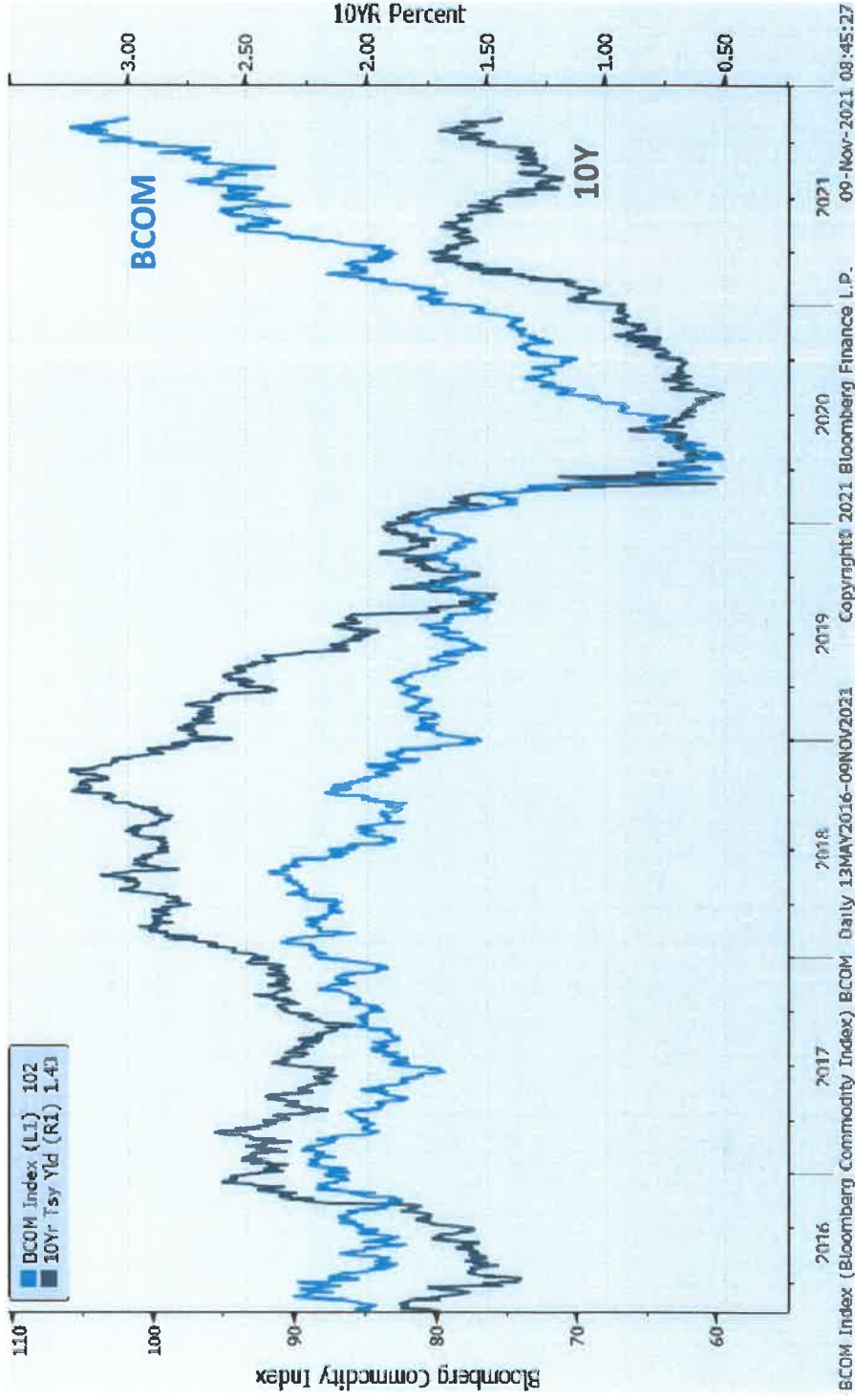
PUBLISHED WED, SEP 29 2021 1:43 PM EDT · UPDATED WED, SEP 29 2021 9:09 PM EDT



Source: Google, CNBC



# Higher Commodity Prices and Bond Yields Took a Breather Last Week



Source: Bloomberg



# Trucking Hurting the Ports

## Record number of container ships waiting to enter ports of Los Angeles, Long Beach

By Jade Hernandez  
Tuesday, October 19, 2021



EMBED <> MORE VIDEOS ▶

The major backlog of container ships at the ports of Los Angeles and Long Beach is the worst its ever been, with 100 ships waiting to enter and unload as of Tuesday.

Source: Twitter, ABC 7



WSJ The Wall Street Journal  
@WSJ

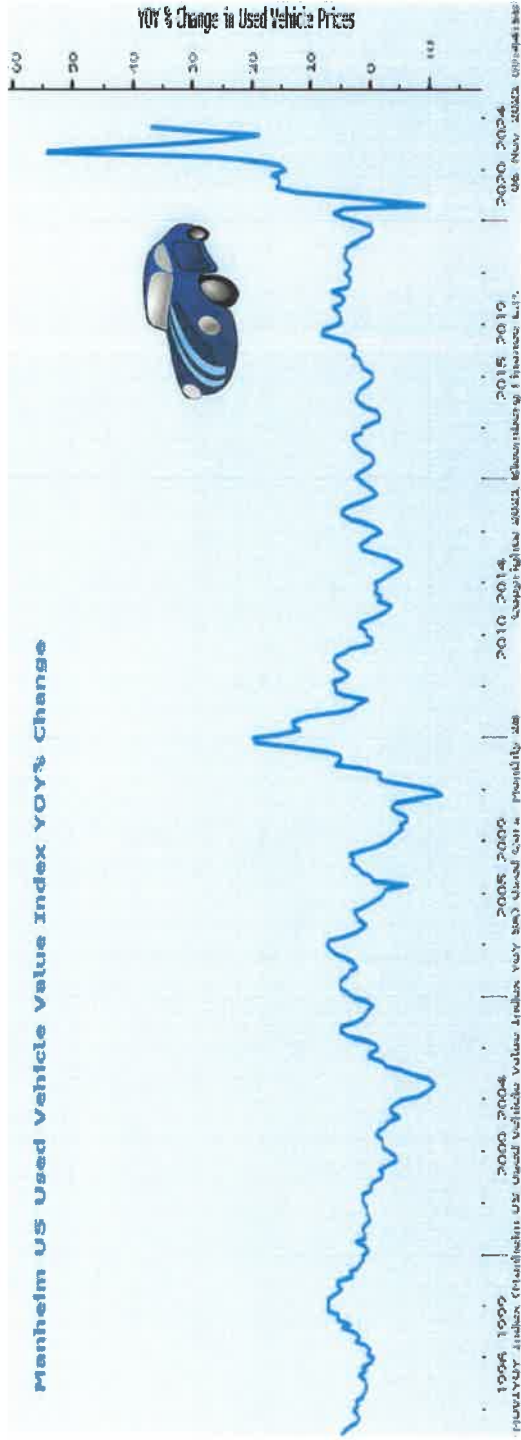
The U.S. is so desperate for truck drivers, some in the industry are proposing to let 18-year-olds drive big rigs over long distances



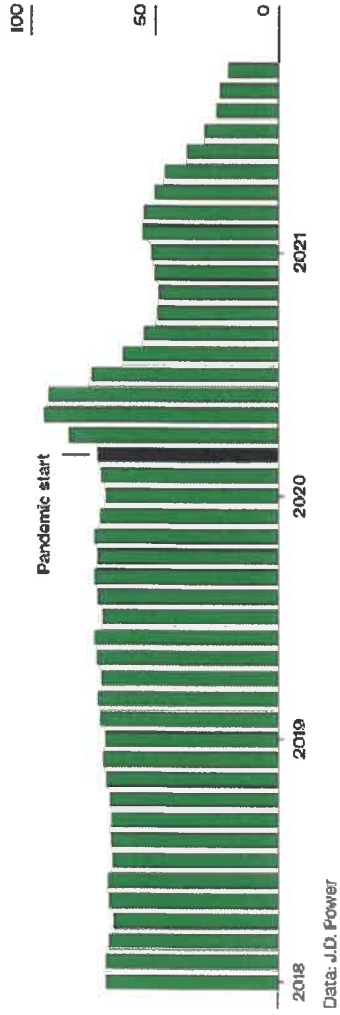
wsj.com  
Where Are All the Truck Drivers? Sho...

5:45 PM · 11/3/21 · [SocialFlow](#)

# Chip Shortages Still Pushing Used Vehicle Prices Higher



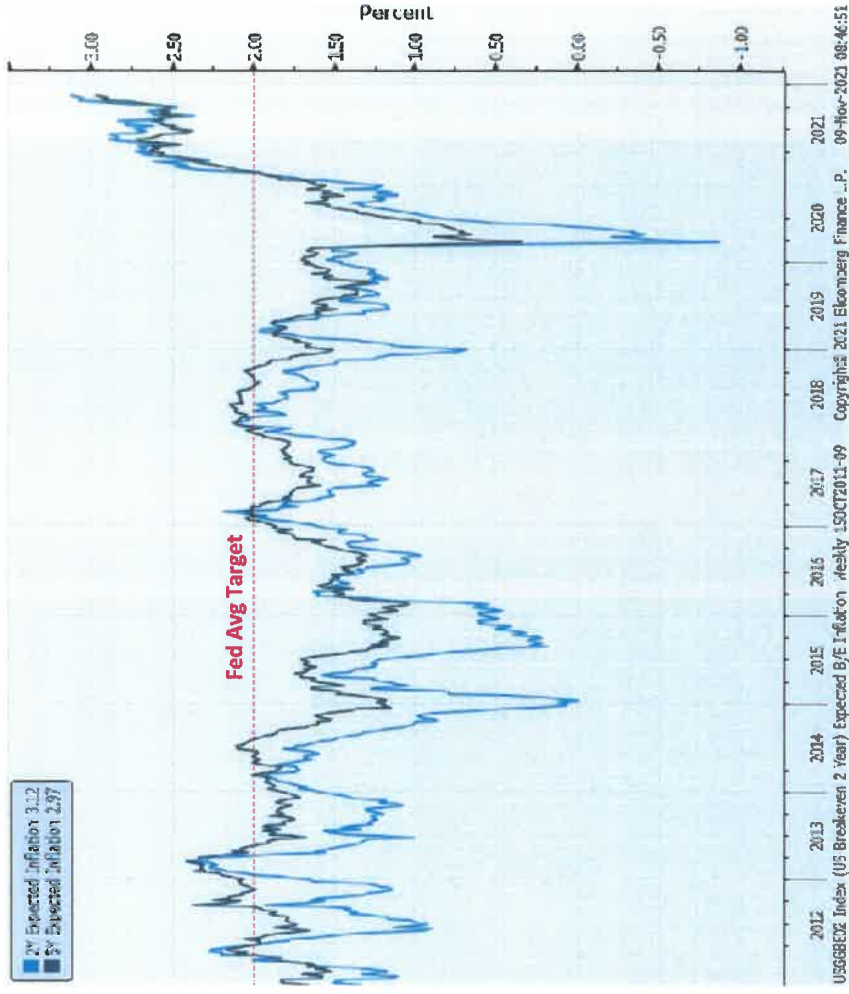
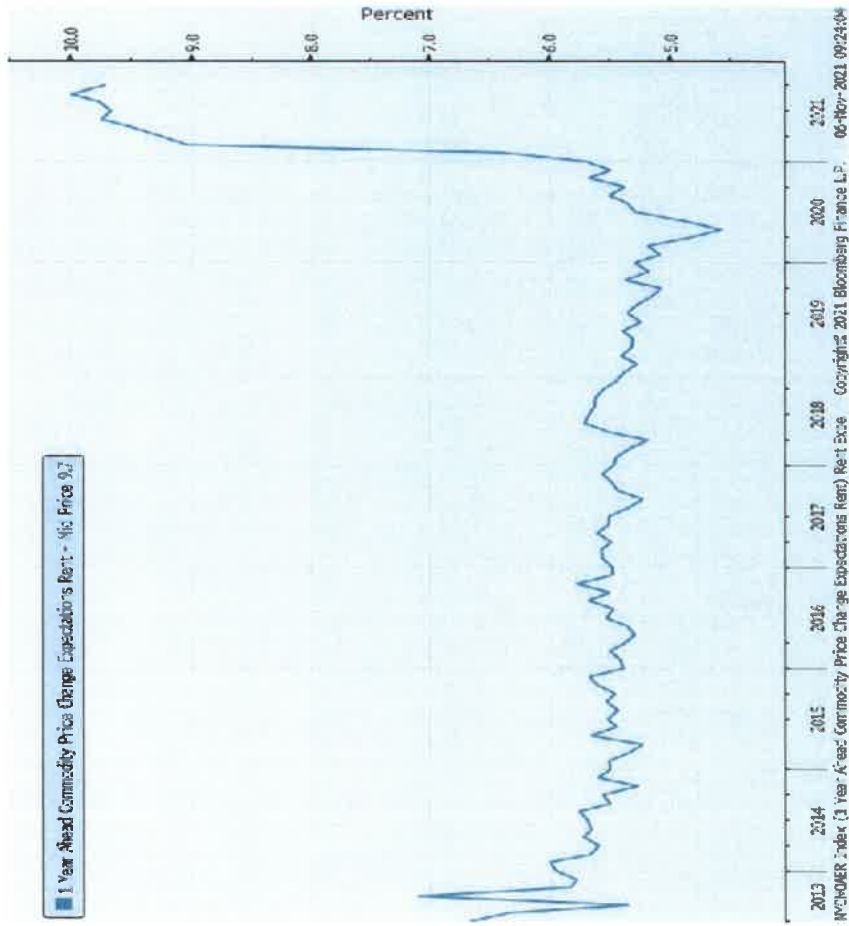
Average number of days a new vehicle spent at a dealership before being sold



