NOTICE OF PUBLIC MEETING

AGENDA

CLARK COUNTY OPEB BOARD OF TRUSTEES

Thursday, February 27, 2020, 2:00 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, 1st 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 Leah Dwyer at (702) 455-3327.

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 November 21, 2019. (For possible action)

3. Receive a report on the audit of the OPEB Trust for fiscal year 2018.

4. Approval of the engagement letter from Eide Bailly for audit services for the year ended June 30, 2019. (For possible Action)

5. Receive a report on financial statements as of and for the six months ending December 31, 2019. (For possible action).

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

7. 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

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, November 21, 2019 at 2:00 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
Laura Fitzpatrick, Vice Chair – via phone
Joseph Piurkowski, Department of Aviation – via phone
Rick Phillips, FTN Financial
Anna Danchik, Clark County, Comptroller
Drew Solomon, Clark County, Principle Management Analyst

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

1. **Approval of Agenda (For possible action)**
   - Motion made by Ms. Laura Fitzpatrick to approve the Agenda for November 21, 2019 – motion passed unanimously

2. **Approval of the minutes of the Clark County, Nevada OPEB Trustee meeting from August 22, 2019. (For possible action)**

   - A motion was made by Ms. Laura Fitzpatrick to approve the minutes from the August 22, 2019 meeting - motion passed unanimously.

3. **Receive a report on financial statements as of and for the three months ending, September 30, 2019. (For possible action)**

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

4. **Discussion of funding policy for the Clark County, Nevada OPEB Trust**

   - Ms. Jessica Colvin discussed the analysis done for the Internal Services Fund.

- Contact Sherman Howard, regarding amending the OPEB Trust
- Discuss with MaryAnn Miller if a formal funding policy is necessary

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

    - Mr. Rick Phillips summarized the Quarterly Investment Report dated September 30, 2019 and the Economic/Market update dated November 21, 2019.

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.)**

    - Put FY21 Budget together for next meeting

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 2:37 P.M.

Clark County, Nevada
OPEB Trust Fund
Statement of Plan Net Assets
December 31, 2019

	Clark County	Department of Aviation	Total
Assets			
Cash and investments			
Cash	$ 28,886	$ 7,774	$ 36,660
State of Nevada RBIF	116,758,299	40,006,505	156,764,804
Clark County Investment Pool	201,216	41,880	243,096
Total assets	116,988,401	40,056,159	157,044,560
Liabilities			
Accrued expenses	3,358	1,212	4,570
Net Assets Held In Trust for Other Postemployment Benefits	$ 116,985,043	$ 40,054,947	$ 157,039,990

Clark County, Nevada
OPEB Trust Fund
Statement of Changes in Plan Net Assets
For the Period July 1, 2019 through December 31, 2019 - Budget to Actual

	Clark County	Department of Aviation	Total	YTD Budget	Favorable (Unfavorable) Variance
Additions					
Contributions					
Employer - Clark County	$ 3,450,000	$ -	$ 3,450,000	$ 3,450,000	$ -
Employer - Department of Aviation	-	6,229,050	6,229,050	6,229,050	-
Total contributions	3,450,000	6,229,050	9,679,050	9,679,050	-
Investment income (loss)					
Interest	1,177,071	394,524	1,571,595	27,115	1,544,480
Net increase (decrease) in fair value of investments	6,655,379	2,324,340	8,979,719	-	8,979,719
Total investment income (loss)	7,832,450	2,718,864	10,551,314	27,115	10,524,199
Less investment expense	(22,367)	(7,637)	(30,004)	(27,115)	(2,889)
Net investment income (loss)	7,810,083	2,711,227	10,521,310	-	10,521,310
Total additions	11,260,083	8,940,277	20,200,360	9,679,050	10,521,310
Deductions					
Administrative expenses					
Accounting services	-	-	-	-	-
Audit fees	14,698	5,302	20,000	10,000	(10,000)
Continuing education	-	-	-	1,200	1,200
Bank fees	-	-	-	50	50
Insurance	-	-	-	5,000	5,000
Retiree benefits	-	-	-	2,657,244	2,657,244
Trustee fees	61	19	80	240	160
Other	-	-	-	2,750	2,750
Total administrative expenses	14,759	5,321	20,080	2,676,484	2,656,404
Change in plan net assets	11,245,324	8,934,956	20,180,280	7,002,566	13,177,714
Net Assets Held In Trust for Other Postemployment Benefits					
Beginning of year	105,739,719	31,119,991	136,859,710	136,859,710	-
End of year	$ 116,985,043	$ 40,054,947	$ 157,039,990	$ 143,862,276	$ 13,177,714

