

NOTICE OF PUBLIC MEETING

AGENDA

CLARK COUNTY OPEB BOARD OF TRUSTEES

WEDNESDAY, NOVEMBER 30, 2017, 3:00 PM
PINYON ROOM, GOVERNMENT CENTER, 6th FLOOR
500 SOUTH GRAND CENTRAL PARKWAY, LAS VEGAS, NEVADA

This meeting has been properly noticed and posted in the following locations:		Agenda Also Available At:	
CC Government Center 500 S. Grand Central Pkwy Las Vegas, NV (Principal Office)	Regional Justice Center 200 Lewis Ave, 1 st 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.

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 Carrie Delatorre at (702) 455-3895.

CALL TO ORDER

Comments by the General Public

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 August 30, 2017. (For possible action)
3. Receive a report on financial statements as of and for the three months ending September 30, 2017. (For possible action)
4. Receive a report of the Clark County self-funded implicit subsidy. (For possible action)

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

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.

OPEB Board of Trustees

CLARK COUNTY, NEVADA

Jessica Colvin
Chair
Laura Fitzpatrick
Vice-Chair
George Stevens
Trustee
Joseph Piurkowski
Trustee

CALL TO ORDER

The public meeting of the Clark County OPEB Board of Trustees meeting was called to order by Jessica Colvin, Comptroller on Wednesday, August 30, 2017 at 3:00 P.M. in the Pinyon Room, Clark County Government Center, 6th floor, 500 South Grand Central Parkway, Las Vegas, Nevada. This public meeting was properly noticed and posted.

ATTENDEES:

Jessica Colvin, Chair
Joseph Piurkowski, Department of Aviation – phone in
George Stevens, Trustee – phone in
Rick Phillips, FTN Financial, Chief Investment Officer
Drew Solomon, Clark County Treasurer’s Office
Anna Danchik, Clark County, Manager of Accounting Services
Elizabeth Vorce, Clark County, Principle Accountant

There were no comments from the general public, as no public present.

1. Approval of Agenda (For possible action)

- Motion made by Mr. Piurkowski to approve the Agenda for August 30, 2017 – motion passed unanimously.

2. Approval of the minutes of the Clark County, Nevada OPEB Trustee meeting from June 28, 2017. (For possible action)

- A motion was made by Mr. Piurkowski to approve the minutes from the June 28, 2017 meeting - motion passed unanimously.

3. Receive a report on financial statements as of and for the year ending June 30, 2017. (For possible action)

- Ms. Colvin summarized the financial statements as of and for the year ending June 30, 2017.

4. Approval of the Clark County OPEB Trust budget and forecasted contribution for the fiscal year ending June 30, 2018. (For possible action)

- Ms. Colvin summarized the budget explaining the expected impact of GASB 74 on audited financial statements beginning July 1, 2016. As a result of the new accounting standard the OPEB Trust will be required to report all retiree health activity and may be required to transfer funds to the Clark County Self-Funded Health Plan ("the Plan") in an amount equal to the retiree health implicit subsidy incurred by "the Plan." As a result a transfer has been budgeted in fiscal year 2018; however, staff continues to discuss the implementation of GASB 74 with the OPEB Trust's auditors and the Governmental Accounting Standards Board.
- Mr. Stevens recommended a contribution to the OPEB Trust from Clark County equal to the amount of the implicit subsidy billing in fiscal year 2018. Ms. Colvin agreed to follow up on that recommendation at the next meeting.
- Mr. Stevens requested the implicit subsidy incurred by the Health Plan over the last few years. Ms. Colvin agreed to provide those amounts at the next meeting and going forward.

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

- Mr. Phillips summarized the Quarterly Investment Report dated June 30, 2017 and the Economic/Market update dated August 30, 2017.

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.)

Comments by the General Public

There were no comments from the general public.

There being no further business, the meeting was adjourned at 3:30 P.M.

Clark County, Nevada
 OPEB Trust Fund
 Statement of Changes in Plan Net Assets
 For the Period July 1, 2017 through September 30, 2017 - Budget to Actual

	Clark County	Department of Aviation	Total	YTD Budget	Favorable (Unfavorable) Variance
Additions					
Contributions					
Employer - Clark County	\$ -	\$ -	\$ -	\$ -	\$ -
Employer - Department of Aviation	-	-	-	-	-
Total contributions	-	-	-	-	-
Investment income (loss)					
Interest	439,369	96,529	535,898	7,500	528,398
Net increase (decrease) in fair value of investments	2,316,570	508,950	2,825,520	-	2,825,520
Total investment income (loss)	2,755,939	605,479	3,361,418	7,500	3,353,918
Less investment expense	(5,252)	(1,155)	(6,407)	(7,500)	1,093
Net investment income (loss)	2,750,687	604,324	3,355,011	-	3,355,011
Total additions	2,750,687	604,324	3,355,011	-	3,355,011
Deductions					
Administrative expenses					
Accounting services	-	-	-	188	188
Audit fees	-	-	-	5,375	5,375
Continuing education	-	-	-	600	600
Bank fees	-	-	-	275	275
Insurance	-	-	-	2,500	2,500
Retiree benefits	-	-	-	1,541,439	1,541,439
Trustee fees	66	14	80	120	40
Other	-	-	-	1,375	1,375
Total administrative expenses	66	14	80	1,551,872	1,551,792
Change in plan net assets	2,750,621	604,310	3,354,931	(1,551,872)	4,906,803
Net Assets Held In Trust for Other Postemployment Benefits					
Beginning of year	78,152,872	17,170,162	95,323,034	95,323,565	(531)
End of year	\$ 80,903,493	\$ 17,774,472	\$ 98,677,965	\$ 93,771,693	\$ 4,906,272

Clark County, Nevada
 OPEB Trust Fund
 Statement of Plan Net Assets
 September 30, 2017

	<u>Clark County</u>	<u>Department of Aviation</u>	<u>Total</u>
Assets			
Cash and investments			
Cash	\$ 47,228	\$ 10,376	\$ 57,604
State of Nevada RBIF	80,630,268	17,714,445	98,344,713
Clark County Investment Pool	228,464	50,193	278,657
Interest receivable	-	-	-
Total assets	<u>80,905,960</u>	<u>17,775,014</u>	<u>98,680,974</u>
Liabilities			
Accrued expenses	<u>2,467</u>	<u>542</u>	<u>3,009</u>
Net Assets Held In Trust for Other Postemployment Benefits	<u>\$ 80,903,493</u>	<u>\$ 17,774,472</u>	<u>\$ 98,677,965</u>

Client Management Team

Rick Phillips

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

Tonya Dazzo

Chief Operating & Compliance Officer
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Greg Balls, CFA

Portfolio Manager & Analyst
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Christine Wilson

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Dan Rusk

Portfolio Analyst
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Quarterly Investment Report

Clark County OPEB Trust

September 2017

U.S. Stocks - RBIF	48,145,190.37	50,441,242.80	(2,296,052.44)
U.S. Bonds - RBIF	29,191,446.40	24,627,214.53	4,564,231.87
International Stocks - RBIF	20,586,784.66	19,541,892.10	1,044,892.56
Cash Equivalents - RBIF	421,291.86	377,960.71	43,331.15
Clark County Inv Pool (Fixed Income)	278,656.42	276,534.84	2,121.58
Total	98,523,369.70	98,273,869.70	250,000.00

Cost vs Market Value

Market Value	98,623,369.70
Book Value	83,159,220.02
Variance	15,464,149.68

Total Gain/Loss % Since Inception **18.60%**

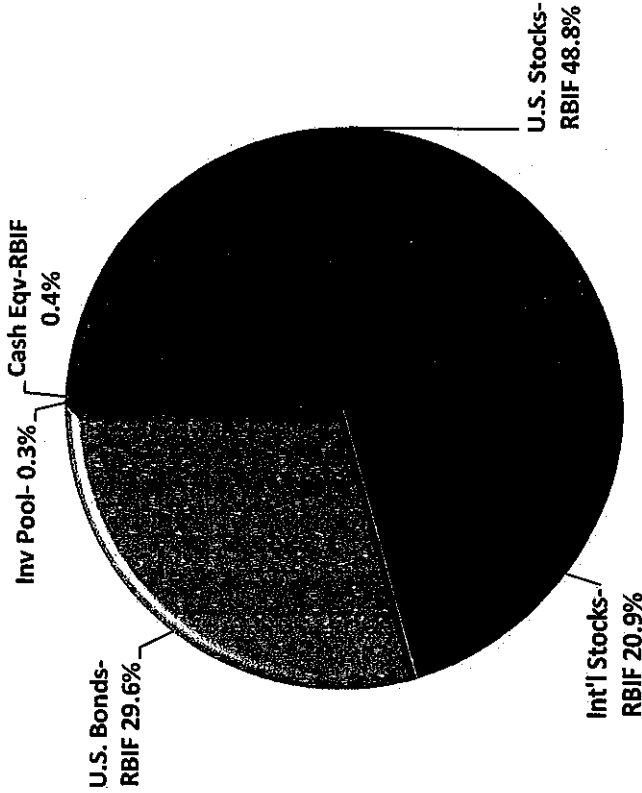
RBIF Allocations

	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

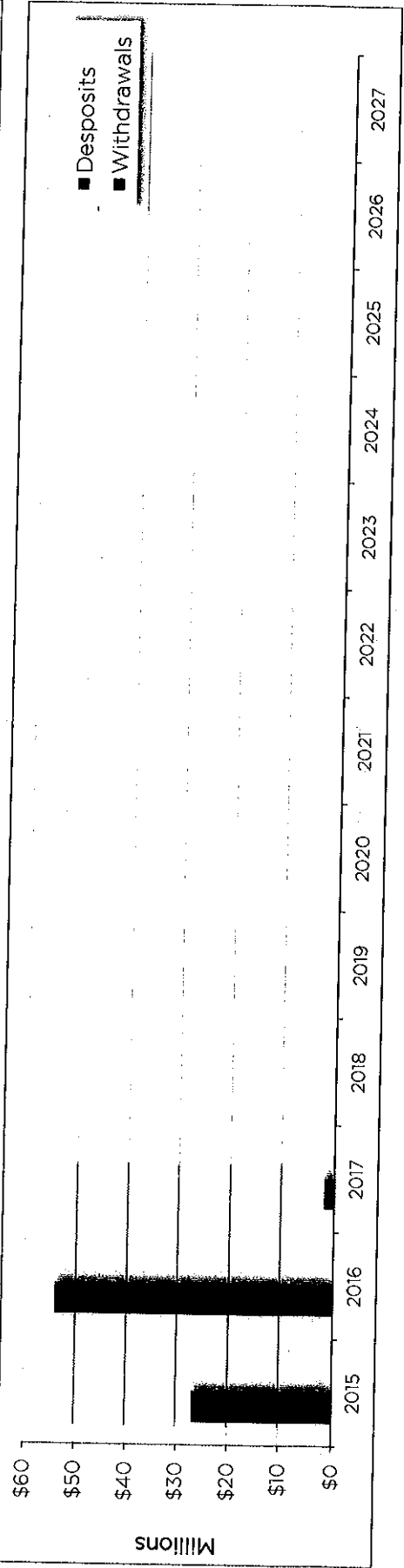


Fiscal Year Contributions/Withdrawals to RBIF in \$Millions

Month	Fiscal Year 2015		Fiscal Year 2016		Fiscal Year 2017		Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020	
	Dep	Withdraw	Dep	Withdraw	Dep	Withdraw	Dep	Withdraw	Dep	Withdraw	Dep	Withdraw
July			4.500									
August			4.500									
September			4.500									
October			4.500									
November			4.500									
December			4.500		2.000							
January	4.480		4.500									
February	4.480		4.500									
March	4.480		4.500									
April	4.480		4.500									
May	4.480		4.500									
June	4.480		4.500									
Total	26.880	0.000	54.000	0.000	2.000	0.000	0.000	0.000				