Source: Bloomberg



## Rents and Overall Expected Inflation Higher



Source: Bloomberg





# In-N-Out Prices Being Hit by Commodity and Wage Inflation

May 2021 Las Vegas



Oct 2021 Las Vegas

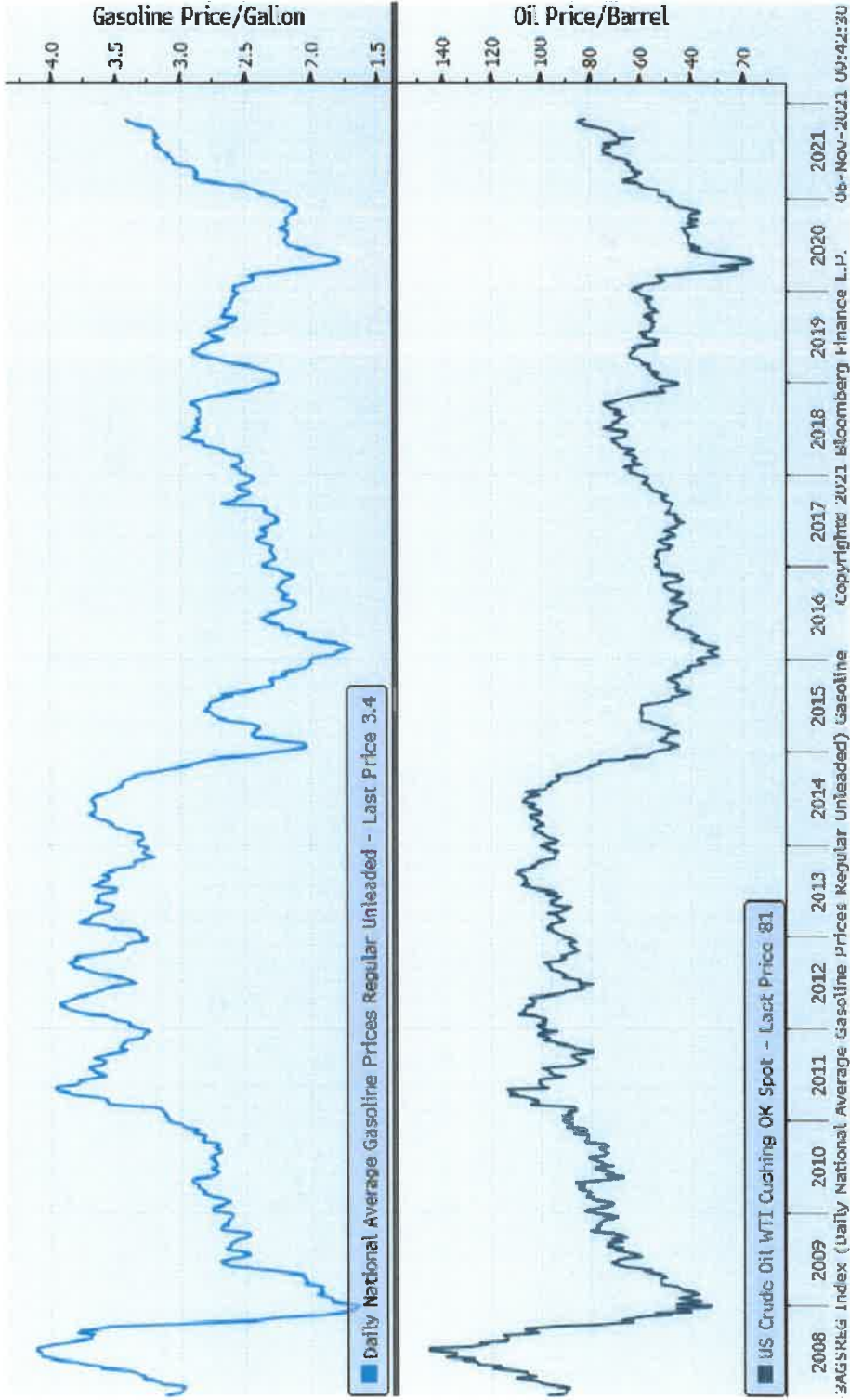


Item	May 2021	Oct 2021	Chg	% Chg	Annualized
Double-Double	\$4.10	\$4.40	\$0.30	7.3%	17.6%
Cheeseburger	\$2.85	\$3.05	\$0.20	7.0%	16.8%
Hamburger	\$2.55	\$2.70	\$0.15	5.9%	14.1%
French Fries	\$1.90	\$2.00	\$0.10	5.3%	12.6%
Shakes	\$2.50	\$2.55	\$0.05	2.0%	4.8%

Source: In-N-Out, Rick's iPhone



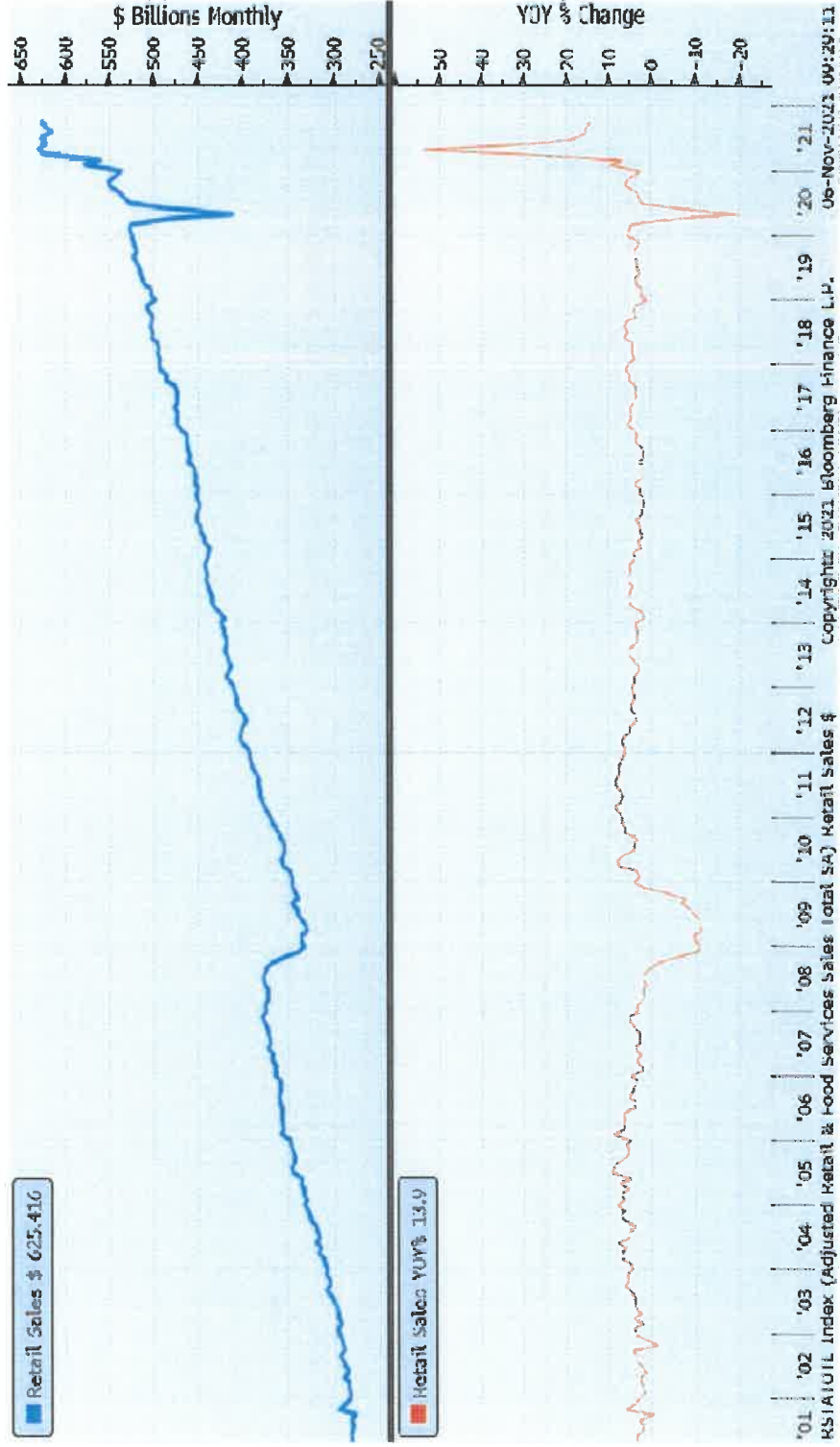
# Will Higher Energy Prices Slow Consumer Spending?