EideBailly

CPAs & BUSINESS ADVISORS

February 19, 2020

Ms. Jessica Colvin, Trustee
Clark County, Nevada OPEB Trust Fund
Clark County Comptroller's Office
500 S. Grand Central Pkwy 5th Floor
Las Vegas, NV 89106

The following represents our understanding of the services we will provide to Clark County, Nevada OPEB Trust Fund (the Plan).

You have requested that we audit the financial statements of the Plan, which comprise the statement of fiduciary net position as of June 30, 2019, and the related statement of changes in fiduciary net position for the year then ended, and the related notes, which collectively comprise the Plan's basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit applicable to those basic financial statements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that certain information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Schedule of Changes in the Net OPEB Liability and Related Ratios
- Schedule of Contributions
- Schedule of Investment Return

Auditor Responsibilities

We will conduct our audit in accordance with U.S. GAAS. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we have identified during the audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Plan's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the financial statements of the Plan in conformity with U.S. generally accepted accounting principles based on information provided by you.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
c. To provide us with:
    i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
    ii. Additional information that we may request from management for the purpose of the audit; and
    iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by the entity's auditor;
e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current period under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.
i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
j. For the accuracy and completeness of all information provided.

With respect to financial statement preparation services, the Plan's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Reporting

We will issue a written report upon completion of our audit of the Plan's basic financial statements. Our report will be addressed to the governing body of the Plan. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Lealan Miller is the engagement partner for the audit services specified in this letter. Responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. We expect to begin our audit in April 2020.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices are payable upon presentation. We estimate that our fee for the audit will be between $15,000 and $20,000. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Plan's personnel to assist in the preparation of schedules and analyses of accounts. This effort could

substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our audit procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least eight years from the date of our report.

At the conclusion of our audit engagement, we will communicate to management and the Board of Trustees the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;

- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Eide Bailly LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to a regulator pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the regulator. The regulator may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

DISPUTE RESOLUTION

The following procedures shall be used to resolve any disagreement, controversy or claim that may arise out of any aspect of our services or relationship with you, including this engagement, for any reason ("Dispute"). Specifically, we agree to first mediate.

Mediation

All Disputes between us shall first be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator. The mediator will be selected by mutual agreement, but if we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA").

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute. Mediation will be conducted with the parties in person in Reno, Nevada.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Either party may commence suit on a Dispute after the mediator declares an impasse.

INDEMNITY

You agree that none of Eide Bailly LLP, its partners, affiliates, officers or employees (collectively "Eide Bailly") shall be responsible for or liable to you for any misstatements in your financial statements that we may fail to detect as a result of knowing representations made to us, or the concealment or intentional withholding of information from us, by any of your owners, directors, officers or employees, whether or not they acted in doing so in your interests or for your benefit, and to hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees from any such misstatement, provided that the services performed hereunder were performed in accordance with professional standards, in all material respects.

If a claim is brought against you by a third-party that arises out of or is in any way related to the services provided under this engagement, you agree to indemnify Eide Bailly LLP, its partners, affiliates, officers and employees against any losses, including settlement payments, judgments, damage awards, punitive or exemplary damages, and the costs of litigation (including attorneys' fees) associated with the services performed hereunder provided that the services were performed in accordance with professional standards, in all material respects.