Fiscal Year Contributions/Withdrawals to RBIF \$Millions

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
82.9	0.0	2.0	0.0										84.9

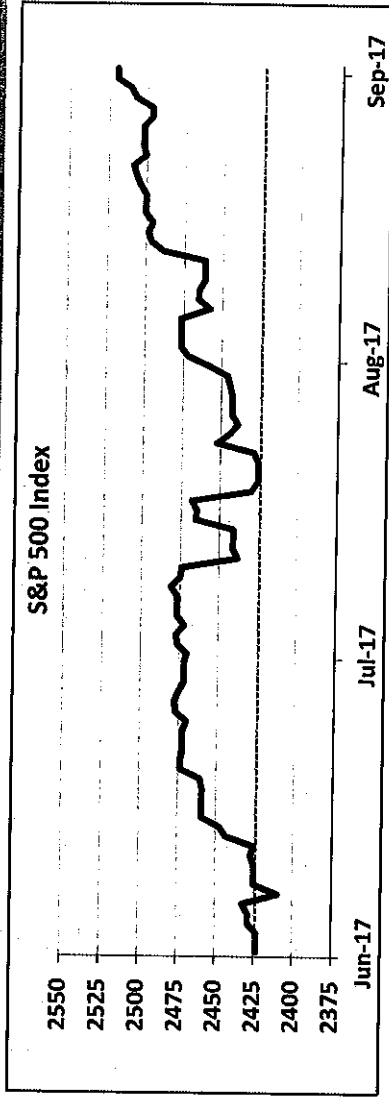


S&P 500 (Domestic Stocks)

Quarterly Return: 4.48%

Key Points

- Stronger earnings
- Potential new tax plan
- Higher GDP

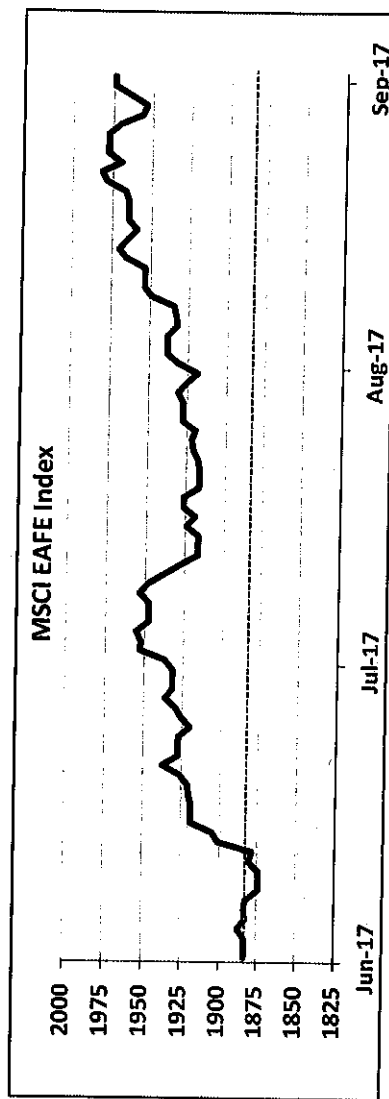


MSCI EAFE (International Stocks)

Quarterly Return: 5.50%

Key Points

- Weaker dollar
- Accommodative central banks
- Stronger earnings

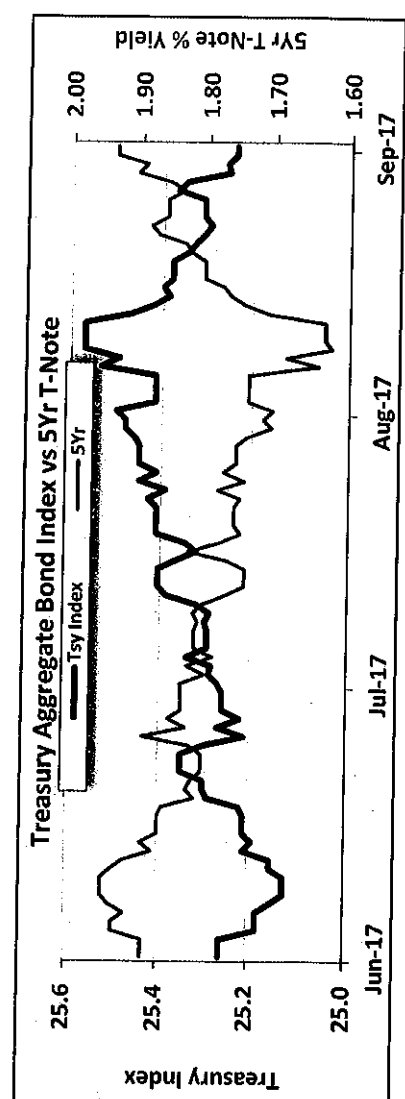


BAML US Treasury Bond Index (Domestic Fixed-Income)

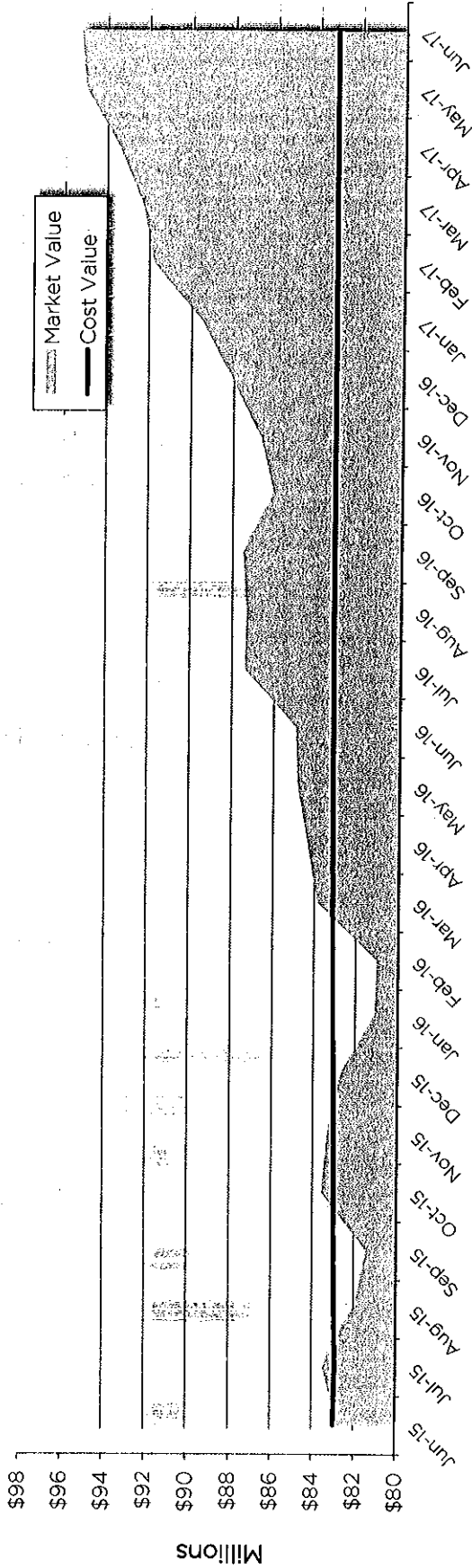
Quarterly Return: 0.33%

Key Points

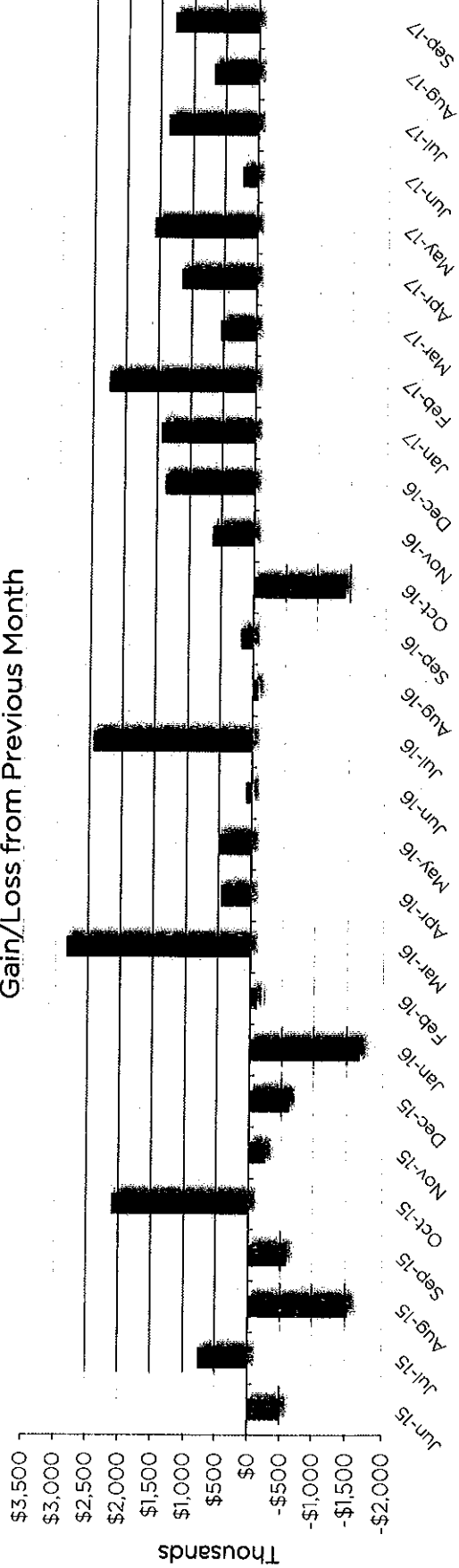
- Higher inflation
- Expected December rate hike
- Improved GDP