Source: Bloomberg



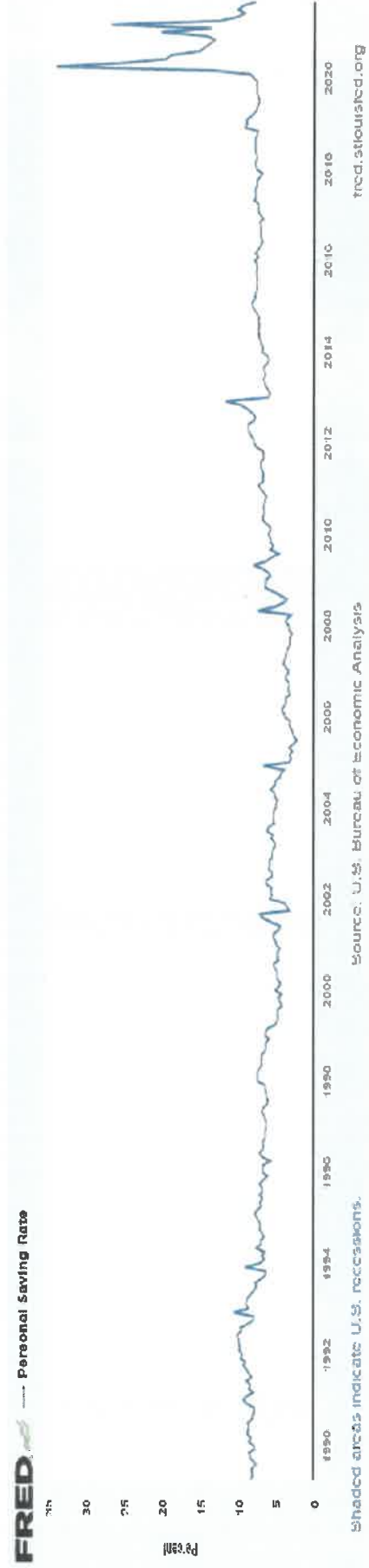
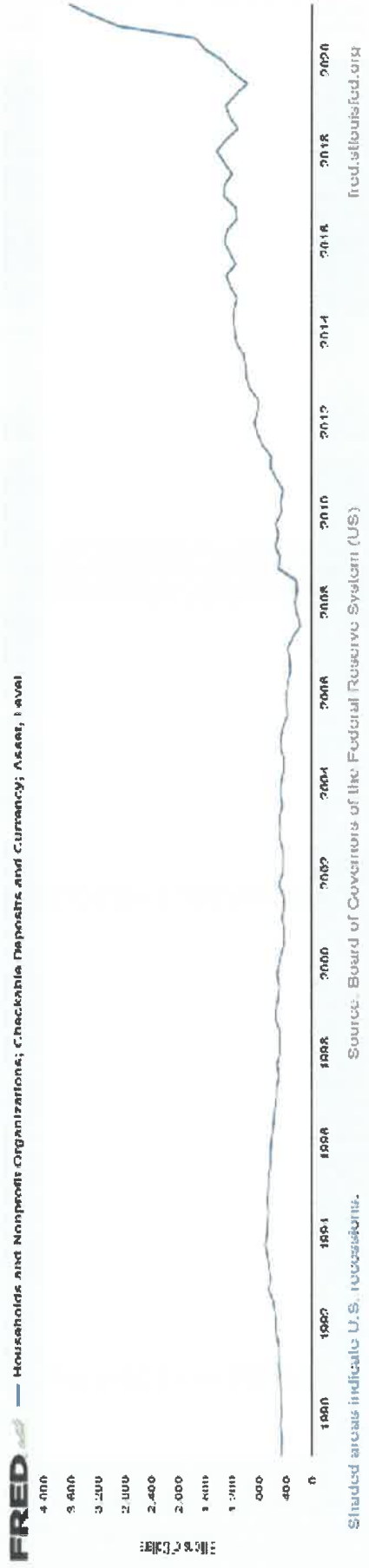
# U.S. Retail Sales' Rate of Change Slowing...But Spending is Still Really High



Source: Bloomberg



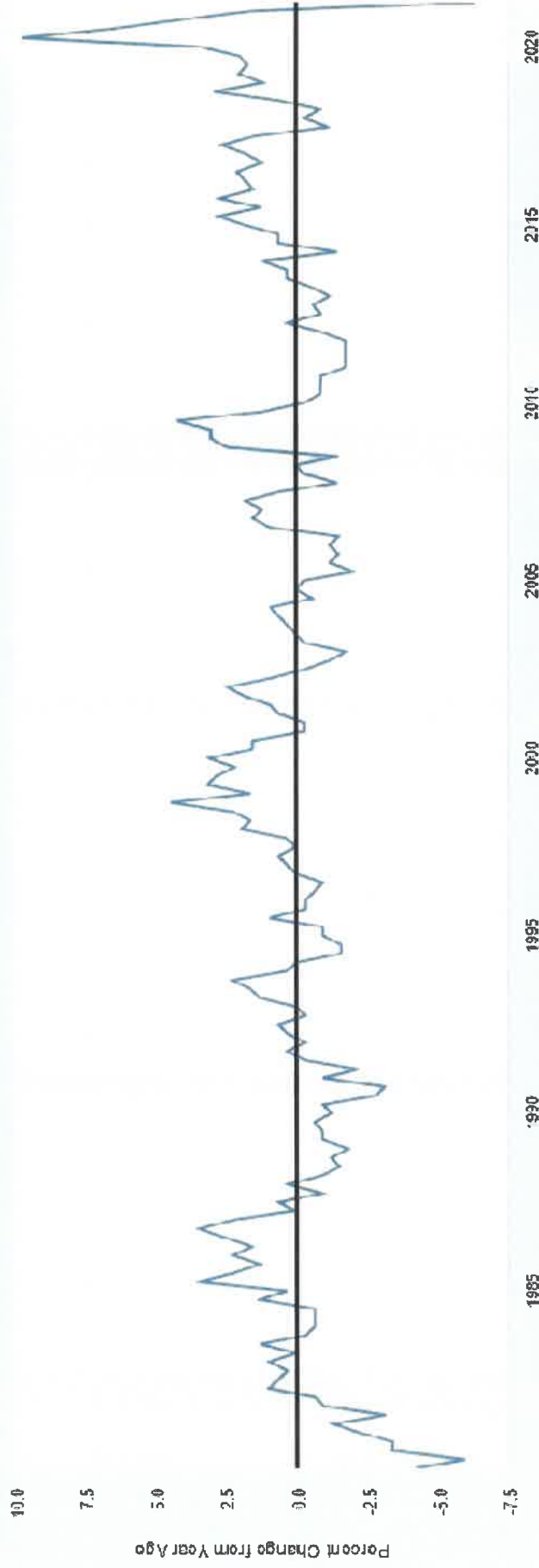
# Savings Rate Back to Normal...But are Checking Accounts Loaded



# Real Wages Getting Clocked



— Employed full time: Median usual weekly real earnings: Wage and salary workers: 16 years and over



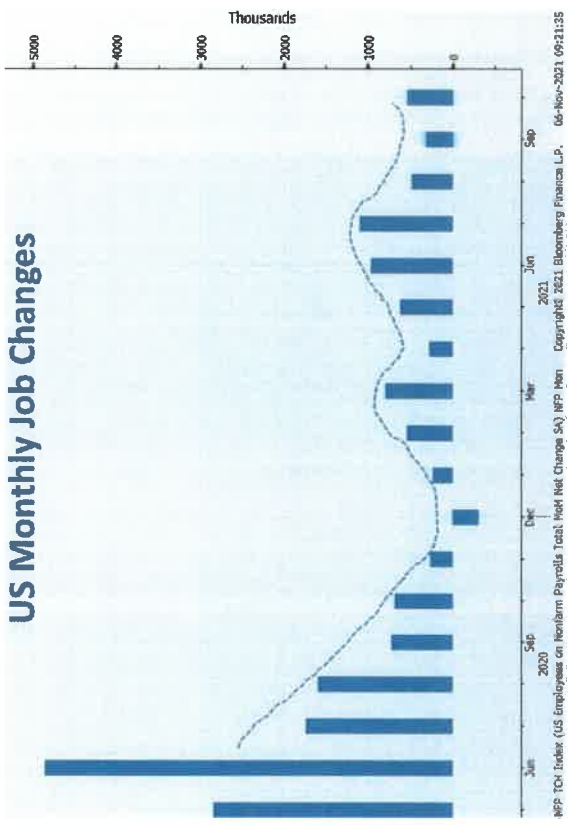
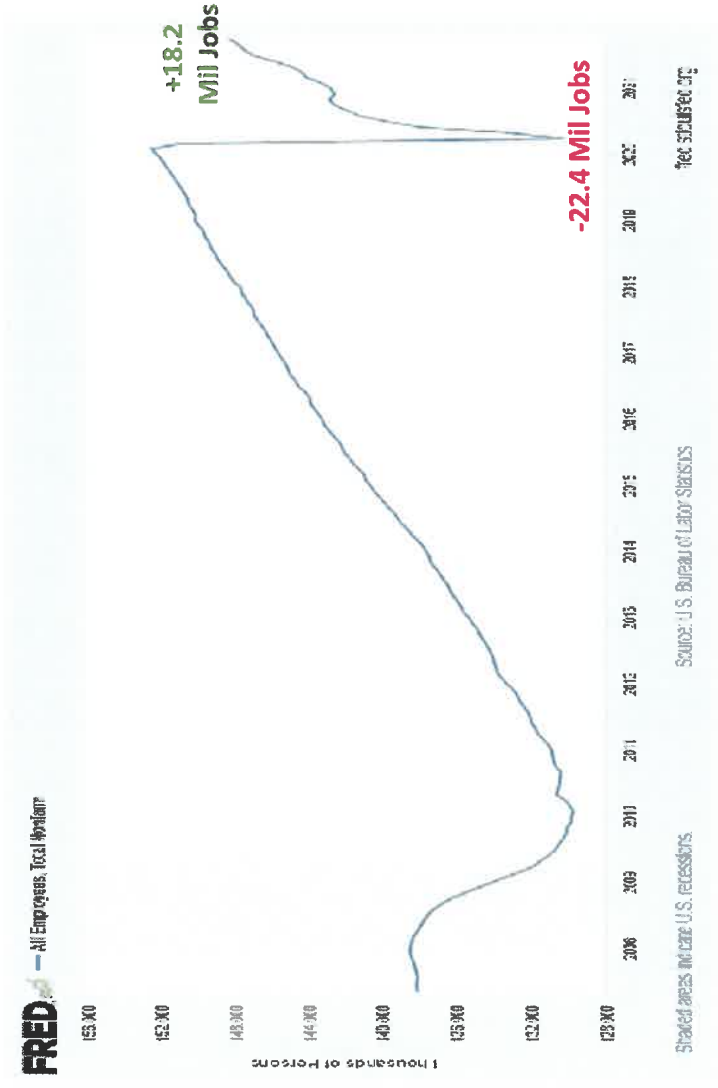
Shaded areas indicate U.S. recessions. Source: U.S. Bureau of Labor Statistics

fred.stlouisfed.org

Source: FRED



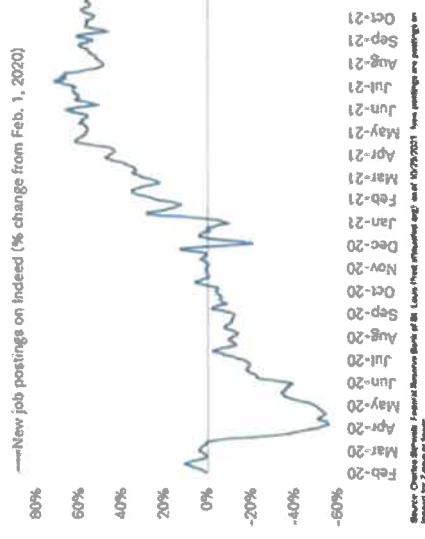
# Still ~4 Million Jobs to Get Back to Pre-COVID...Doesn't Count the Usual ~2 Million/Yr



