



## LAS VEGAS VALLEY WATER DISTRICT **RETIREMENT PLAN SUBCOMMITTEE**

### RETIREMENT PLAN: ABOUT THE PLAN

- LVVWD Board oversees the Plan and approves benefits or changes to benefits.
- Management responsibility of investment program delegated to General Manager with actuary and investment advisor.
- LVVWD employees contribute to Social Security.
- LVVWD unable to join Nevada PERS - federal restrictions would not allow District employees to withdraw from Social Security.
- Pension contributions cannot be used for any purpose other than the exclusive benefit of the participants.

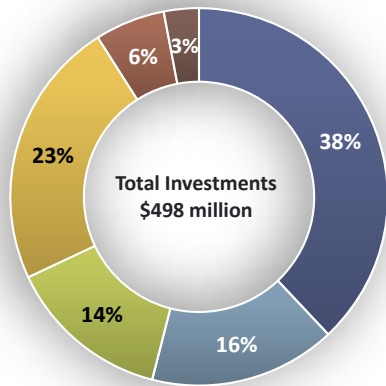
### THE RETIREMENT PLAN SUBCOMMITTEE

- The Retirement Plan requires the maintenance of a Retirement Plan Subcommittee.
- Comprised of three board members who recommend changes to the LVVWD Board.
- Meets at least annually.

### THE LVVWD RETIREMENT PLAN

<b>Effective Date</b>	October 1, 1959	
<b>Eligibility</b>	Required Age: 20 Required Service: 6 months	
<b>Plan Type</b>	Defined benefit. Plan provides a monthly income at retirement.	
<b>Benefit Formula</b>	2.17% of Average Monthly Benefit Compensation for each year of service up to 30 years (2.0% for service prior to 1/1/2001). Maximum benefit is 60% of Average Monthly Compensation.	
<b>Average Monthly Compensation</b>	Average of base compensation, including longevity pay and lump sum merit increases over the 36-month period that produces the highest average.	
<b>Retirement Eligibility</b>	<u>Service</u> 10 yrs 5 yrs 30 yrs	<u>Age</u> 60 65 any
<b>Early Retirement</b>	Available at age 55 with 5 years of service. Benefit is reduced 4% for each year early.	
<b>Vesting:</b>	100% after 5 years of service	

**PLAN ASSET HOLDINGS as of February 28, 2019**



- U.S. Large Cap Equity
- U.S. Small/Mid Cap Equity
- International Equity
- Fixed Income
- High Yield Fixed Income
- Real Estate Investment Trusts

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5

**INVESTMENT RETURNS**

Calendar Year	Net of Fee Returns
<b>2018</b>	<b>(4.89%)</b>
<b>2017</b>	<b>17.37%</b>
<b>2016</b>	<b>9.13%</b>
<b>2015</b>	<b>(0.13%)</b>
<b>2014</b>	<b>7.52%</b>
<b>5-year Average</b>	<b>5.52%</b>
<b>Actuarial Assumption</b>	<b>6.75%</b>

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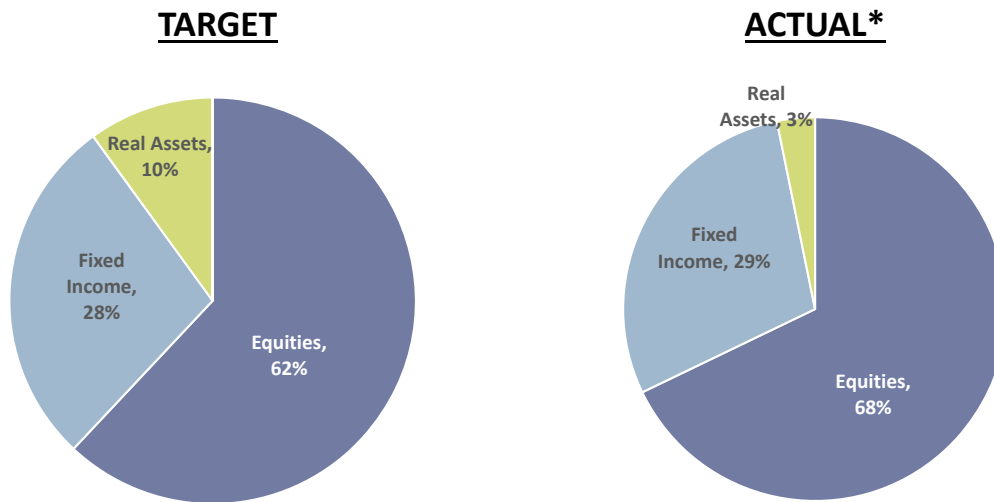
6

### RETIREMENT PLAN CONTRIBUTIONS

FISCAL YEAR	CONTRIBUTION	FUNDED %
2020	\$45,440,000*	TBD
2019	\$40,450,000*	TBD
2018	\$37,000,000	75.4%
2017	\$31,069,130	75.3%
2016	\$29,414,230	71.2%
2015	\$28,853,341	73.9%

\*Estimated amount

### PLAN ASSET ALLOCATIONS



\*As of February 28, 2019

### Rebalancing of Plan Assets

- **Current holdings reflects an overweight allocation to equities and underweight position in real assets.**
- **Staff interviewed and received presentations from four different real asset investment managers recommended by our investment advisors (Milliman).**
- **Nuveen Asset Management was selected as the investment manager to execute the real asset allocation strategy.**
- **Staff will begin the process of contracting with Nuveen, selling existing holdings in equities and REITS to fund Nuveen in order to rebalance within targeted investment allocation.**

### Proposed Change in Actuarial Assumptions

**The Retirement Plan's actuarial assumptions are updated periodically to reflect current conditions and future expectations.**

- **Update mortality rate assumptions to be consistent with Nevada PERS**
  - From RP-2000 Combined Mortality Table projected to 2015
  - To RP-2014 Healthy Annuity Tables projected to 2020 (same as Nevada PERS)
- **Update withdrawal assumptions to be consistent with Nevada PERS**
  - Move from an age assumption to years of service assumption
- **Update salary increase assumptions to be similar to Nevada PERS**
  - Move from flat rate across all years to years of service with inflation, productivity and merit assumptions

### Impact of Proposed Change in Actuarial Assumptions

Assumption Set	<i>Estimated as of July 1, 2018</i>	
	Funded Status	Actuarially Determined Contribution (ADC)
Current Assumptions	74.9%	36,631,242
Update mortality assumption to NV PERS, without 1 year spouse set forward	(1.8%)	2,177,431
Update withdrawal assumption to NV PERS	(0.8%)	(518,686)
Update salary increase assumption to NV PERS	1.6%	(837,841)
<b>Total with Updates to NV PERS Assumptions</b>	<b>73.9%</b>	<b>\$37,452,146</b>

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11



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