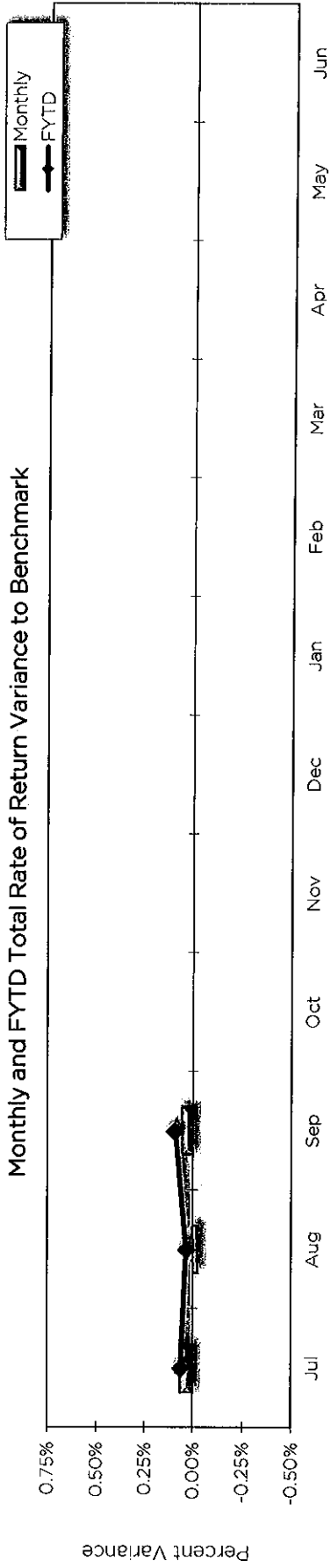
Cost Value vs. Market Value



Gain/Loss from Previous Month

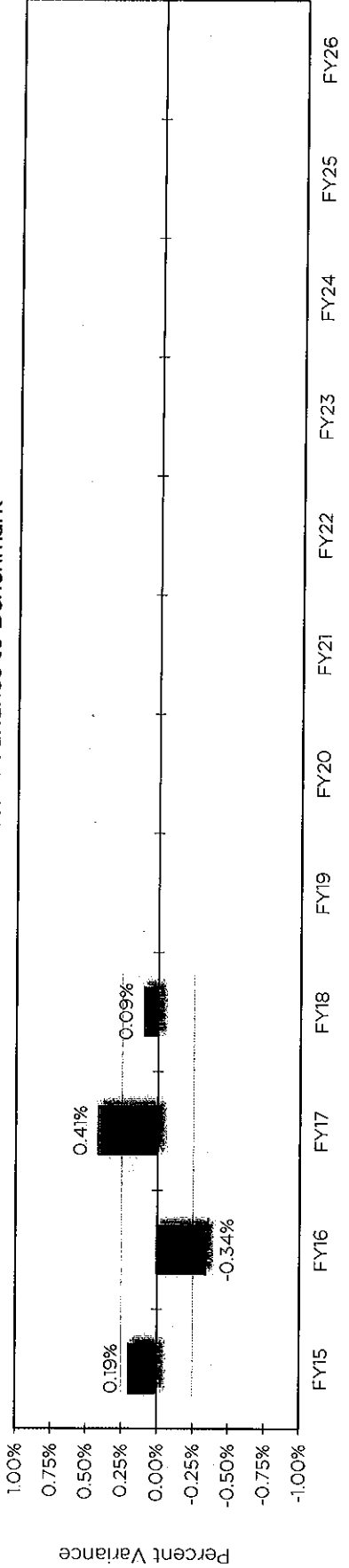


Monthly and FYTD Total Rate of Return Variance to Benchmark



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
RBIF Portfolio	1.729%	0.436%	1.334%									
RBIF Benchmark	1.666%	0.463%	1.279%									
Monthly Variance	0.063%	-0.028%	0.055%									
FYTD Variance	0.063%	0.035%	0.092%									

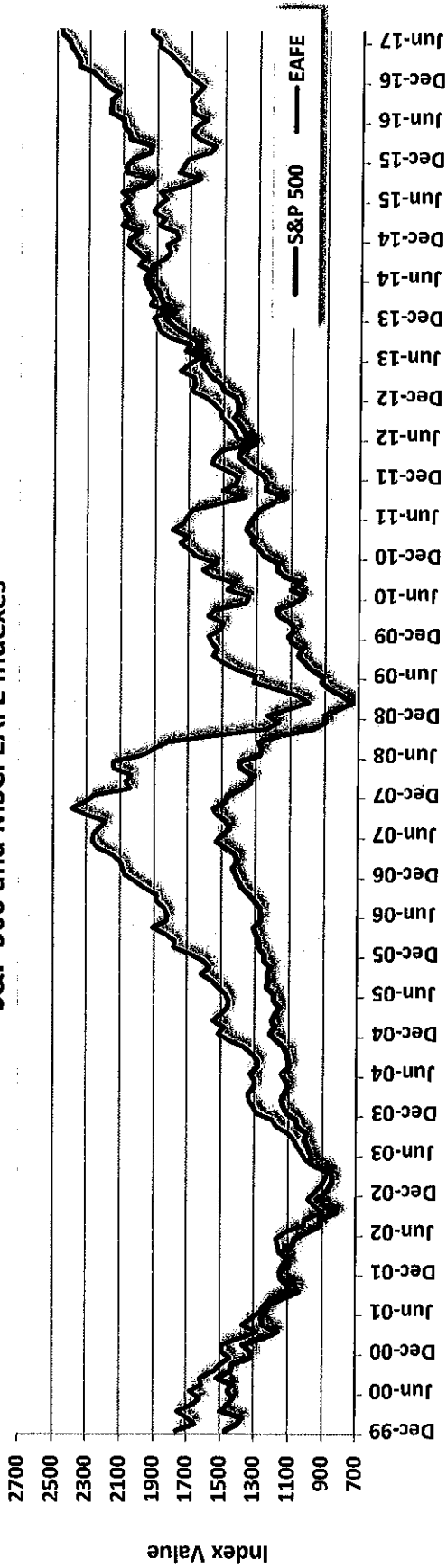
Fiscal Year Total Rate of Return Variance to Benchmark



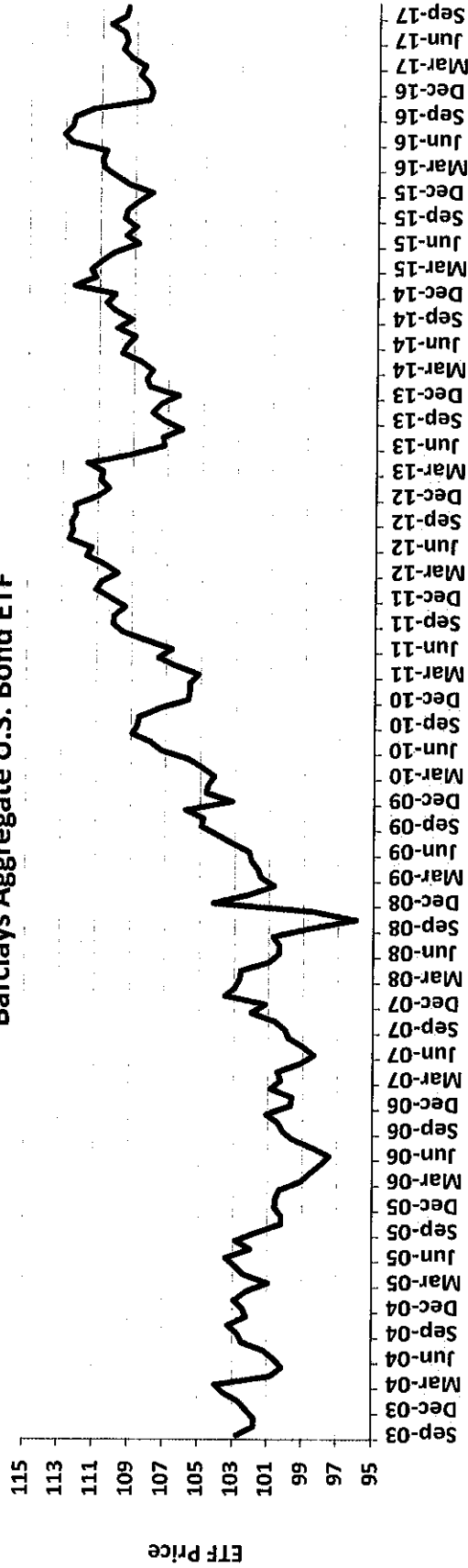
FYTD	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
RBIF Portfolio	2.61%	1.59%	12.51%	3.53%								
Benchmark	2.42%	1.93%	12.10%	3.44%								
Yearly Variance	0.19%	-0.34%	0.41%	0.09%								

Benchmark: 45% 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

S&P 500 and MSCI EAFE Indexes



Barclays Aggregate U.S. Bond ETF



Report Source Data:

RBIF: Bank of New York Mellon
Benchmark: Bloomberg
Clark County Investment Pool: FTN 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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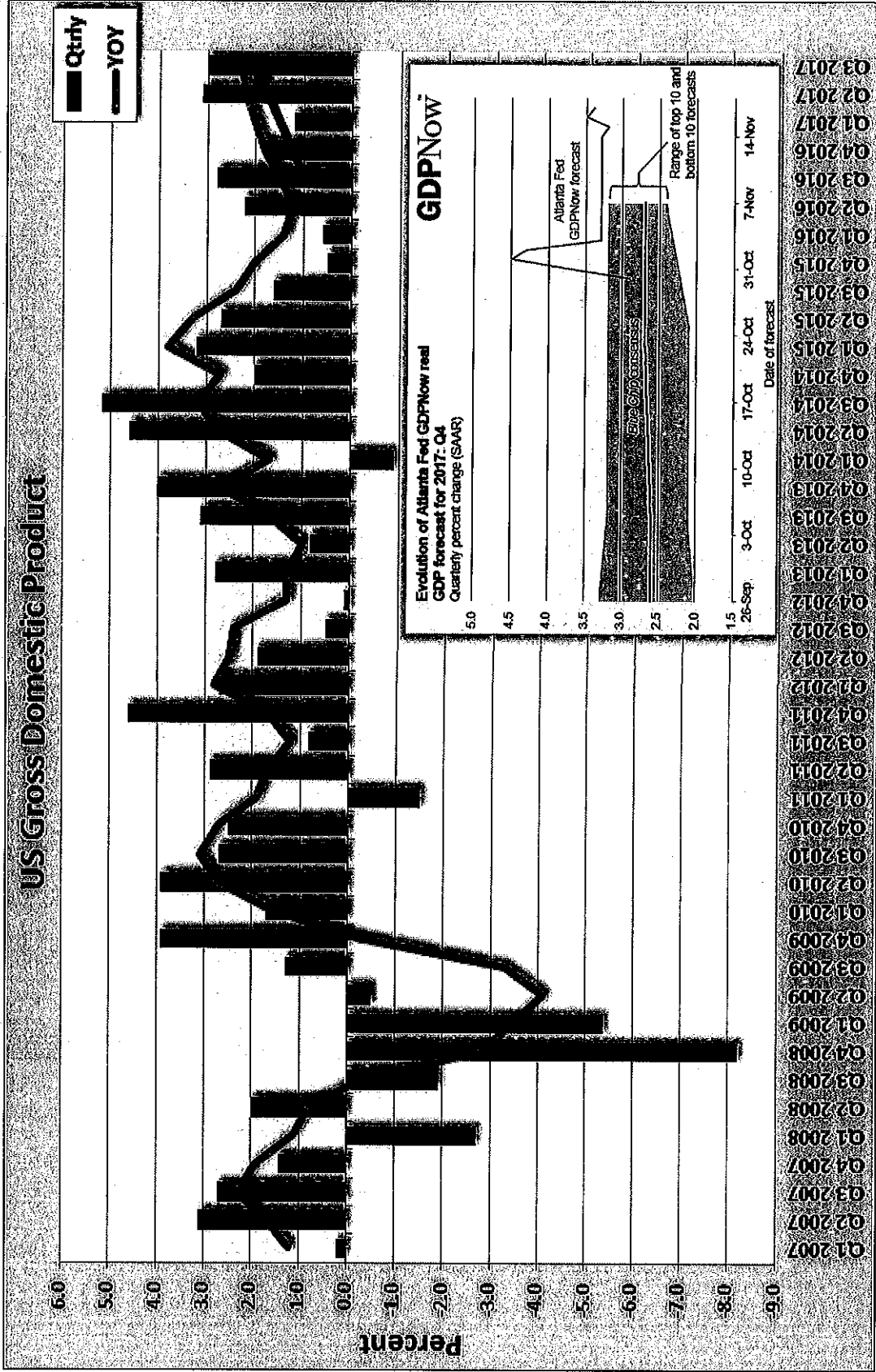
Clark County

OPEB Board of Trustees

Economic/Market Update

November 30, 2017

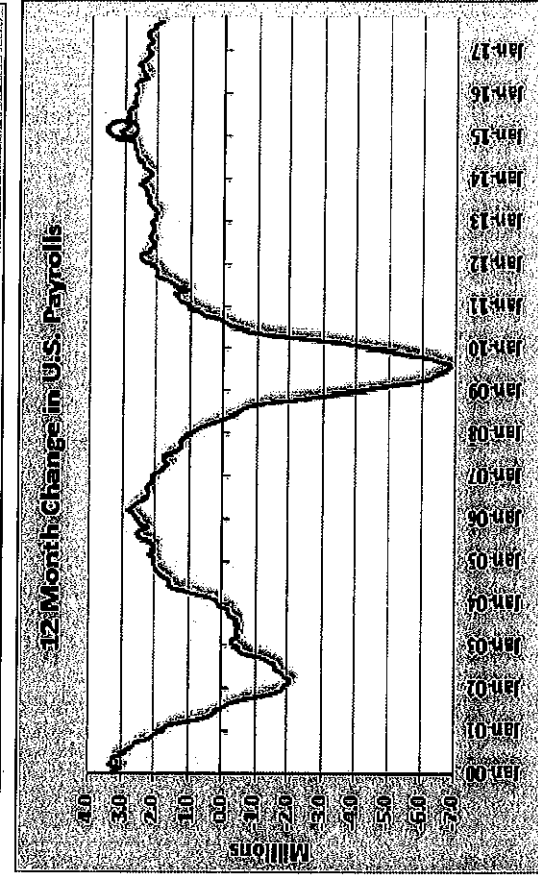
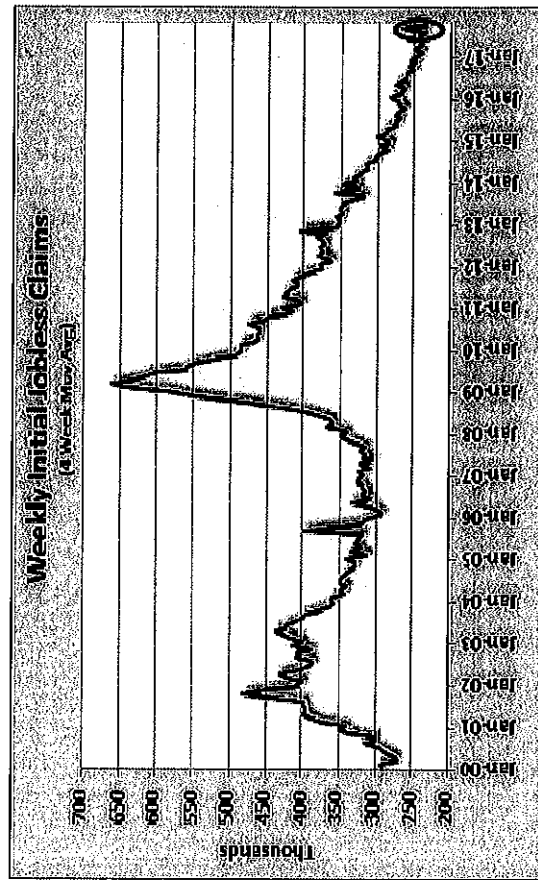
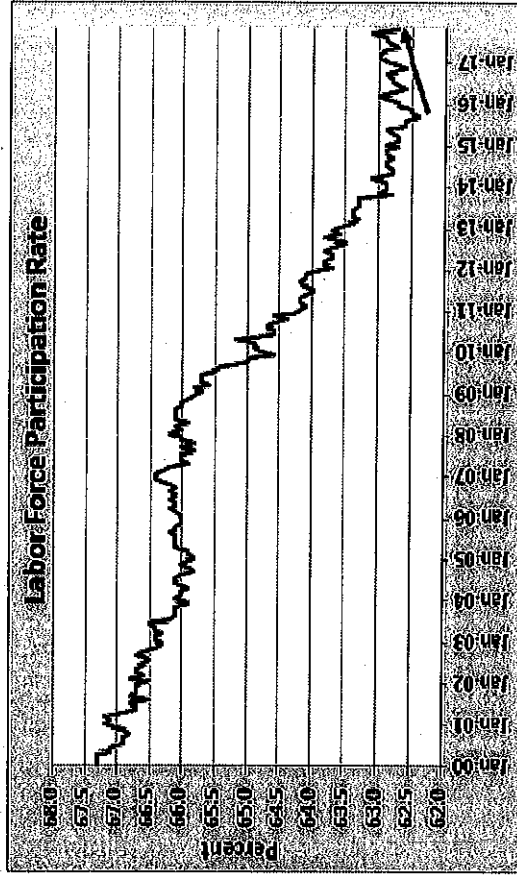
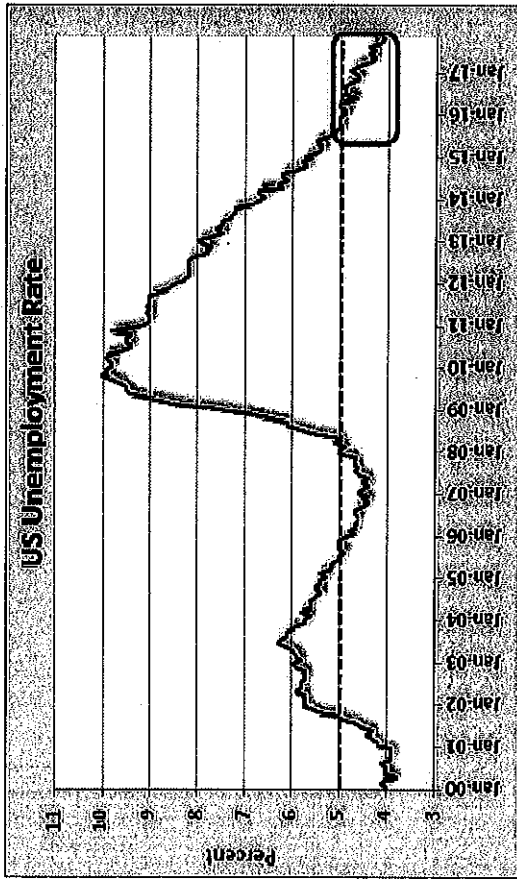
US GDP: Strengthening