# Lots Looking to Hire...Job Postings ROC (Rate of Change) Declining But Still High

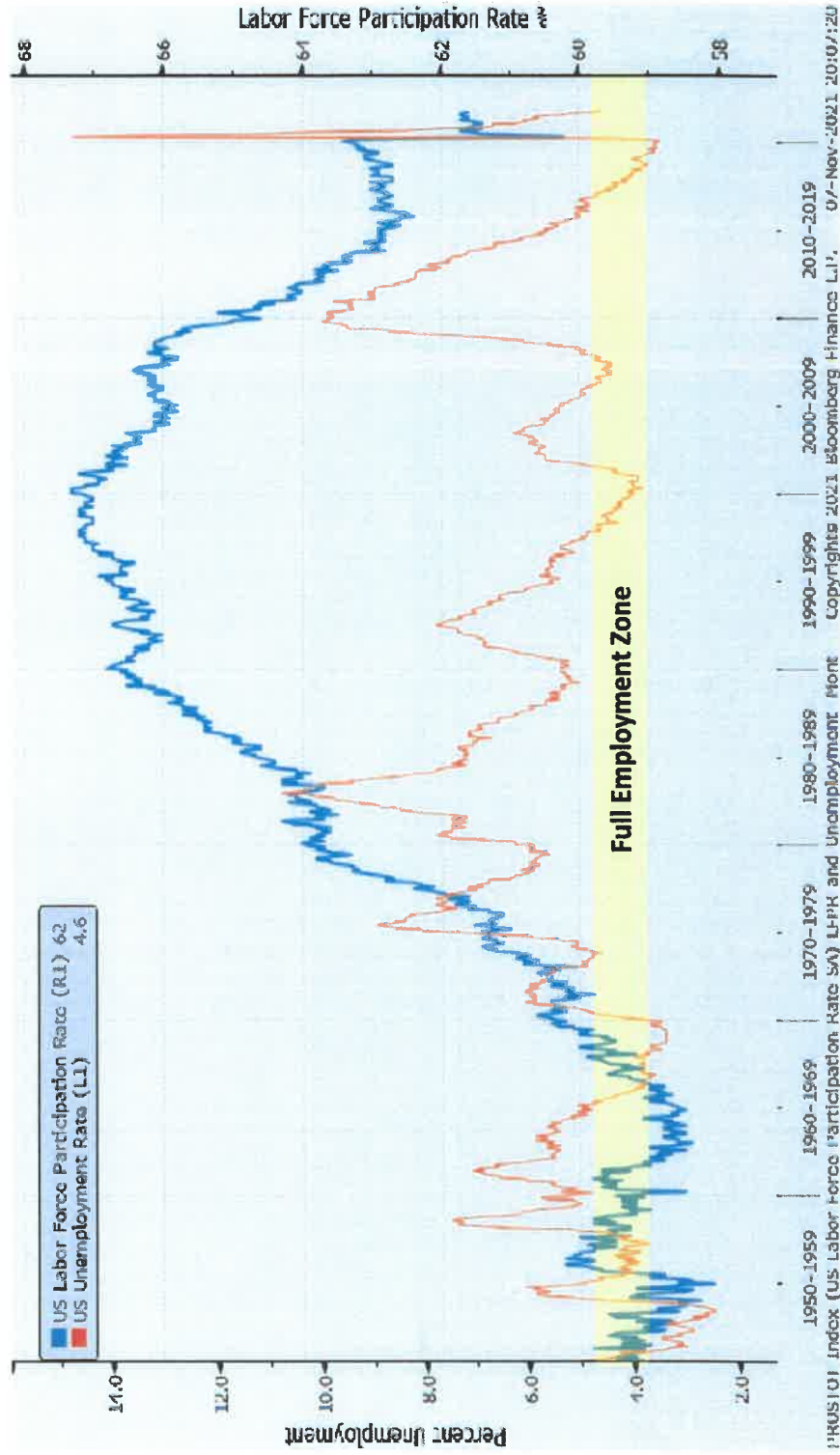


New job postings on [@indeed](#) down from summer peak and have been trending sideways for past couple months



4:48 AM · 11/5/21 · [Twitter for iPad](#)

# Unemployment Rate Back in the "Full Employment Zone" ...LFPR Not

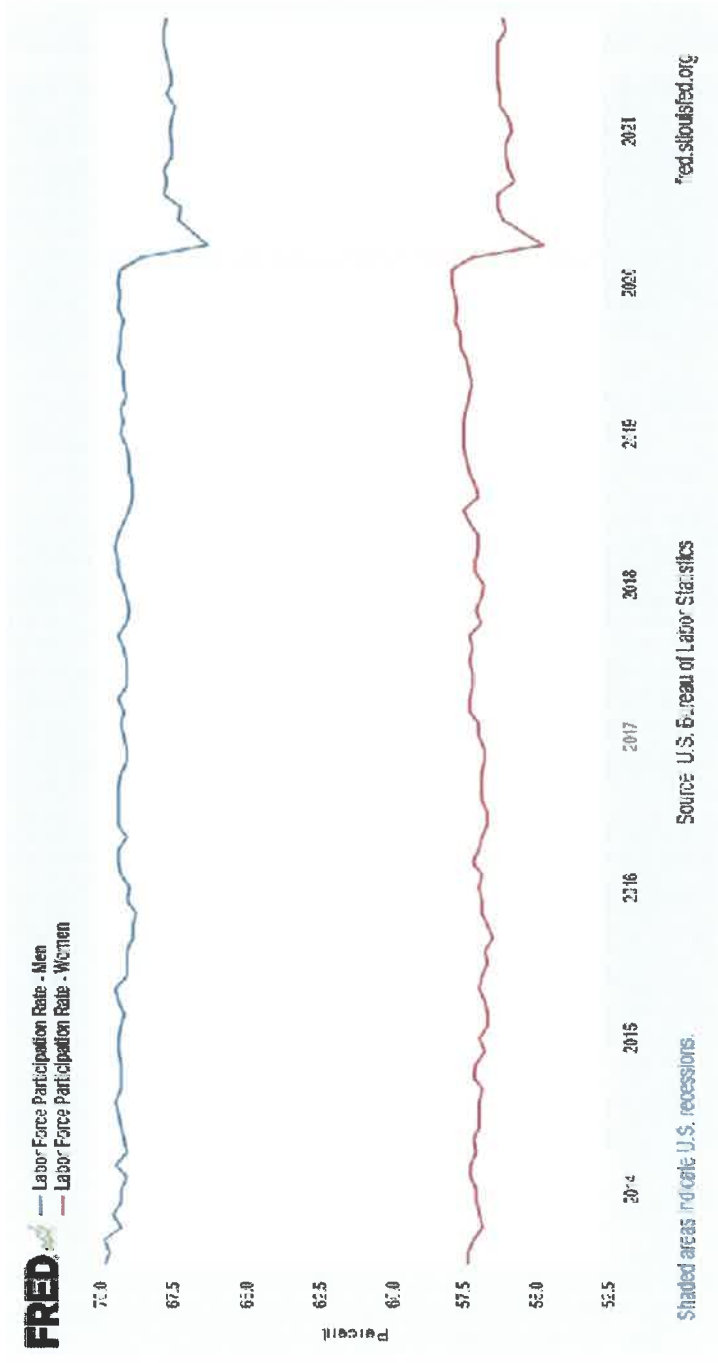


Source: Bloomberg





# The Great Resignation and The Great Retirement: LFPR Still Way Below Pre-COVID



## Schools/Child Care Better



**Bloomberg Equality**  
@bbgEquality

NEW: Participation among prime-age female workers, those 25 to 54 years old, rose slightly last month



bloomberg.com  
U.S. Women Are Coming Back to the...

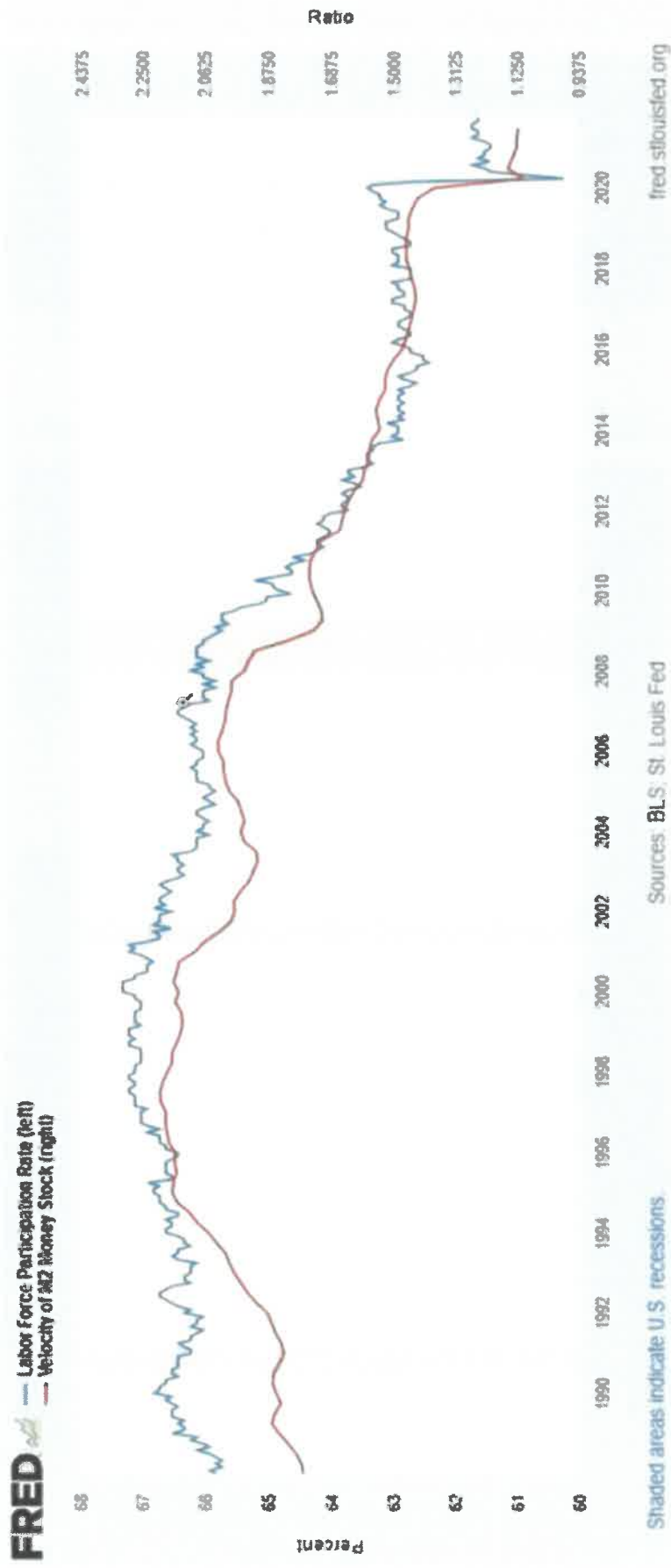
7:06 AM · 11/5/21 · [SocialFlow](#)

Source: Bloomberg, FRED





# Demographics/Retirements Slowing Velocity of Money



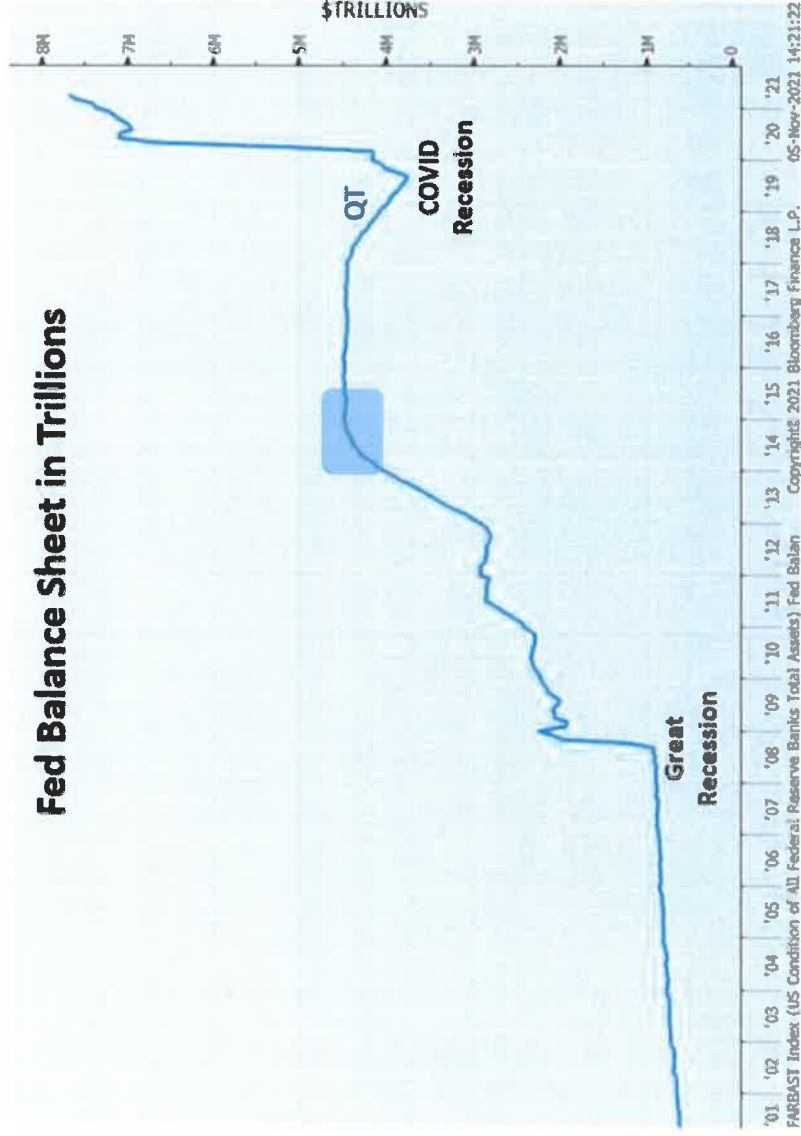
# Fed Taper: Will 2022 Look Like 2014? When/If Will the Fed do QT?

