



# LAS VEGAS VALLEY WATER DISTRICT RETIREMENT PLAN SUBCOMMITTEE

## SUBCOMMITTEE MEMBERS

James Gibson  
Justin Jones  
Marilyn Kirkpatrick

## GENERAL MANAGER

John J. Entsminger

**Special Meeting**  
**April 15, 2021**  
**9:30 AM**

*Date Posted: April 8, 2021*

**GRAND CANYON CONFERENCE ROOM  
SOUTHERN NEVADA WATER AUTHORITY  
100 CITY PARKWAY, SEVENTH FLOOR  
LAS VEGAS, NEVADA**

*The Las Vegas Valley Water District makes reasonable efforts to assist and accommodate persons with physical disabilities who desire to attend the meeting. For assistance, call Jason Bailey at (702) 258-3277 at least 24 hours prior to the meeting.*

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THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED IN THE FOLLOWING LOCATIONS:

LAS VEGAS VALLEY WATER DISTRICT  
1001 S. Valley View Boulevard  
Las Vegas, Nevada

GRANT SAWYER STATE OFFICE BUILDING  
555 E. Washington Avenue  
Las Vegas, Nevada

CLARK COUNTY GOVERNMENT CENTER  
500 S. Grand Central Parkway  
Las Vegas, Nevada

REGIONAL JUSTICE CENTER  
200 Lewis Avenue  
Las Vegas, Nevada

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All items listed on this agenda are for action by the Retirement Plan Subcommittee, unless otherwise indicated. Items may be taken out of order. The Subcommittee may combine two or more agenda items for consideration, and/or may remove an item from the agenda or delay discussions relating to an item on the agenda at any time.

## **COMMENTS BY THE GENERAL PUBLIC**

NO ACTION MAY BE TAKEN: At this time, the Retirement Plan Subcommittee will hear general comments from the public on items listed on this agenda. If you wish to speak to the Subcommittee 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. Please limit your comments to three minutes or less.

## **ITEM NO.**

1. *For Possible Action:* Approve agenda with the inclusion of any emergency items and/or deletion of items, and approve the minutes of the Retirement Plan Subcommittee meeting of November 19, 2020.
2. *For Possible Action:* Receive a presentation on the District's Retirement Plan and direct staff as appropriate.

## **COMMENTS BY THE GENERAL PUBLIC**

NO ACTION MAY BE TAKEN: At this time, the Retirement Plan Subcommittee will hear general comments from the public on matters under the jurisdiction of the subcommittee. Please limit your comments to three minutes or less.

**LAS VEGAS VALLEY WATER DISTRICT  
RETIREMENT PLAN SUBCOMMITTEE  
SPECIAL MEETING  
NOVEMBER 19, 2020  
MINUTES**

CALL TO ORDER 9:49 a.m., Grand Canyon Conference Room  
Southern Nevada Water Authority  
100 City Parkway, Seventh Floor, Las Vegas, Nevada

DIRECTORS PRESENT

Jim Gibson  
Justin Jones, via phone  
Marilyn Kirkpatrick

**STAFF PRESENT** John Entsminger, Kevin Bethel, Dave Johnson, Mary Madden

*Unless otherwise indicated, all members present voted in the affirmative.*

## COMMENTS BY THE GENERAL PUBLIC

There were no persons wishing to speak.

**ITEM NO.**

1. ***For Possible Action:*** Approve agenda with inclusion of any emergency items and/or deletion of items, and approve the minutes of the Retirement Plan Subcommittee meeting of April 22, 2019.

**FINAL ACTION:** A motion was made by Director Gibson to approve the agenda for this meeting and the minutes of the meeting of April 22, 2019. The motion was approved.

- 2. *For Possible Action:*** Receive a presentation on the District's Retirement Plan and direct staff as appropriate.

Kevin Bethel, Chief Financial Officer, gave an overview of the retirement plan, including the role of the Retirement Plan Subcommittee, assets, investment returns, and contributions. No changes were made to the plan's actuarial assumptions for fiscal year 2021. The presentation is attached to these minutes.