Source: Bloomberg, Atlanta Fed

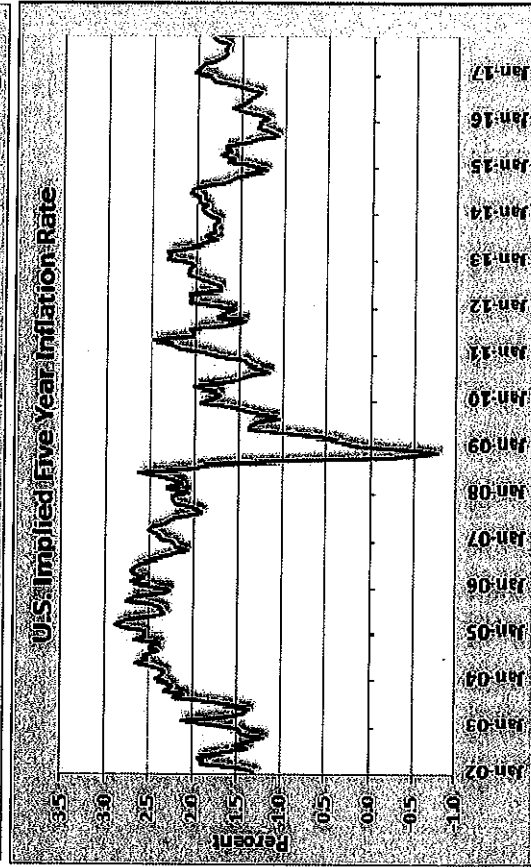
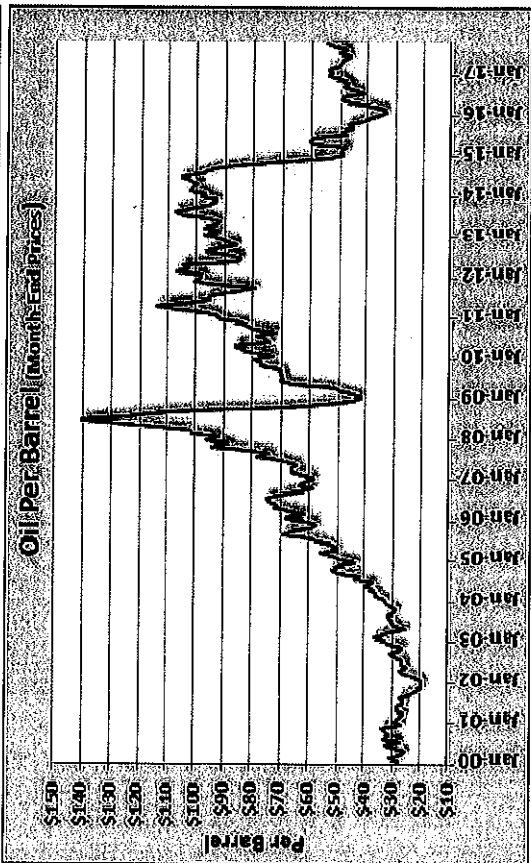
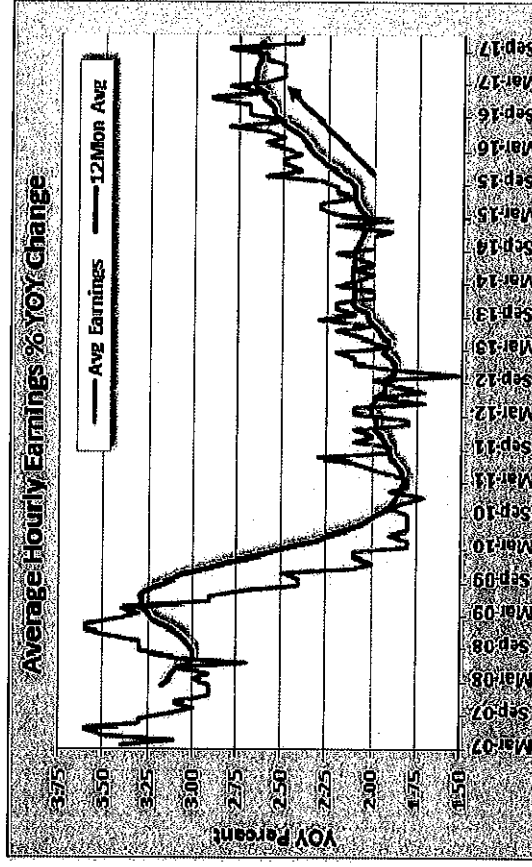
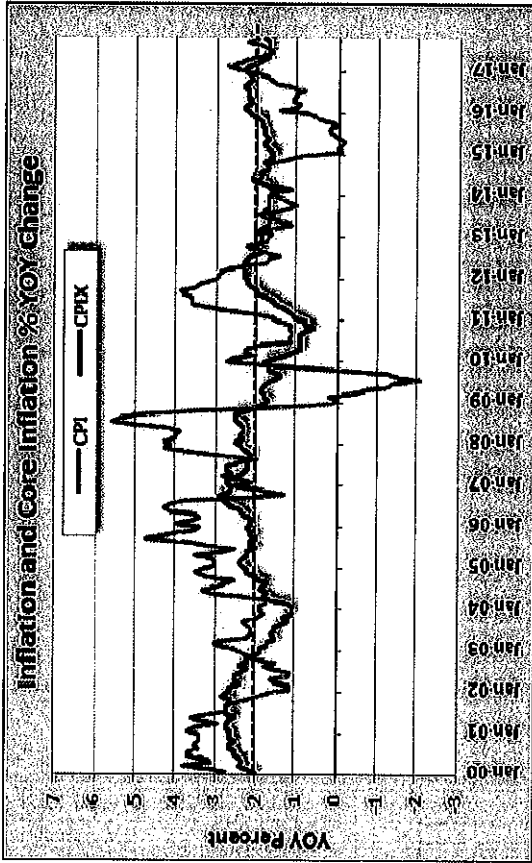


Fed's #1 Mandate: Full Employment



Source: Bloomberg

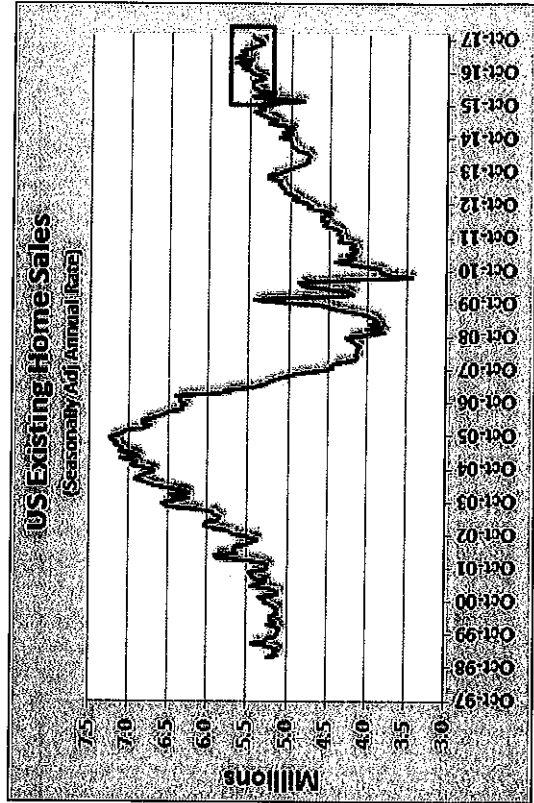
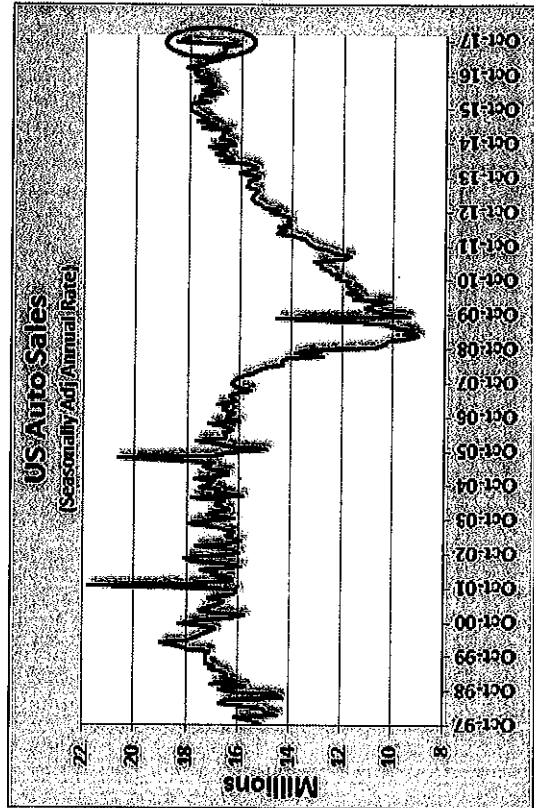
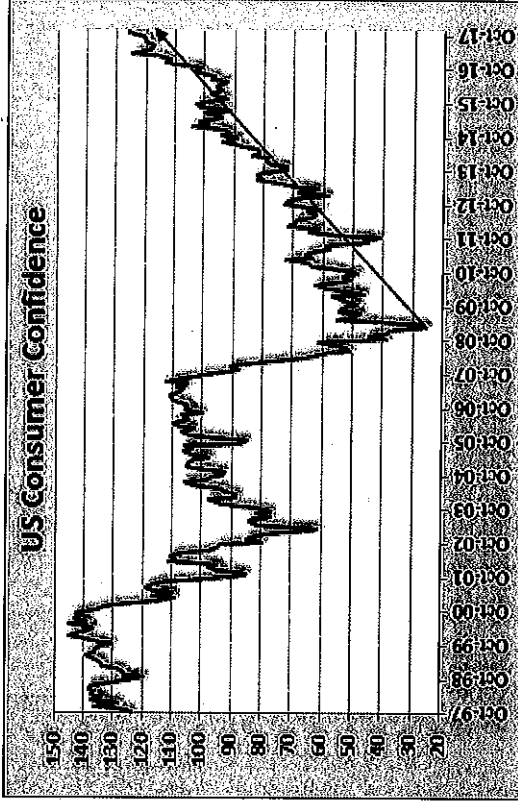
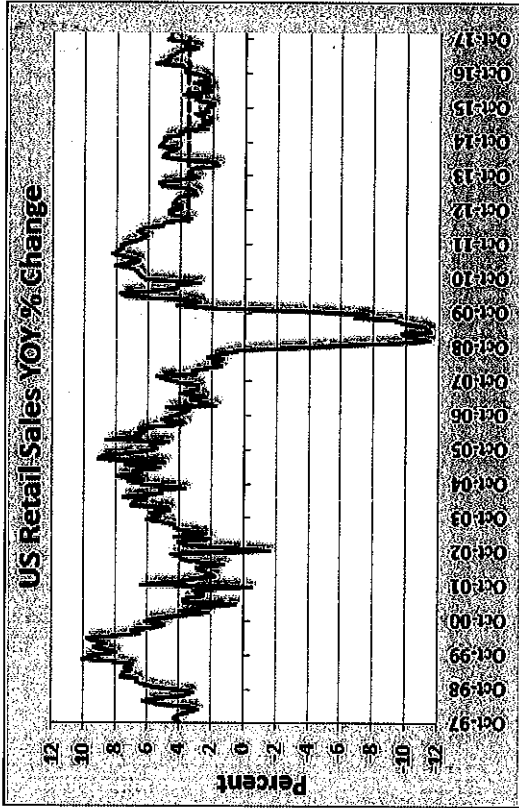
Fed's #2 Mandate: Stable Prices (Inflation)