## Fed to start tapering bond purchases later this month as it begins pulling back on pandemic aid

PUBLISHED WED, NOV 3 2021 2:00 PM EDT  
UPDATED 44 MIN AGO



Jeff Cox  
@JEFFCOX7528  
#JEFPCOXNBCOM

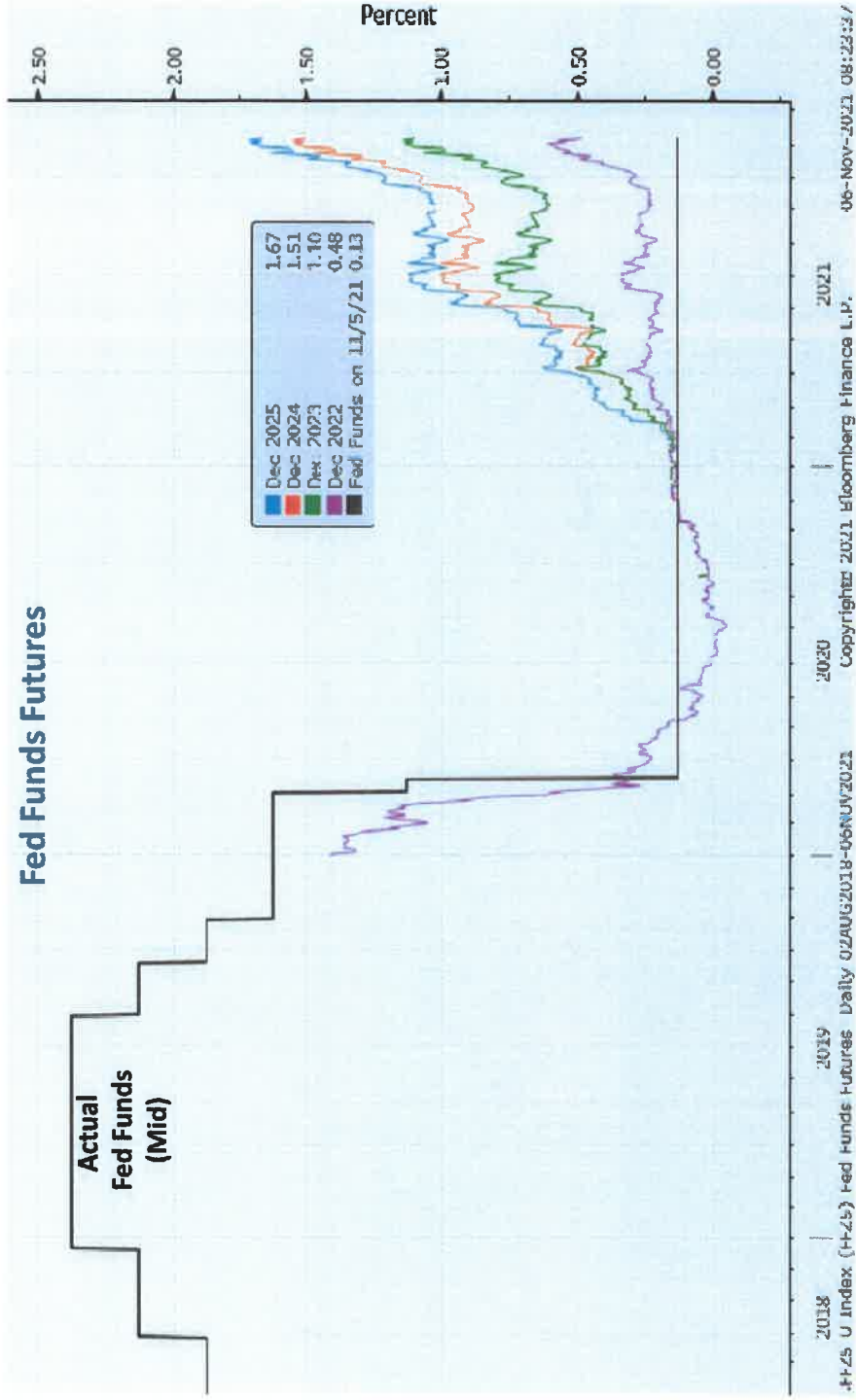


Source: Bloomberg



- The Federal Reserve said Wednesday it will begin tapering the pace of its asset purchases later in November.
- On a monthly basis, the reduction will see \$10 billion less in Treasuries and \$5 billion less in mortgage-backed securities.
- There also was only a slight change to Fed's view on inflation. The post-meeting statement kept the word "transitory" to describe price increases that are running at a 30-year high, though it qualified the term somewhat by saying pressures are "expected to" be temporary.

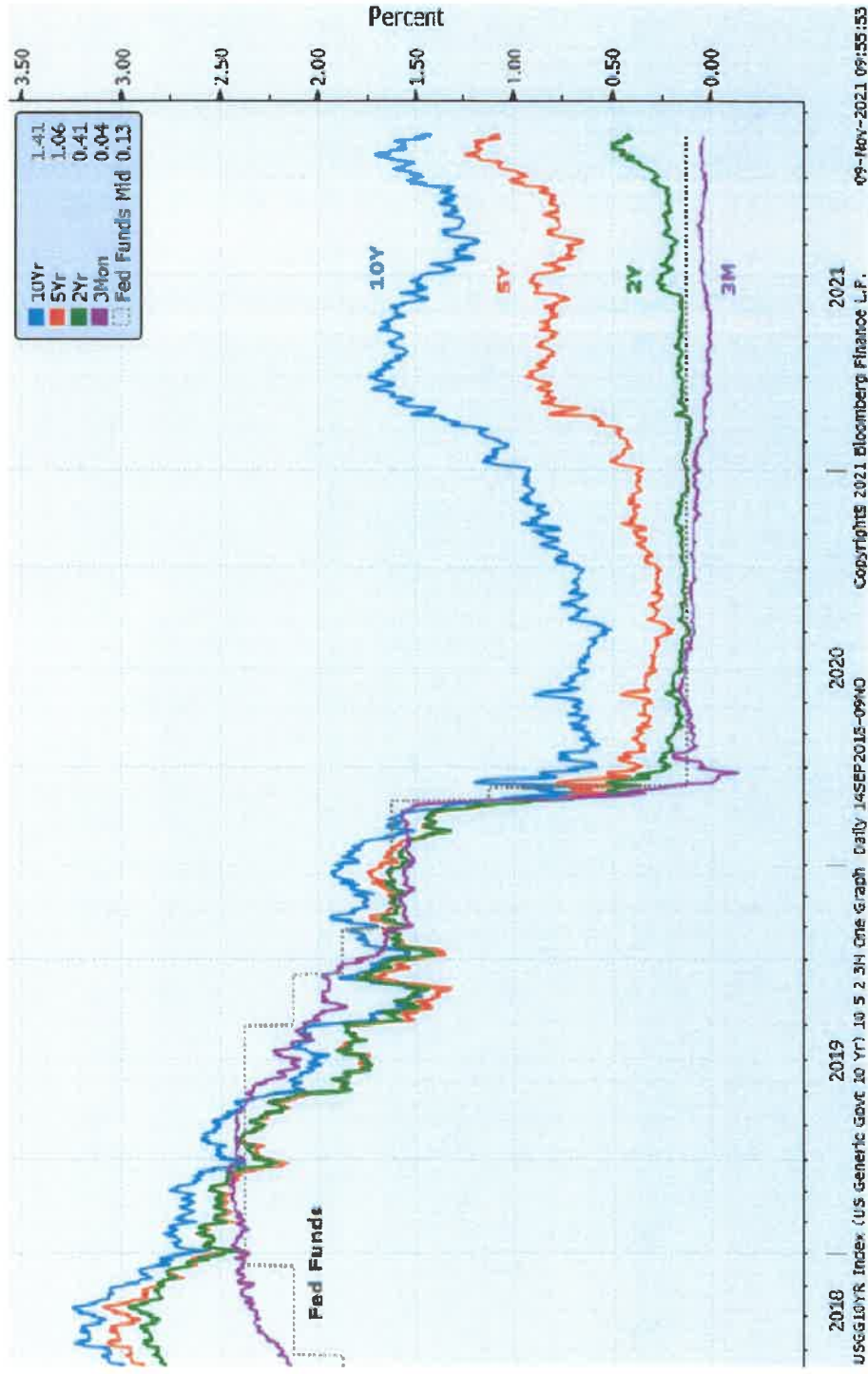
# Outer Rate Hike Expectations Rose a Bunch the Past Few Months... Thank You!



Source: Bloomberg



# Treasury Tracker



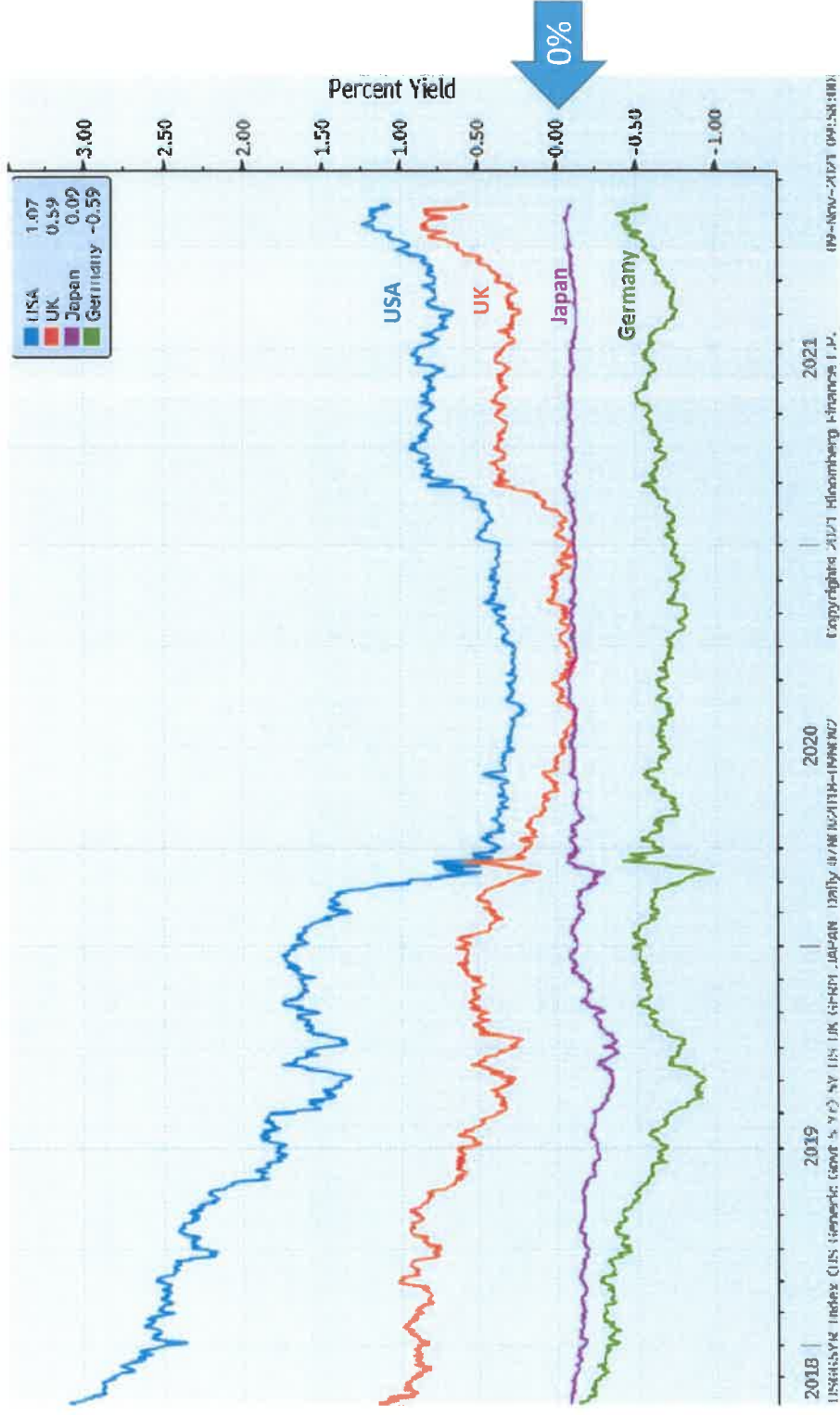
Source: Bloomberg



2018 | 2019 | 2020 | 2021  
 USGG10YR Index (US Generic Govt 10 Yr) 10 5 2 3H One Graph Daily 14SEP2018-09NOV  
 Copyrights 2021 Bloomberg Finance L.P.