ASSIGNMENTS PROHIBITED

You agree that you will not and may not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly LLP, its partners, affiliates, officers and employees, to any other person or party, or to any trustee, receiver or other third party.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Respectfully,

Lealan Miller

Lealan Miller
Partner

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RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Clark County OPEB Trust Fund by:

Name: _____

Title: _____

Date: _____

FEBRUARY 27, 2020

Clark County
OPEB Board of Trustees
Economic/Market Update

FHN FINANCIAL.
MAIN STREET ADVISORS

Executive Summary and U.S. Economic Signals

Executive Summary

- Coronavirus > Central Banks > Ctrl+P
- Will the Yield Curve Force the Fed to Cut Again?
- Rates Have Fallen and Can't Get Back Up
- Powell: "Economy's in a Good Place"
- GDP Continues to Slow…U.S. and Globally
- Stocks Liking Easing Money and Have Little Virus Worries

	Indicator	Data	Weaker ←						→ Stronger
	GDP YOY%	2.3				●			
	Recession Prob% in 12 Months	25				●			
Employment	Unemployment Rate%	3.6							●
Employment	Underemployment Rate %	6.9						●	
Employment	Non-Farm Payrolls YOY%	1.5				●			
Employment	Unemployment Claims YOY%	(7.4)					●		
Inflation	Employment Cost Index YOY%	2.7					●		
Inflation	Core PCE YOY%	1.6			●				
Inflation	Core CPI YOY%	2.3					●		
Inflation	5Yr Avg % Inflation Expectations	1.7			●				
Inflation	Commodities Index YOY%	(4.1)			●	◀◀			
Consumers	Existing Home Sales YOY%	10.8						●	
Consumers	New Home Sales YOY%	23.0						▶▶	●
Consumers	Home Buying Conditions YOY%	9.0					●		
Consumers	S&P Home Prices YOY%	2.6				●			
Consumers	Vehicle Sales YOY%	1.5				▶▶	●		
Consumers	Retail Sales YOY%	4.4						●	
Consumers	Consumer Confidence YOY%	8.1						●	
Businesses	ISM Service % (Diffusion Index)	55.5					●		
Businesses	ISM Manufacturing % (Diffusion Index)	50.9				●			
Businesses	Small Business Optimism	3.1				●			
Businesses	Durable Goods Orders YOY%	(3.6)		●					
Stocks	S&P 500 YOY%	23.8							●
Stocks	NASDAQ 100 YOY%	37.9							●
Stocks	Russell 2000 YOY%	8.8					●		
Stocks	International YOY%	13.1						●	
Stocks	Emerging Markets YOY%	7.3					●		
Bonds	Yield Curve (10Yr-3M) Basis Points	(1)			●	◀◀			
Bonds	1 Yr Tsy Yield YOY BP Change	(108)		●					
Bonds	10 Yr Tsy Yield YOY BP Change	(110)		●					
Bonds	10Y High Yld Spd (Baa) YOY BP Chg	(51)						●	