- 3. *For Possible Action:* Accept and approve the Las Vegas Valley Water District Amended and Restated Retirement Plan Investment Policy and recommend its adoption by the Board of Directors.**

Mr. Bethel reviewed the proposed changes to the Investment Policy, which align with the plan's investment advisor's recommendation to protect plan investments against increasing inflation by moving funds from pure equity to real asset management funds.

FINAL ACTION: A motion was made by Director Gibson to accept and approve the Amended and Restated Retirement Plan Investment Policy and recommend its adoption by the Board of Directors. The motion was approved.

## COMMENTS BY THE GENERAL PUBLIC

There were no persons wishing to speak.

## Adjournment

There being no further business to come before the subcommittee, the meeting adjourned at 9:59 a.m.

**Copies of all original agenda items and minutes, including all attachments, are on file in the General Manager's office at the Las Vegas Valley Water District, 1001 South Valley View Boulevard, Las Vegas, Nevada.**



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**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.

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**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, including the Retirement Plan Investment Policy.

LAS VEGAS VALLEY WATER DISTRICT

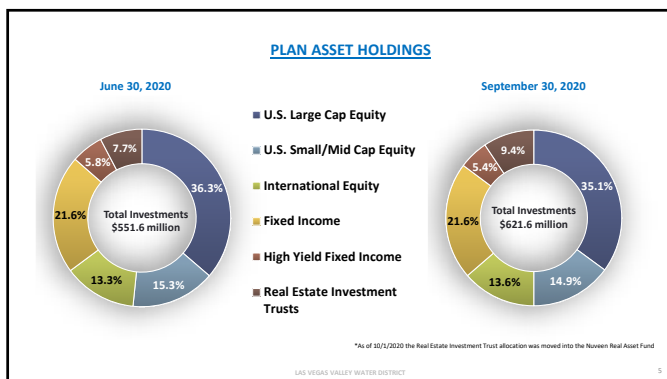
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**THE LVVWD RETIREMENT PLAN**

<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>	<table border="1"> <thead> <tr> <th>Service</th> <th>Age</th> </tr> </thead> <tbody> <tr> <td>10 yrs</td> <td>60</td> </tr> <tr> <td>5 yrs</td> <td>65</td> </tr> <tr> <td>30 yrs</td> <td>any</td> </tr> </tbody> </table>	Service	Age	10 yrs	60	5 yrs	65	30 yrs	any
Service	Age								
10 yrs	60								
5 yrs	65								
30 yrs	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								

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**INVESTMENT RETURNS**

Calendar Year	Net of Fee Returns
<b>9 MTD 2020</b>	<b>2.72%</b>
<b>2019</b>	<b>23.50%</b>
<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>5-year Average (2015-2019)</b>	<b>8.48%</b>
<b>Actuarial Assumption</b>	<b>6.75%</b>

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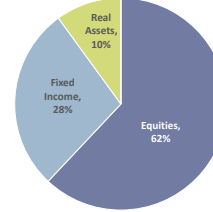
RETIREMENT PLAN CONTRIBUTIONS

FISCAL YEAR	CONTRIBUTION	FUNDED %
2021	\$48,400,000*	TBD
2020	\$45,000,000	75.9%
2019	\$40,450,000	76.1%
2018	\$37,000,000	75.4%
2017	\$31,069,130	75.3%
2016	\$29,414,230	71.2%

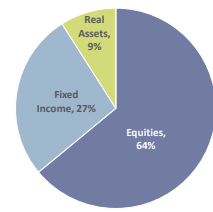
\*Estimated amount

LAS VEGAS VALLEY WATER DISTRICT

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PLAN ASSET ALLOCATIONS**TARGET\*****ACTUAL**

September 30, 2020



\*As approved by Retirement Plan Subcommittee, April 2018

LAS VEGAS VALLEY WATER DISTRICT

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No Proposed Changes in Actuarial Assumptions

The Retirement Plan's actuarial assumptions are reviewed and as necessary, updated periodically to reflect current conditions and future expectations.

- There are currently no proposed changes to the actuarial assumptions for fiscal year 2021.