09-May-2021 09:55:53

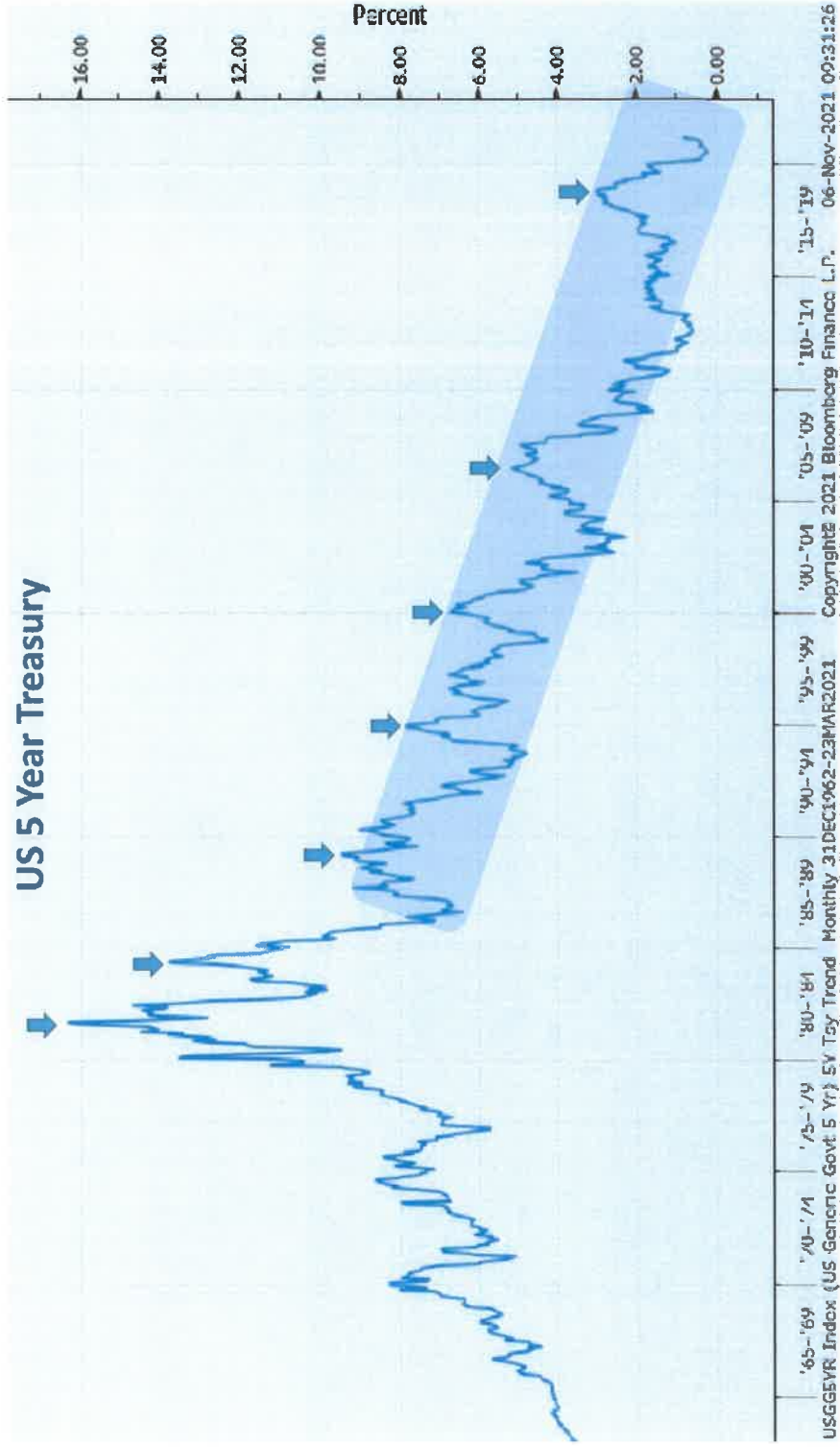
# UK and Germany 5Yr Yields Decline a Bit More Than the US 5Yr