Change from Previous Month: ◀◀ ▶▶ As of: 2/18/2020

Source: Bloomberg, CNBC, FHN Main Street

FHN FINANCIAL
MAIN STREET ADVISORS

Coronavirus Update

SITUATION IN NUMBERS
total and new cases in last 24 hours

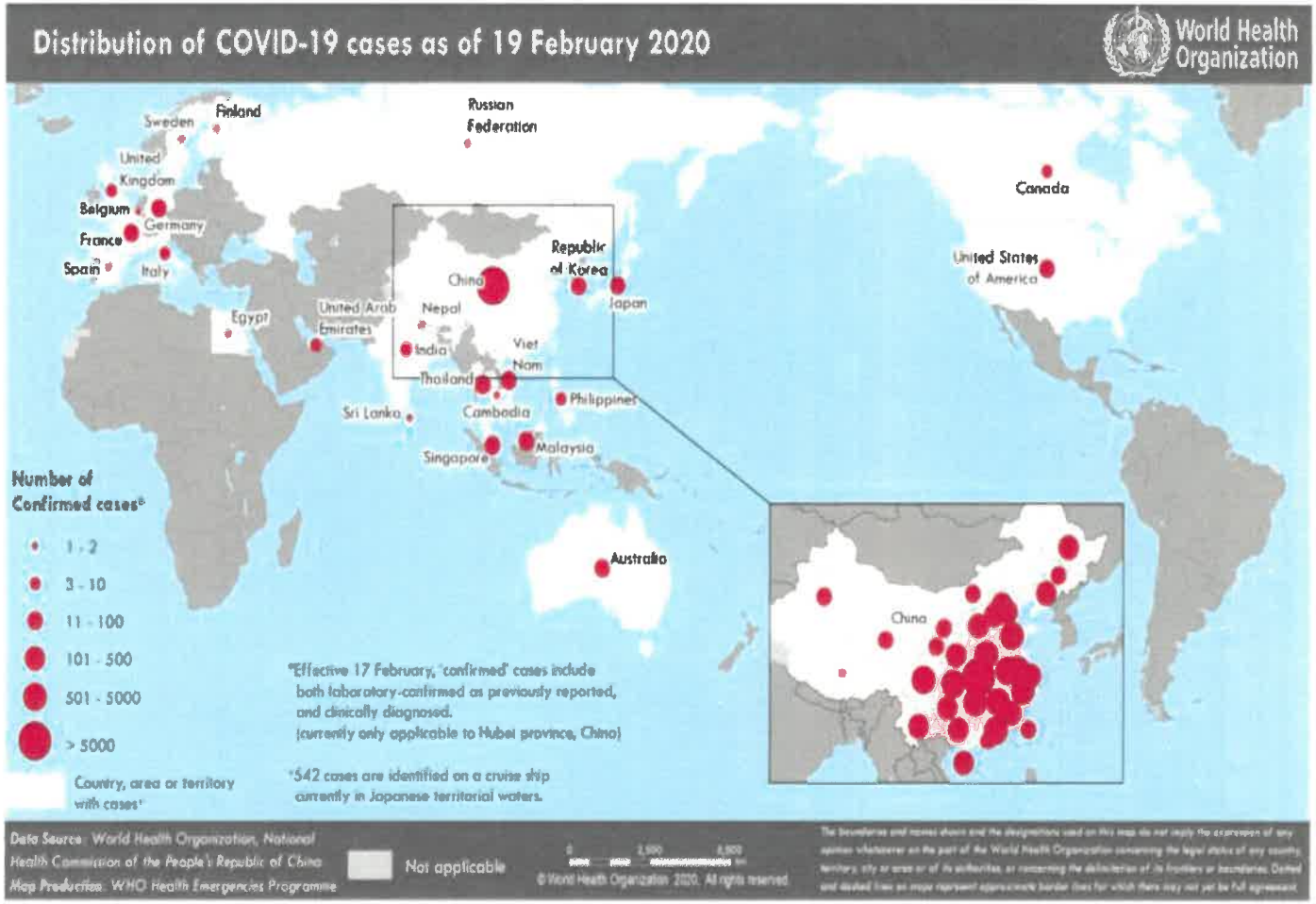
Globally
75 204 confirmed (1872 new)

China*
74 280 confirmed (1752 new)
2006 deaths (136 new)