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## LAS VEGAS VALLEY WATER DISTRICT RETIREMENT PLAN SUBCOMMITTEE

- Accept and approve the Las Vegas Valley Water District Amended and Restated Retirement Plan Investment Policy

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Investment Policy Overview

The Retirement Plan Investment Policy (Policy) requires the prudent investment of Plan funds to:

- produce the highest, long-term investment returns consistent with a risk level that minimizes potential pressure on the Plan.
- meet the cash flow demands of the Plan.
- conform to all state statutes governing such investments.

The Policy was last updated April 2013. Although the Plan has experienced some material returns in the market, market conditions, as well as general practice, indicate that the target allocation was over-weighted to equities. A change in the allocation was approved in April 2018, but the Policy was never updated to reflect the approved changes until the recent implementation of the revised Real Assets allocation.

The amended and restated Policy updates the strategic asset allocation to more closely match the allocation approved in April 2018.

LAS VEGAS VALLEY WATER DISTRICT

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Changes to Investment Policy

Diversification by Investment Type	Current Policy	Revised	
	Target Allocation	Target Allocation	Acceptable Tolerance Level (+/-)
Equities	69%	60%	10%
US	59%	45%	10%
International	15%	15%	5%
Fixed Income	28%	30%	5%
Core	22%	25%	5%
High Yield	6%	5%	5%
Real Assets	3%	10%	3%
TOTAL PORTFOLIO	100%	100%	

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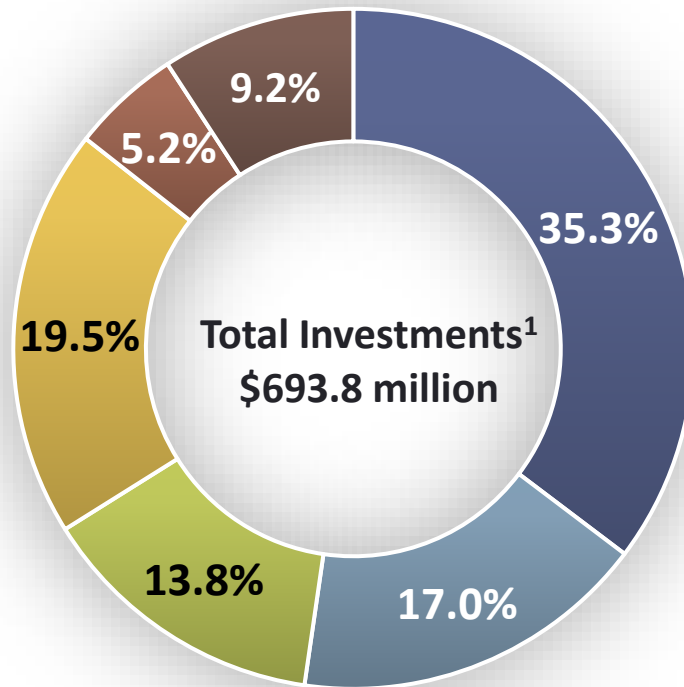


# LAS VEGAS VALLEY WATER DISTRICT **RETIREMENT PLAN SUBCOMMITTEE**

**April 15, 2021**

## PLAN INVESTMENT HOLDINGS

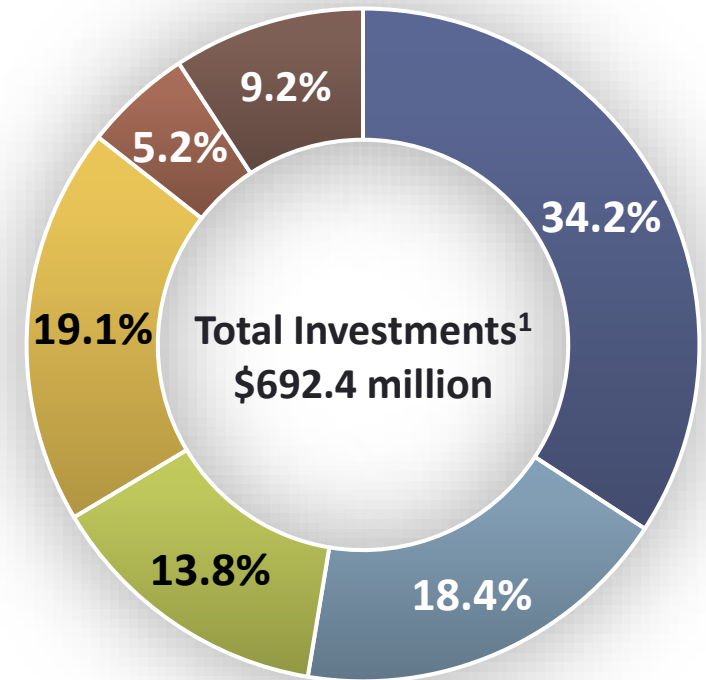
December 31, 2020



Type (Target)