Source: Bloomberg

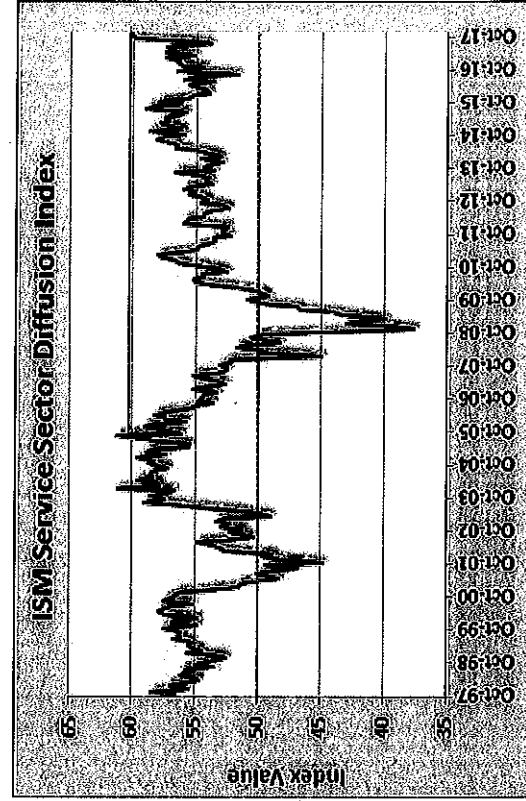
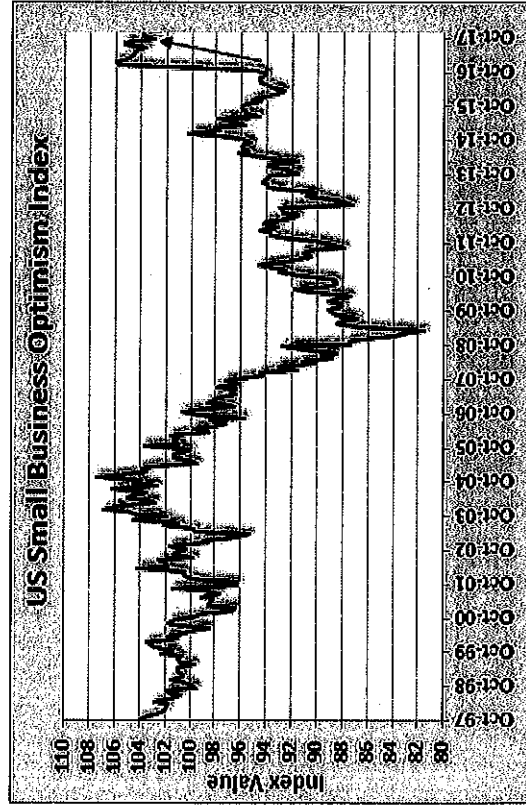
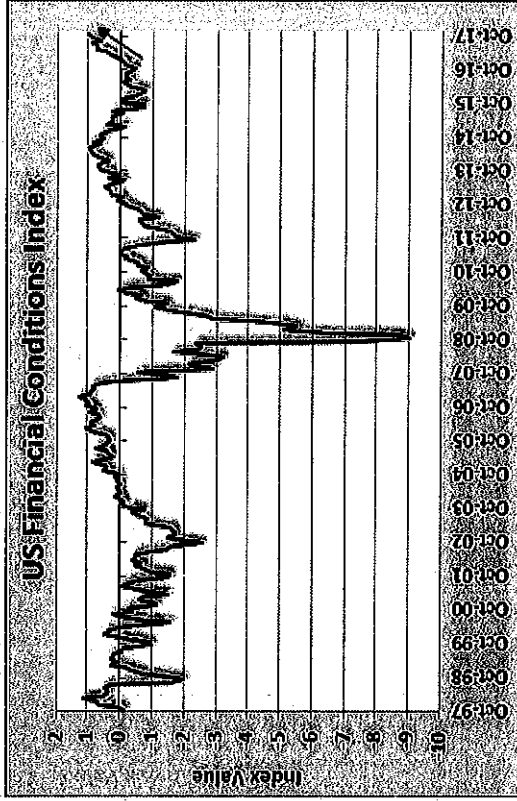
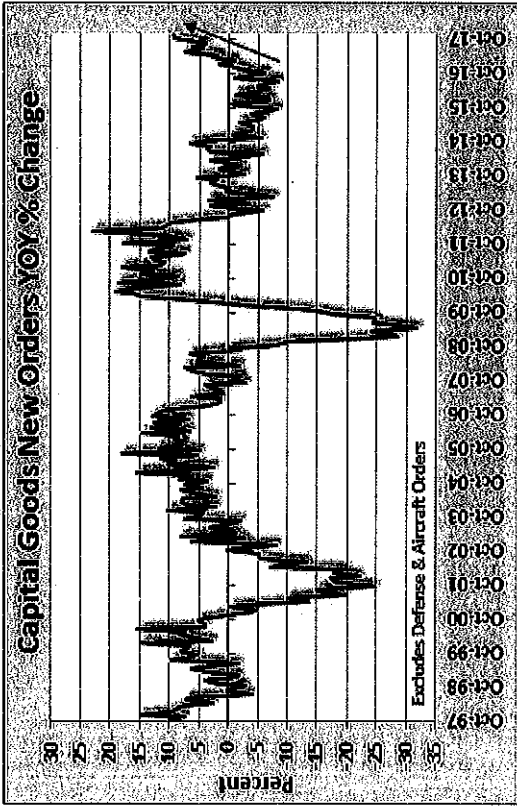


U.S. Consumer Sector (Approximately 2/3 of the US Economy)