Source: Bloomberg



# Does the Trend of Lower Highs Continue?



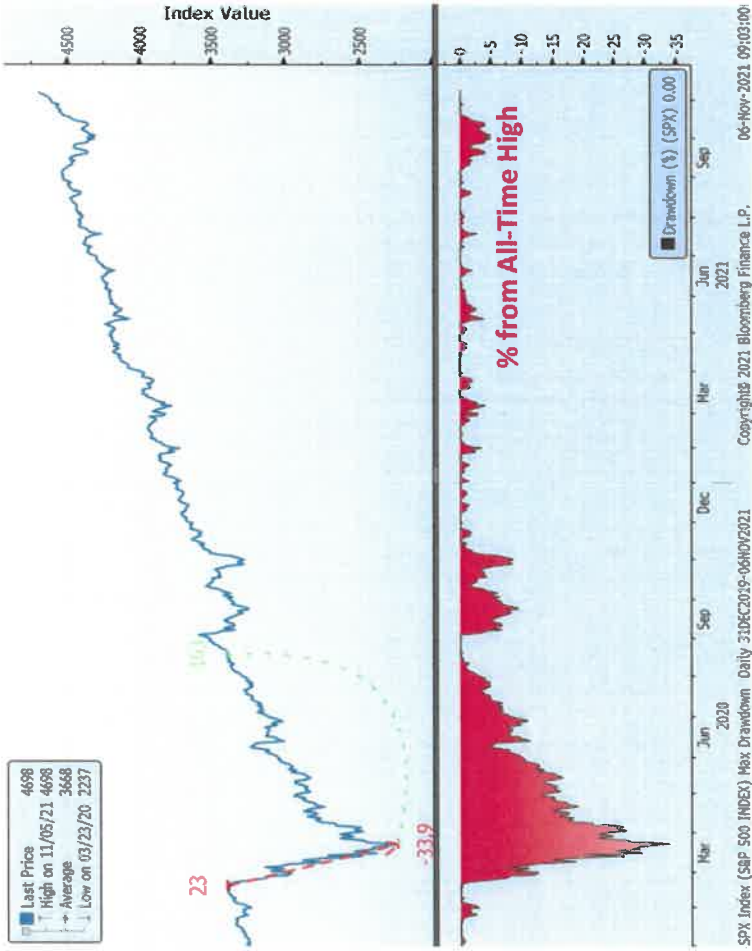
Source: Bloomberg



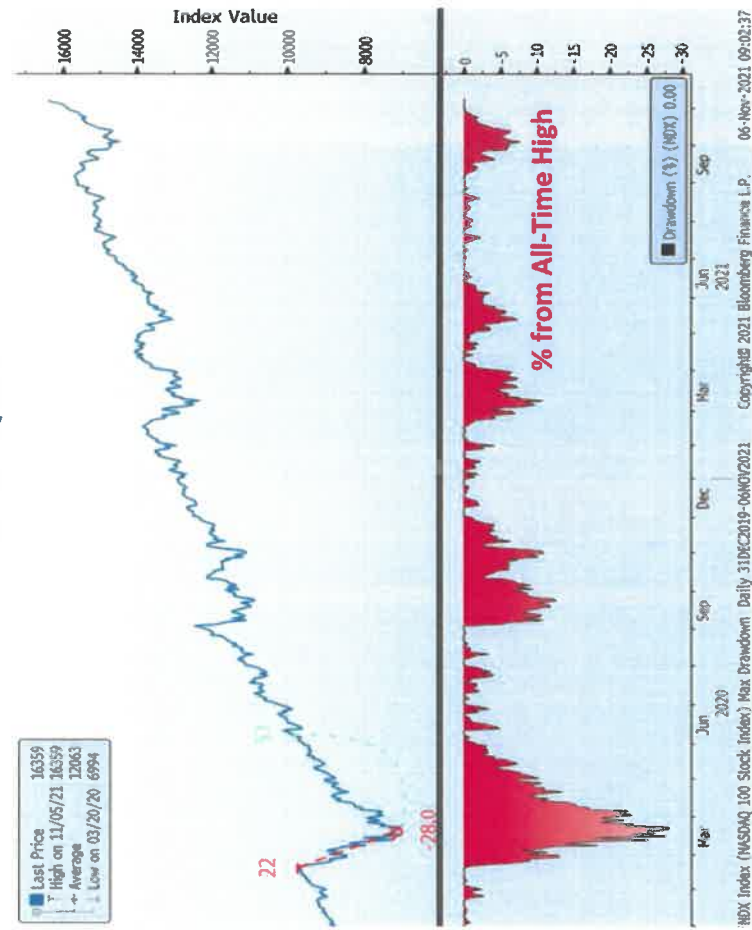


# Stocks Liking a Dovish Fed and Higher Earnings

## S&P 500



## NASDAQ 100

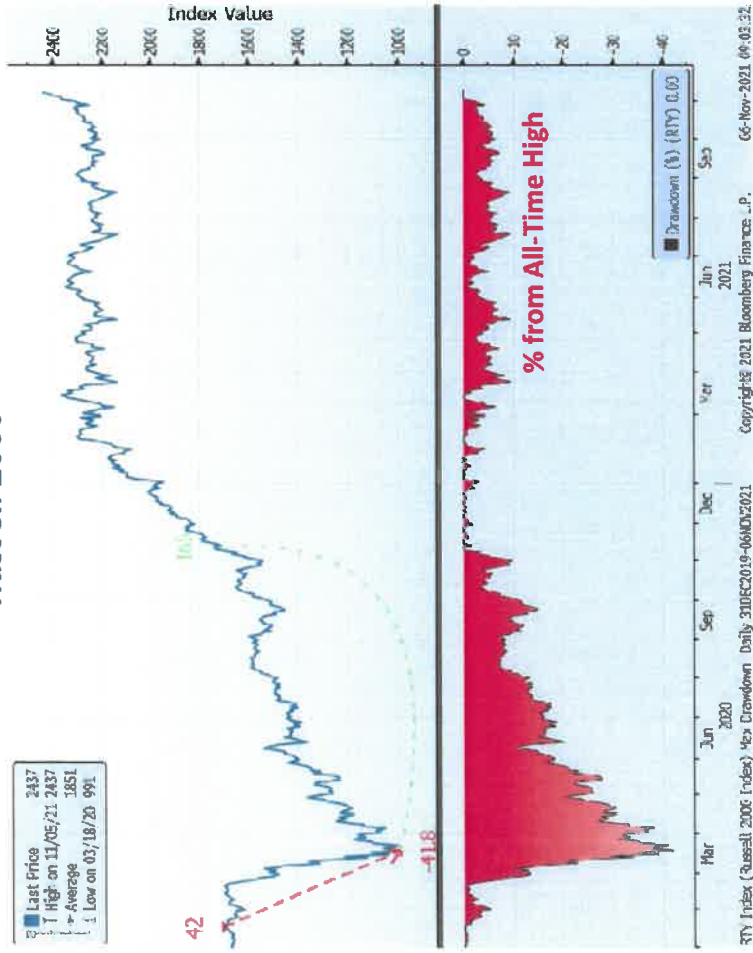


Source: Bloomberg

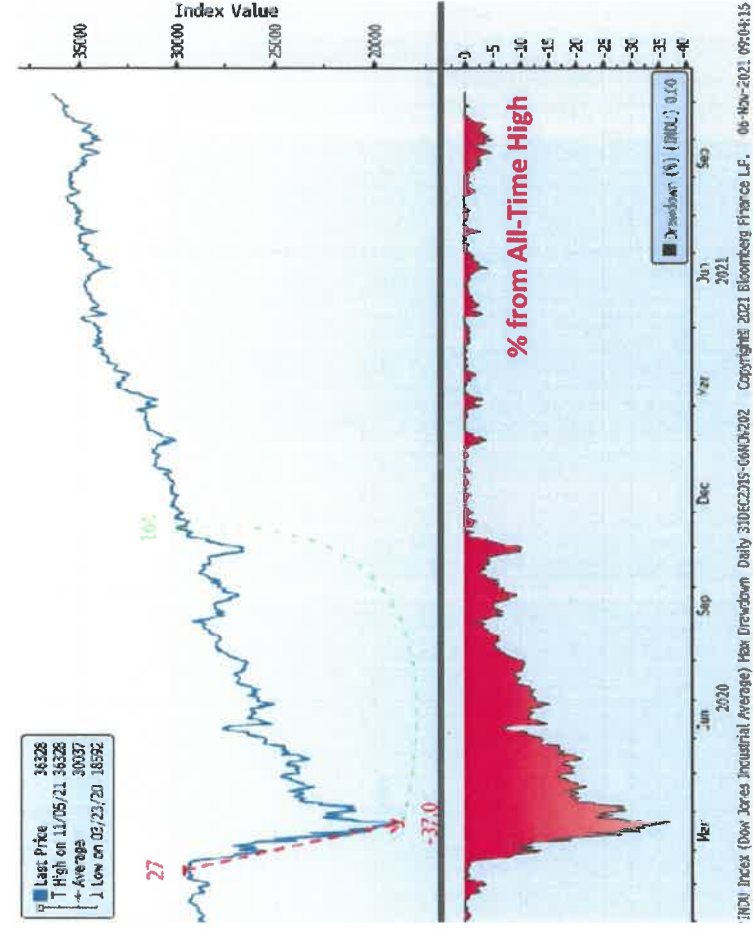


# Stocks Liking a Dovish Fed and Higher Earnings

## Russell 2000



## Dow

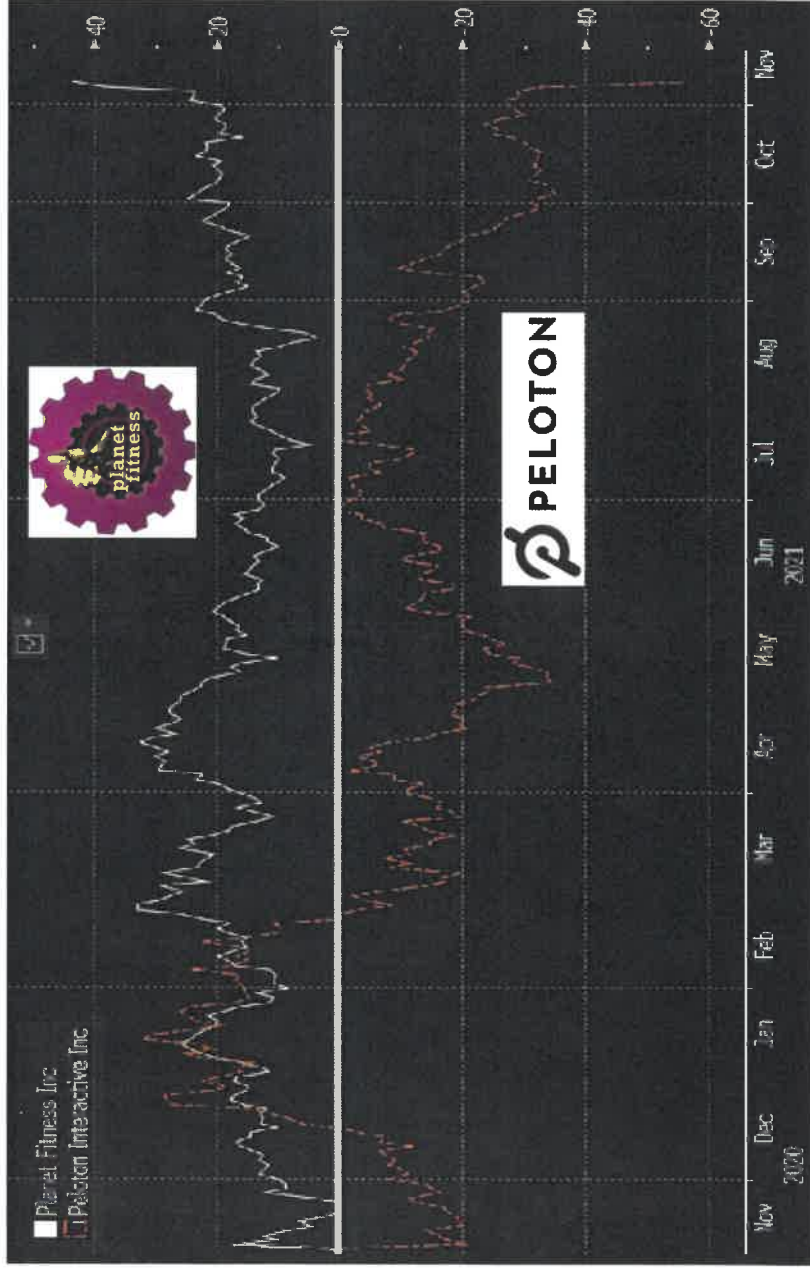


Source: Bloomberg





# “COVID Stocks” Plunging... “Reopening Stocks” Surging



## Planet Fitness CEO says gym membership has almost reached its pre-Covid peak

PUBLISHED THU, NOV 4 2021 7 08 PM EDT



Kevin Stankiewicz  
@KEVIN\_STANK

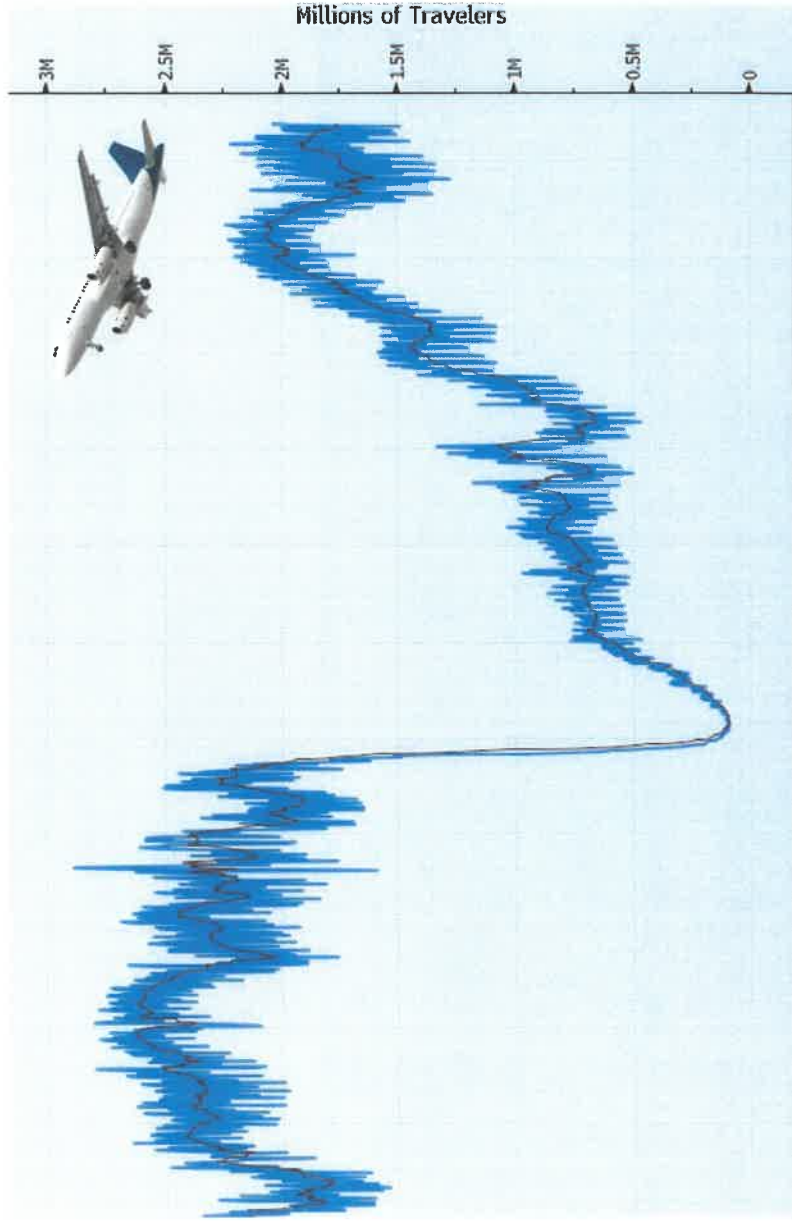
- “All the winds are blowing in the right direction, and the sails are wide open,” Planet Fitness CEO Chris Rondeau told CNBC on Thursday.
- He said the gym chain has recaptured 97% of its pre-Covid membership peak.
- Planet Fitness shares hit an all-time high Thursday after strong quarterly results.



Source: Bloomberg, CNBC



# Will Business Travel Ever Get Back to Pre-COVID Levels Per Capita?



2019 2020 2021  
 TSAATPCY Index (US TSA Checkpoint Numbers Total Traveler Throughput) TSA Daily Copyrights 2021 Bloomberg Finance L.P. 06-Nov-2021 09:25:52

Source: Bloomberg



**REOPENING STOCKS**

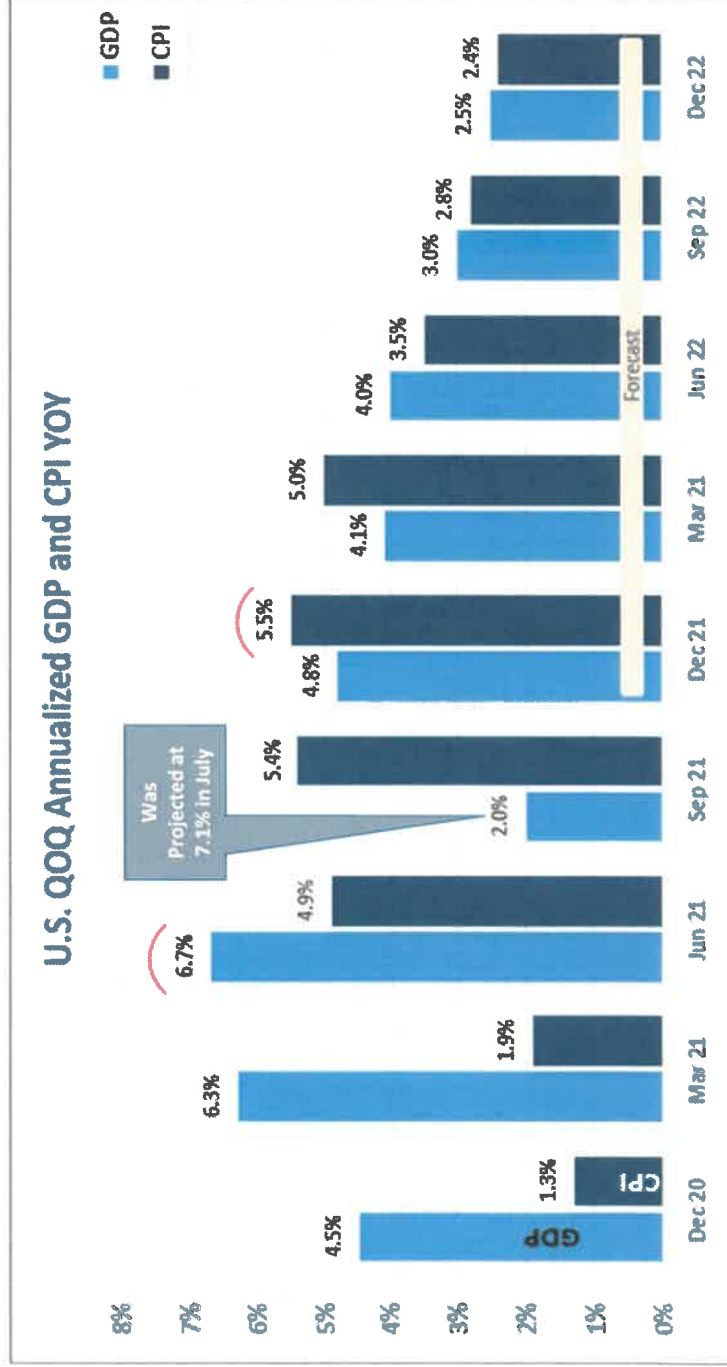
MARRIOTT INTL.	169.49	(+3.29%)
HILTON WORLDWIDE	152.61	(+3.51%)
AIRBNB	189.26	(+6.05%)
WYNN RESORTS	93.58	(+2.72%)
WALT DISNEY	173.95	(+2.16%)