- U.S. Large Cap Equity (31.5%)
- U.S. Small/Mid Cap Equity (13.5%)
- International Equity (15.0%)
- Fixed Income (25.0%)
- High Yield Fixed Income (5.0%)
- Real Assets (10.0%)

February 28, 2021



¹ Excludes cash and insurance contracts of \$9.4 million and \$15.2 million at December 31, 2020 and February 28, 2021, respectively.

# Investment Allocation by Manager

## As of December 31, 2020

	Total Market Value	% of portfolio	Large Cap	Small/Mid Cap Equity	International Equity	Core Fixed Income	High Yield	Real Assets
<b>Domestic Equity</b>								
Alliance Bernstein S&P 500	\$ 244,755,062	35.3%	\$ 244,755,062					
Mellon Market Completion	\$ 117,885,186	17.0%		\$ 117,885,186				
<b>International Equity</b>								
MFS International Diversification	\$ 95,944,019	13.8%			\$ 95,944,019			
<b>Domestic Fixed Income</b>								
Loomis, Sayles & Company	\$ 135,364,600	19.5%				\$ 135,364,600		
Wellington High Yield	\$ 35,803,994	5.2%					\$ 35,803,994	
<b>Real Assets</b>								
Nuveen Real Asset Income	\$ 64,023,588	9.2%						\$ 64,023,588
<b>Total</b>	<b>\$ 693,776,448</b>	<b>100%</b>	<b>\$ 244,755,062</b>	<b>\$ 117,885,186</b>	<b>\$ 95,944,019</b>	<b>\$ 135,364,600</b>	<b>\$ 35,803,994</b>	<b>\$ 64,023,588</b>
Difference from Target (%) <sup>1</sup>			3.8%	3.5%	-1.2%	-5.5%	0.2%	-0.8%

<sup>1</sup>Funds have been rebalanced to align with the Investment Policy target allocation.



## **INVESTMENT RETURNS**

<b>Calendar Year</b>	<b>Net of Fee Returns</b>
YTD Feb '21	1.41%
2020	14.66%
2019	23.50%
2018	(4.89%)
2017	17.37%
2016	9.13%
<b><i>5-year Average (2016-2020)</i></b>	<b><i>11.52%</i></b>
<b><i>Actuarial Assumption</i></b>	<b><i>6.75%</i></b>

## **RETIREMENT PLAN CONTRIBUTIONS**

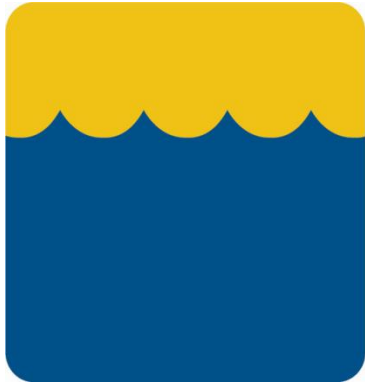
<b>Fiscal Year</b>	<b>Contribution<sup>1</sup></b>	<b>Funded %</b>
<b>2021</b>	\$48,400,000	TBD
<b>2020</b>	\$45,000,000	75.9%
<b>2019</b>	\$40,450,000	76.1%
<b>2018</b>	\$37,000,000	75.4%
<b>2017</b>	\$31,069,130	75.3%
<b>2016</b>	\$29,414,230	71.2%

<sup>1</sup>Estimated annual amount for fiscal year 2021. Actual fiscal year to date contribution is \$45,116,398.

## **No Proposed Changes in Actuarial Assumptions**

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

- **There are currently no proposed changes to the actuarial assumptions for fiscal year 2021.**



**LAS VEGAS VALLEY  
WATER DISTRICT™**