Outside of China
924 confirmed (120 new)
25 countries
3 deaths

WHO RISK ASSESSMENT

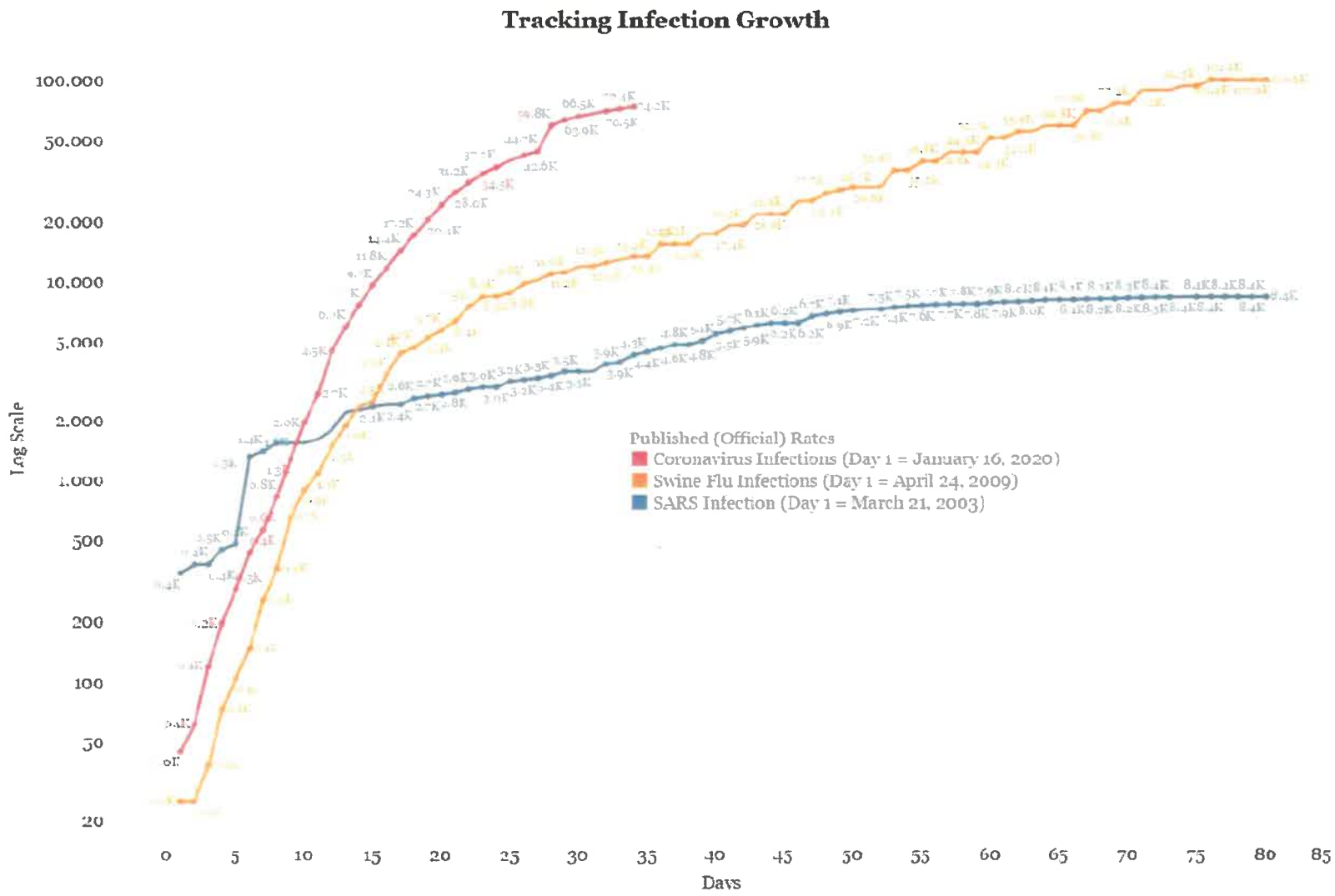
China	Very High
Regional Level	High
Global Level	High



Source: WHO

FHN FINANCIAL
MAIN STREET ADVISORS

Coronavirus Update



Source: China National Health Commision Daily Reports

Source: Bianco – 2-19-20

FHN FINANCIAL
MAIN STREET ADVISORS

Yield Curve: In/Out/In of the Danger Zone

2/18/2020

Source: Bloomberg, FHN Main Street

FHN FINANCIAL
MAIN STREET ADVISORS

Forecasting a Recession

How Long Until the Recession?

When the 10Yr/3M U.S. Treasury Curve Inverts 10 Consecutive Trading Days

Date of 10 Day Inversion	Consecutive Trading Days Inverted	Date of Next Recession	Days to Next Recession
1/10/1969	24	Dec 1969	325
6/14/1973	177	Nov 1973	140
12/8/1978	91	Jan 1980	389
11/7/1980	102	Jul 1981	236
6/6/1989	30	Jul 1990	390
7/31/2000	135	Mar 2001	213
8/1/2006	217	Dec 2007	487
6/6/2019	41	???	???
Average	**102**		**311**