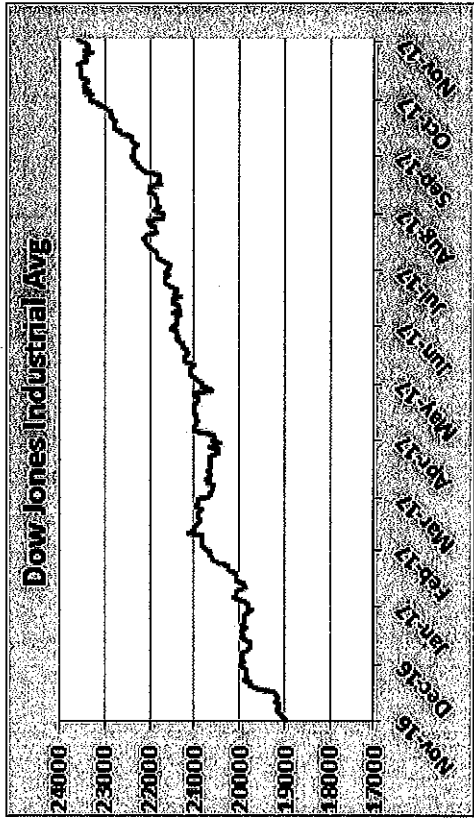
Source: Bloomberg

U.S. Business Sector

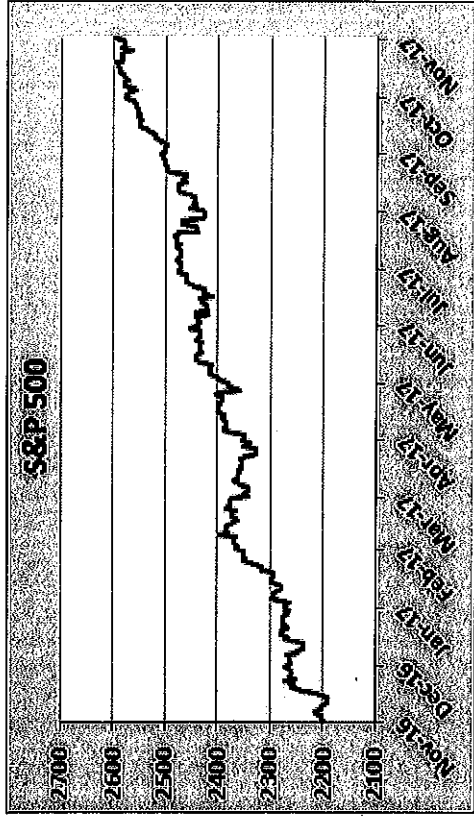


Source: Bloomberg

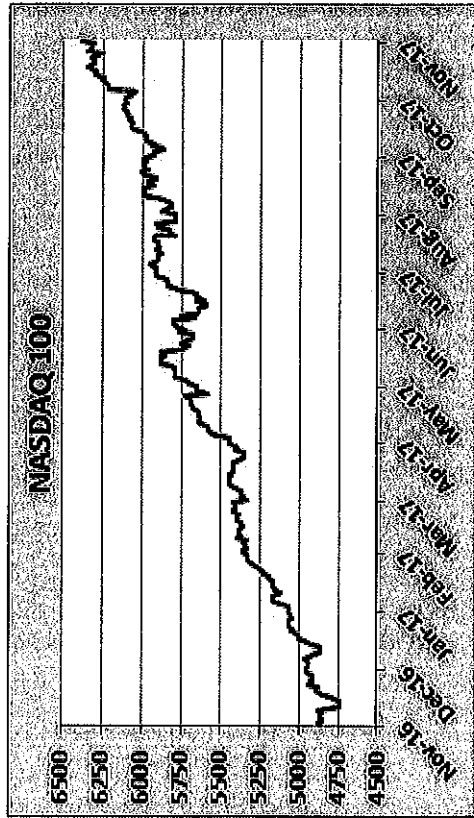
Stocks...Having a Great Year



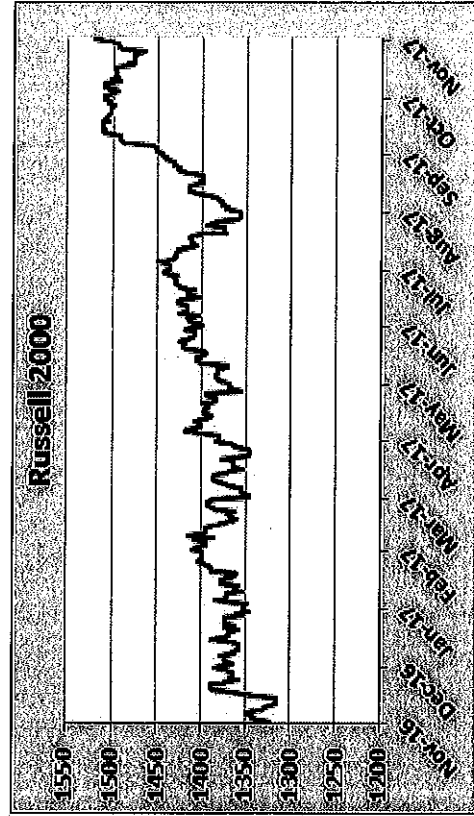
1 Year Price Return 24.4%



1 Year Price Return 18.2%



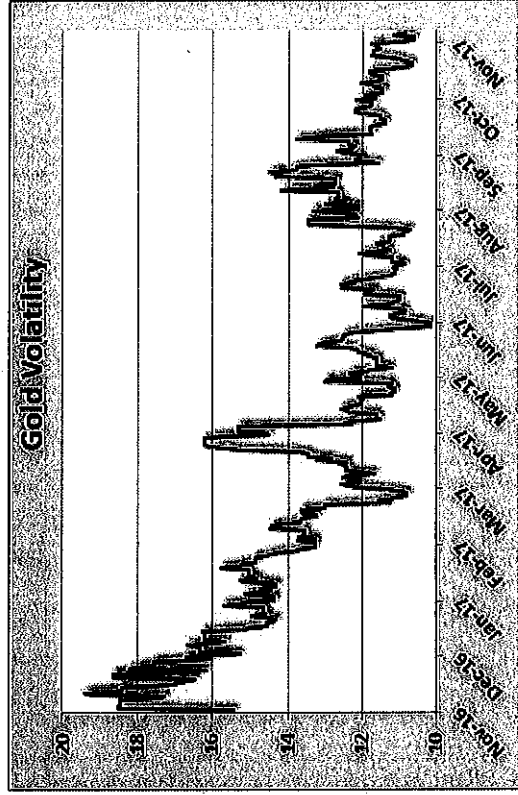
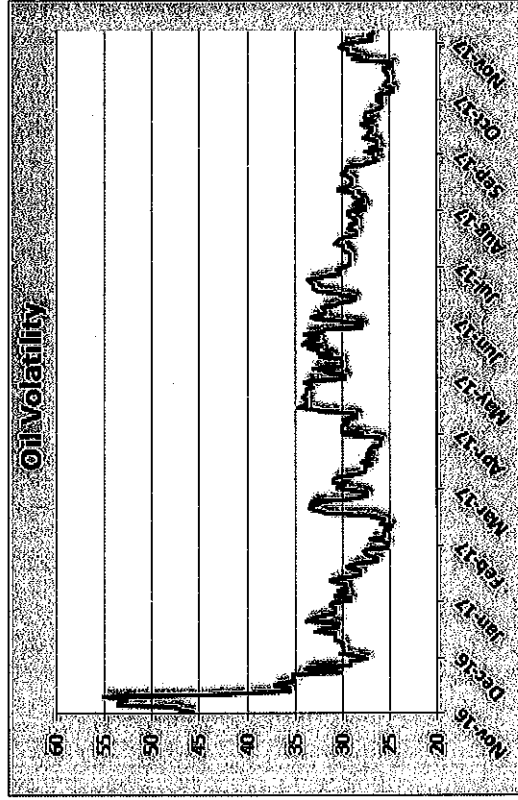
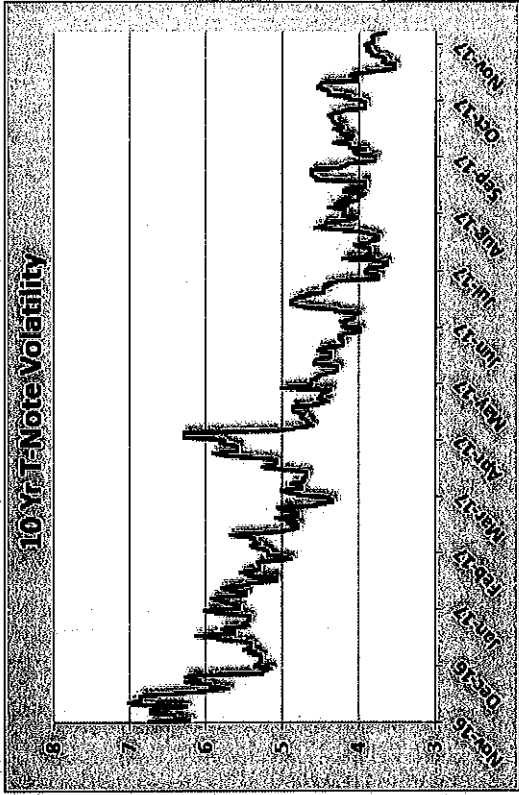
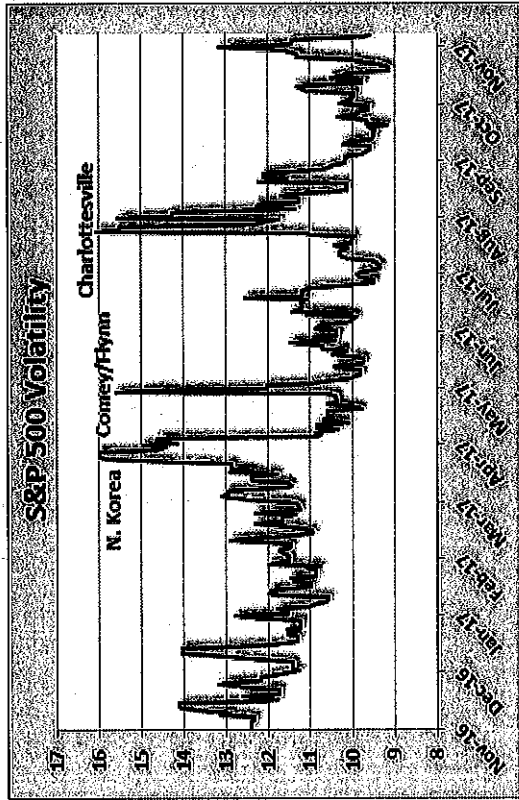
1 Year Price Return 31.2%



1 Year Price Return 14.9%

Source: Bloomberg as of 11/22/17

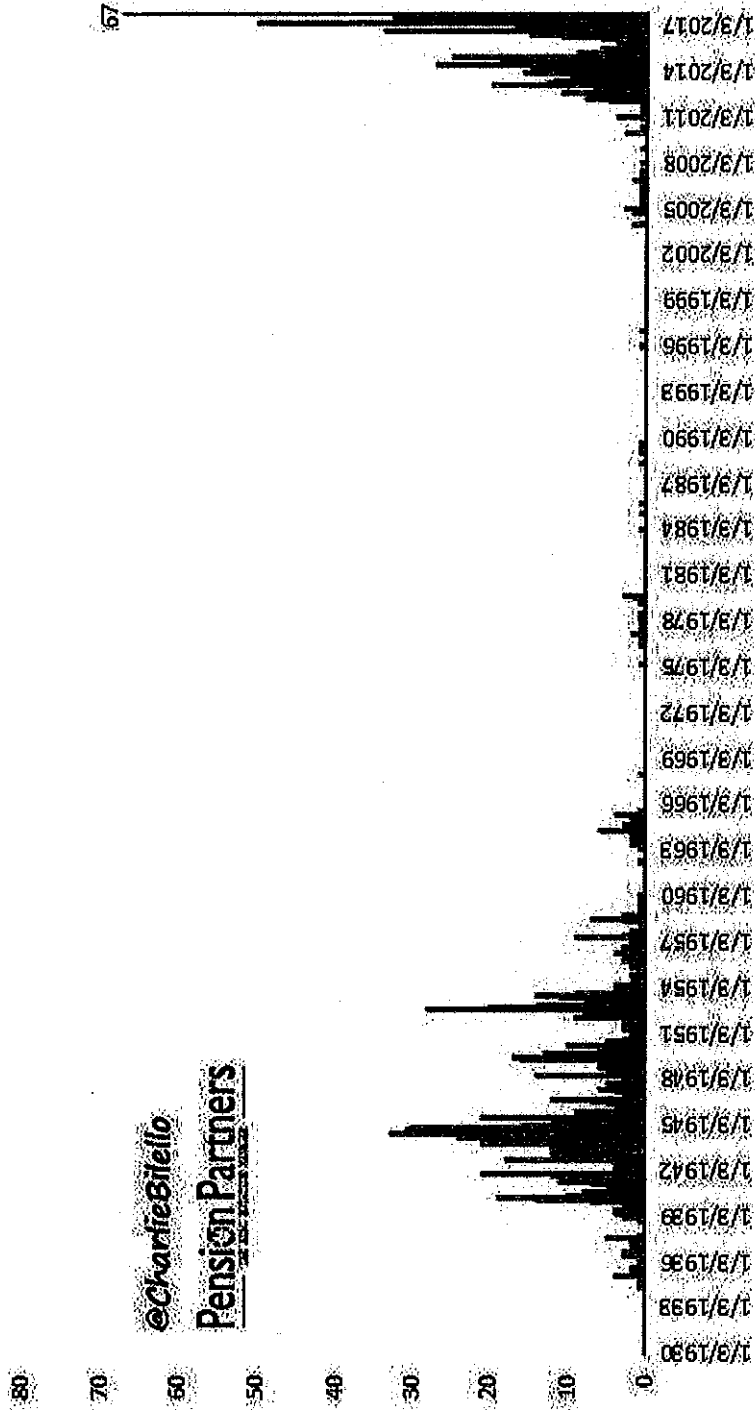
Volatility...Not Very Volatile



Source: Bloomberg

“Stocks...the New Money Market!”