**DR. GOTTLIEB: THIS IS THE END OF THE PANDEMIC AS WE KNOW IT**

PERFORMING 5.13%  
 NASDAQ 4.49  
 NASDAQ 15,840.31

# GIF (Growth Inflation Fed) Model: Rate of Growth (GDP) and Inflation (CPI) Projected to Slow

The "Sugar High" of Growth is Over



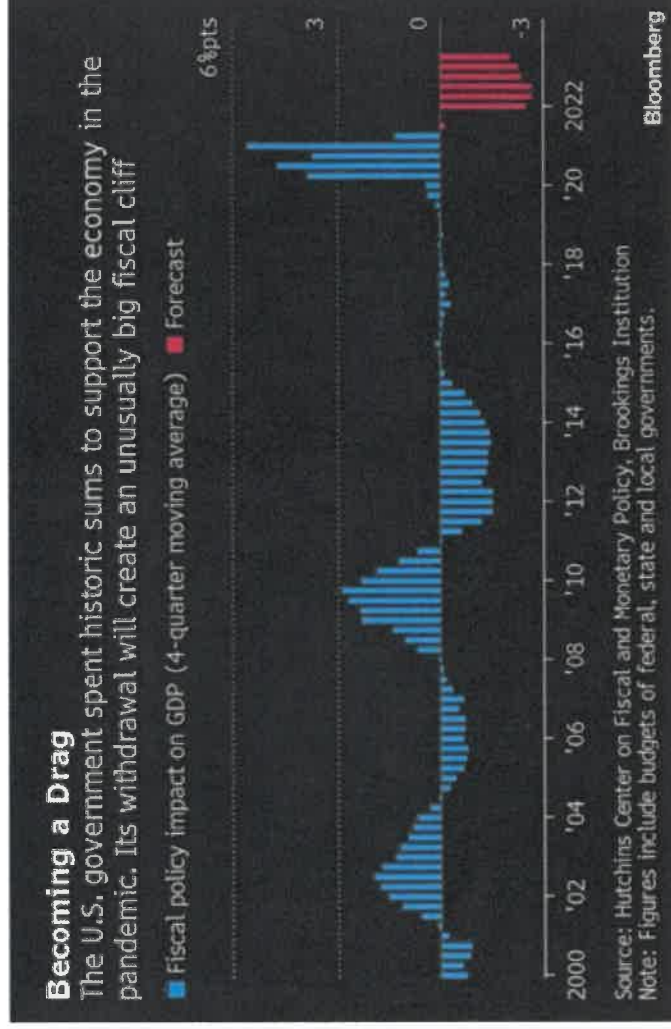
## Lower U.S. Government Spending Will Be a Drag on U.S. Growth

*As we have discussed in prior reports, the US fiscal stimulus impulse was far greater in the 2020 COVID crisis than it was in either 2001 or 2007; this can also be seen in the chart at right.*

*Critically, the fiscal tailwind to GDP (which was recently as high as 5%) is turning negative right about now, and is forecast to be a -3% hit to GDP soon.*

*Given that US Federal government spending is ~30% of GDP, the private sector needs to accelerate meaningfully to offset the reduction in fiscal spending to avoid a step back in US economic and jobs growth in coming months.*

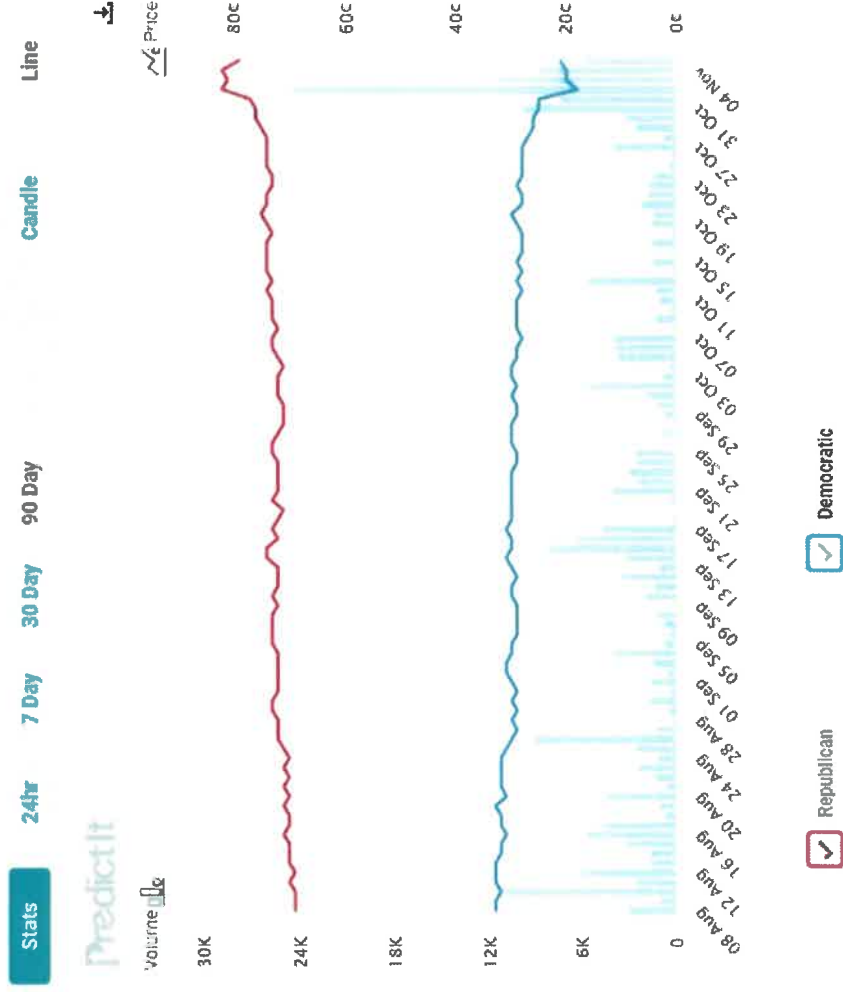
2 • FFTT TREE RINGS NOVEMBER 5, 2021



# House: Are Yields Looking at a Red Change?

Which party will win the House in the 2022 election?

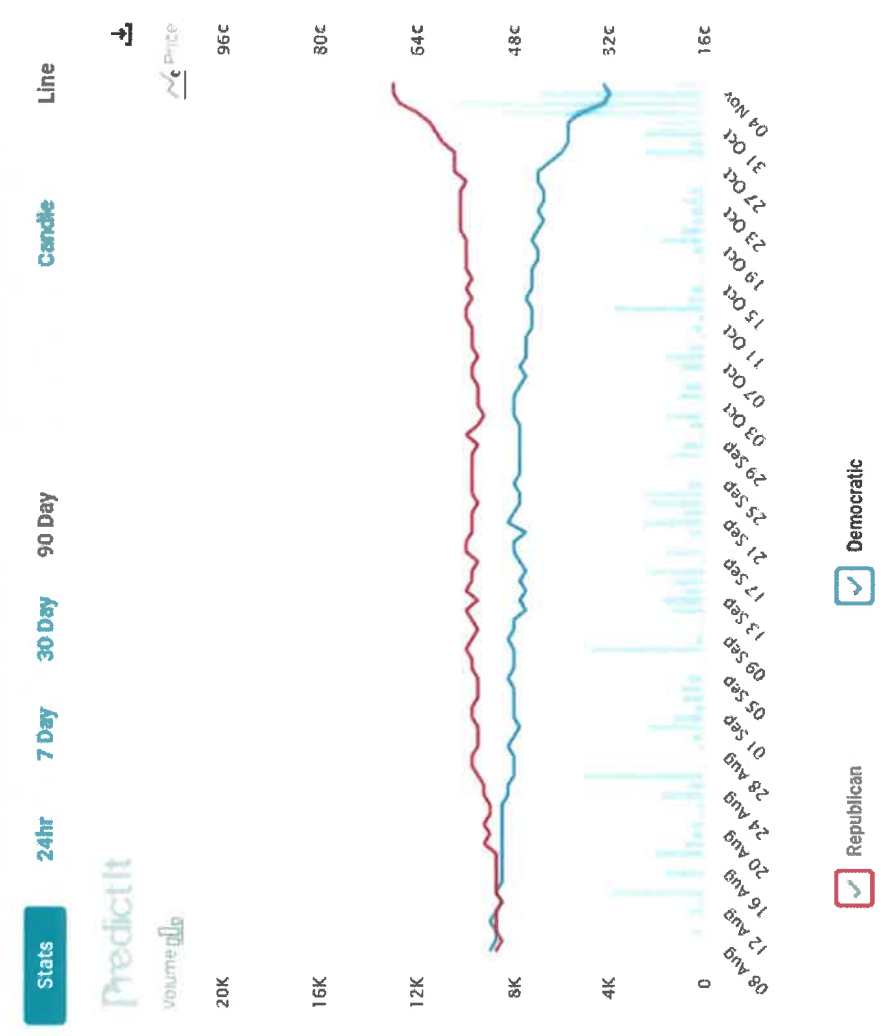
Contract	Latest Yld Price	Best Offer
 Republican	80¢ <span style="color: green;">↑</span>	80¢
 Democratic	21¢ <span style="color: red;">↓</span>	21¢



Source: PredictIt.org



# Senate: Are Yields Looking at a Red Change?



Which party will control the Senate after 2022 election?

Contract	Latest Yes Price	Next Offer
Republican	68¢ <small>MC</small>	68¢
Democratic	34¢ <small>1c+</small>	34¢



# RBIF Performance

## Retirement Benefits Investment Fund

June 30, 2021

Performance Gross of Fees

Asset Class	Market Value	Target Allocation	Actual Allocation	FYTD Return	One Year	3 Years	5 Years	10 Years	Since Inception (2008)
U.S. Stocks- S&P 500 Index	\$ 413,539,906	50.5%	53.4%	40.7%	40.7%	18.6%	17.6%	14.8%	11.2%
Market Return				40.8%	40.8%	18.7%	17.7%	14.8%	11.1%
Int'l Stocks- MSCI World x US Index	\$ 171,619,448	21.5%	22.2%	33.7%	33.7%	8.9%	10.7%	6.3%	4.1%
Market Return				33.6%	33.6%	8.6%	10.5%	6.0%	3.9%
U.S. Bonds- U.S. Bond Index	\$ 184,332,344	28.0%	23.8%	0.1%	0.1%	5.8%	2.8%	3.3%	3.6%
Market Return	\$ 4,345,257	0.0%	0.6%	0.1%	0.1%	5.7%	2.8%	3.2%	3.5%
<b>Total RBIF Fund</b>	<b>\$ 773,836,955</b>	<b>100.0%</b>	<b>100.0%</b>	<b>27.5%</b>	<b>27.5%</b>	<b>13.7%</b>	<b>12.3%</b>	<b>9.9%</b>	<b>8.0%</b>
<b>Market Return</b>				<b>26.9%</b>	<b>26.9%</b>	<b>13.2%</b>	<b>12.0%</b>	<b>9.7%</b>	<b>7.9%</b>

It probably won't get better than this!

Source: NVPERS.org



## Disclosure

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