Dow: # Consecutive Trading Days without a 1% Intraday Move
(1930-2017)



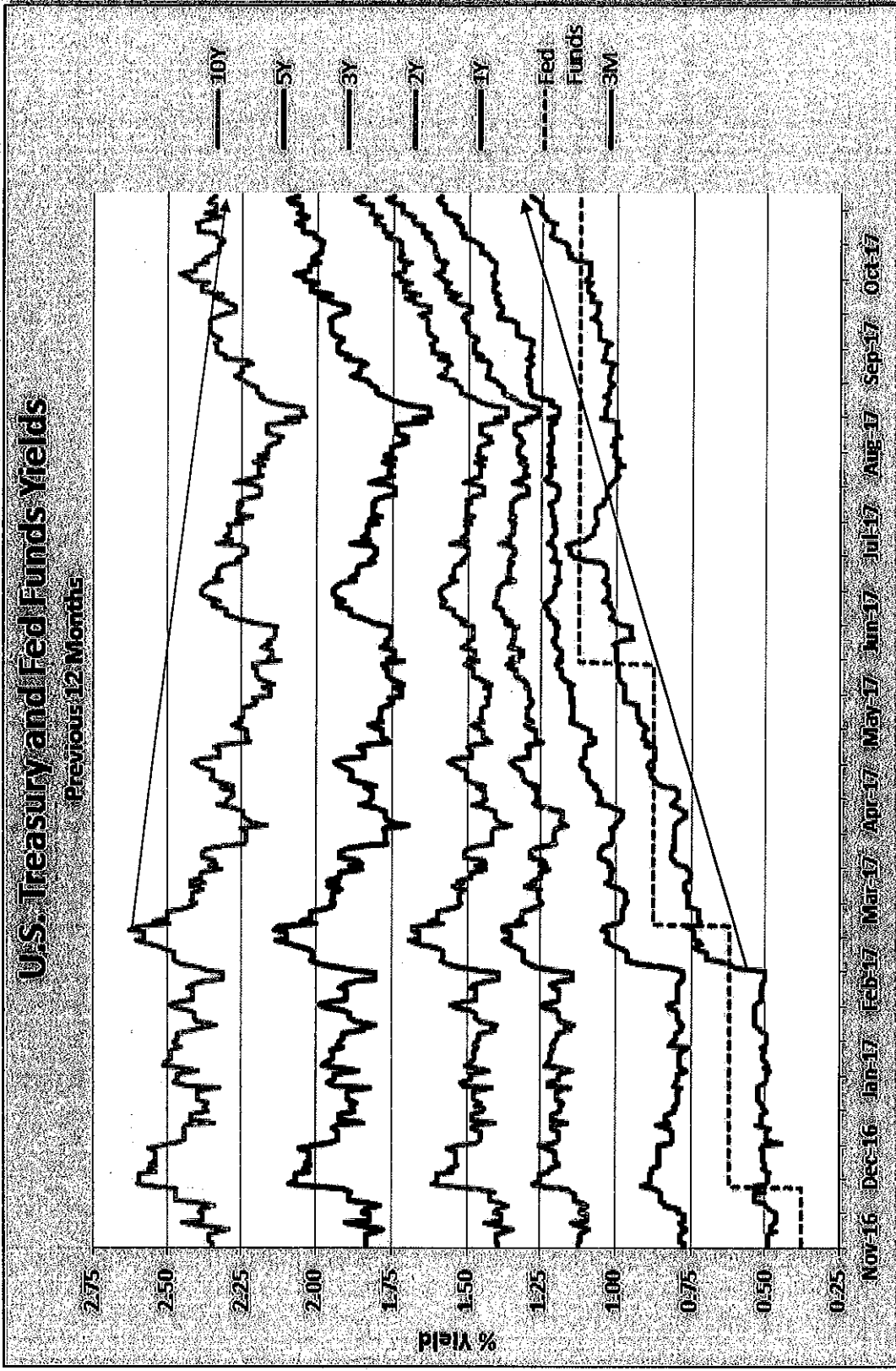
@CharlieSifello

Pension Partners

Source: Pension Partners as of 11/21/17



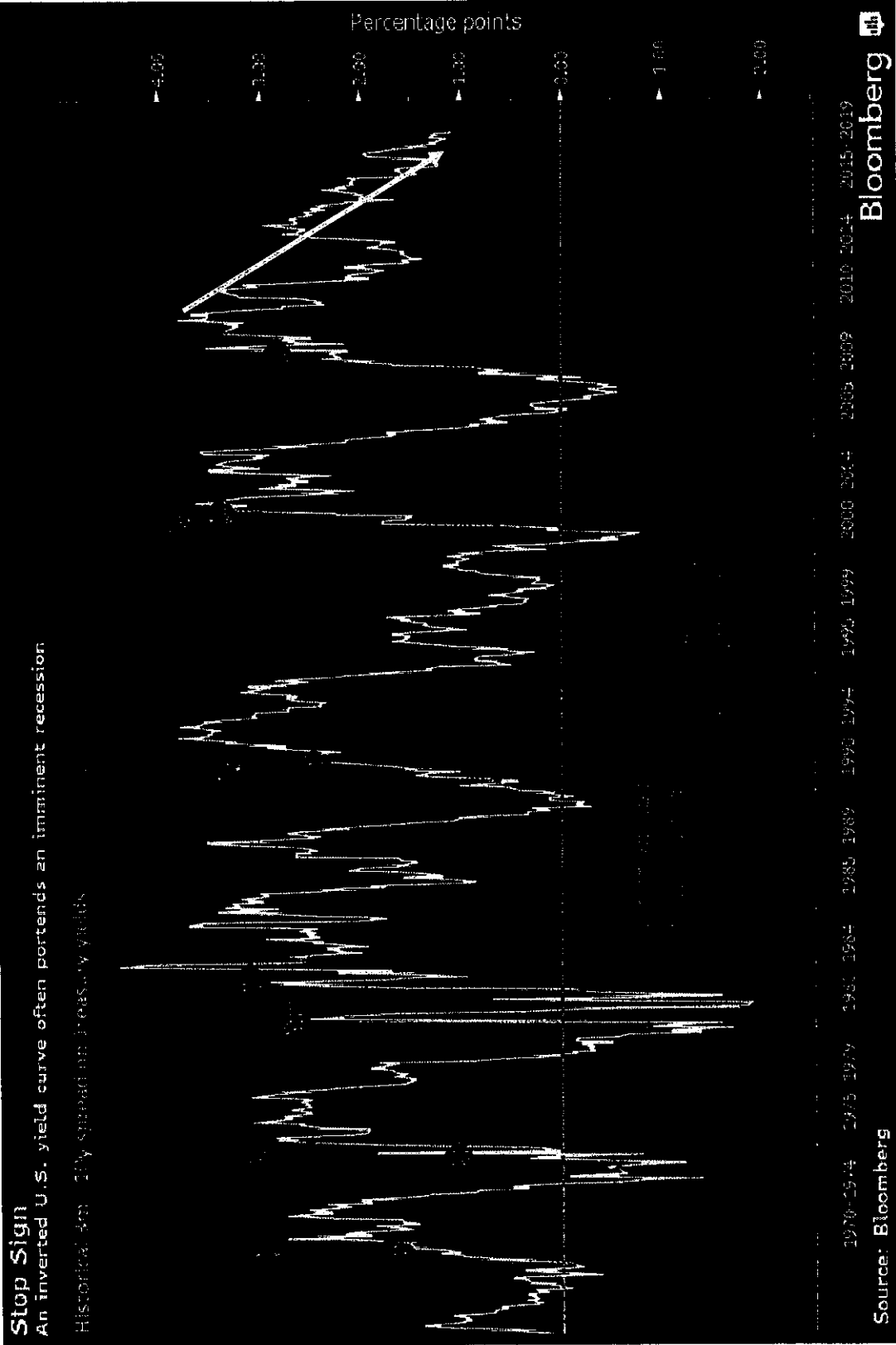
Treasury Yields the Previous 12 Months



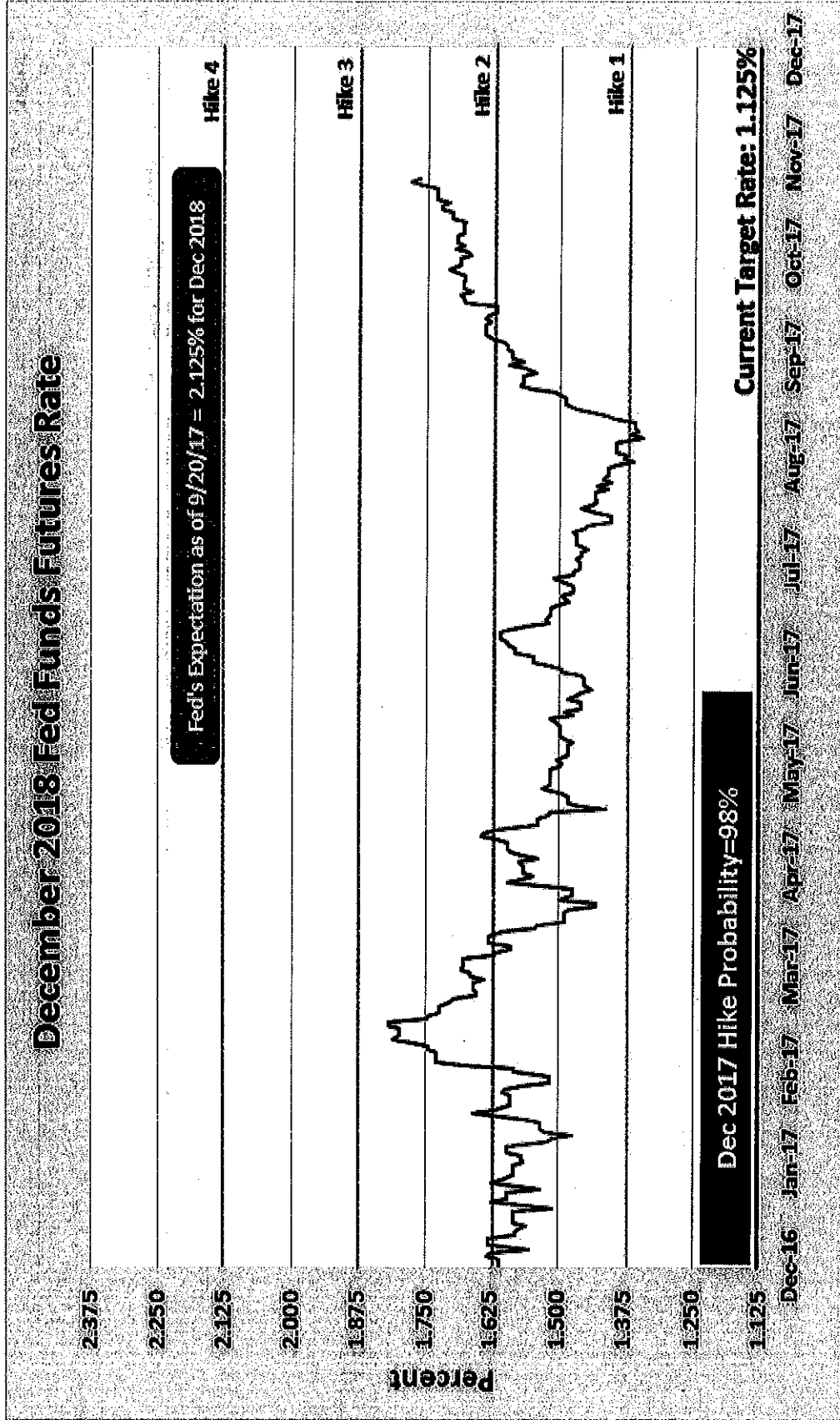
Source: Bloomberg



Portent of a Recession?



Fed Funds Dec 2018



Disclosure

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