1/10/1969 = Inverted for 24 days, went positive for 33 days, then inverted again for 53 days
6/6/1989 = Inverted for 30 days, went positive for 9 days, then inverted again for 26 days
6/6/2019 = Inverted for 41 days, went positive for 1 day, then inverted again for 65 days

Date of Next Recession Using Average:
April 12, 2020

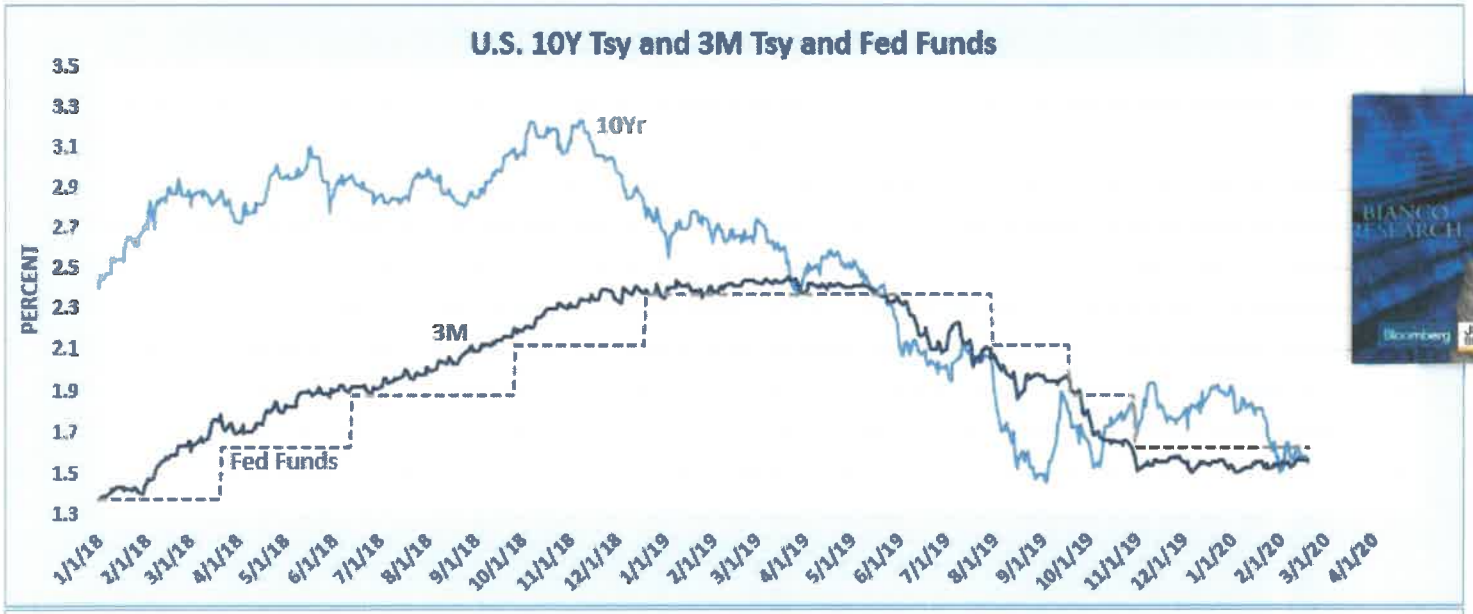
Date of Next Recession Using Longest:
October 5, 2020

Australia's Not Had a Recession 29+ Years

Source: Bloomberg

FHN FINANCIAL
MAIN STREET ADVISORS

Will the Yield Curve Force the Fed to Cut Again?



"The Fed is the Serial Killer of Economic Expansions"

Source: Bloomberg

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Yields Have Fallen and Can't Get Back Up

Source: Bloomberg

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Rates are Lower…But They've Been a Bunch Lower

All-Time Low Yields: 2Y: .14% Sep 2011 5Y: .54% Jul 2012 10Y: 1.36% Jul 2016 30Y: 1.90% Aug 2019 2/18/2020

Source: Bloomberg

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Futures Market Looking for the Fed to Cut

2/18/2020

Source: Bloomberg

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Yields and Inflation Reset in Recessions

Reasons to Fear the ZLB (Zero Lower Bound)

Source: Bloomberg

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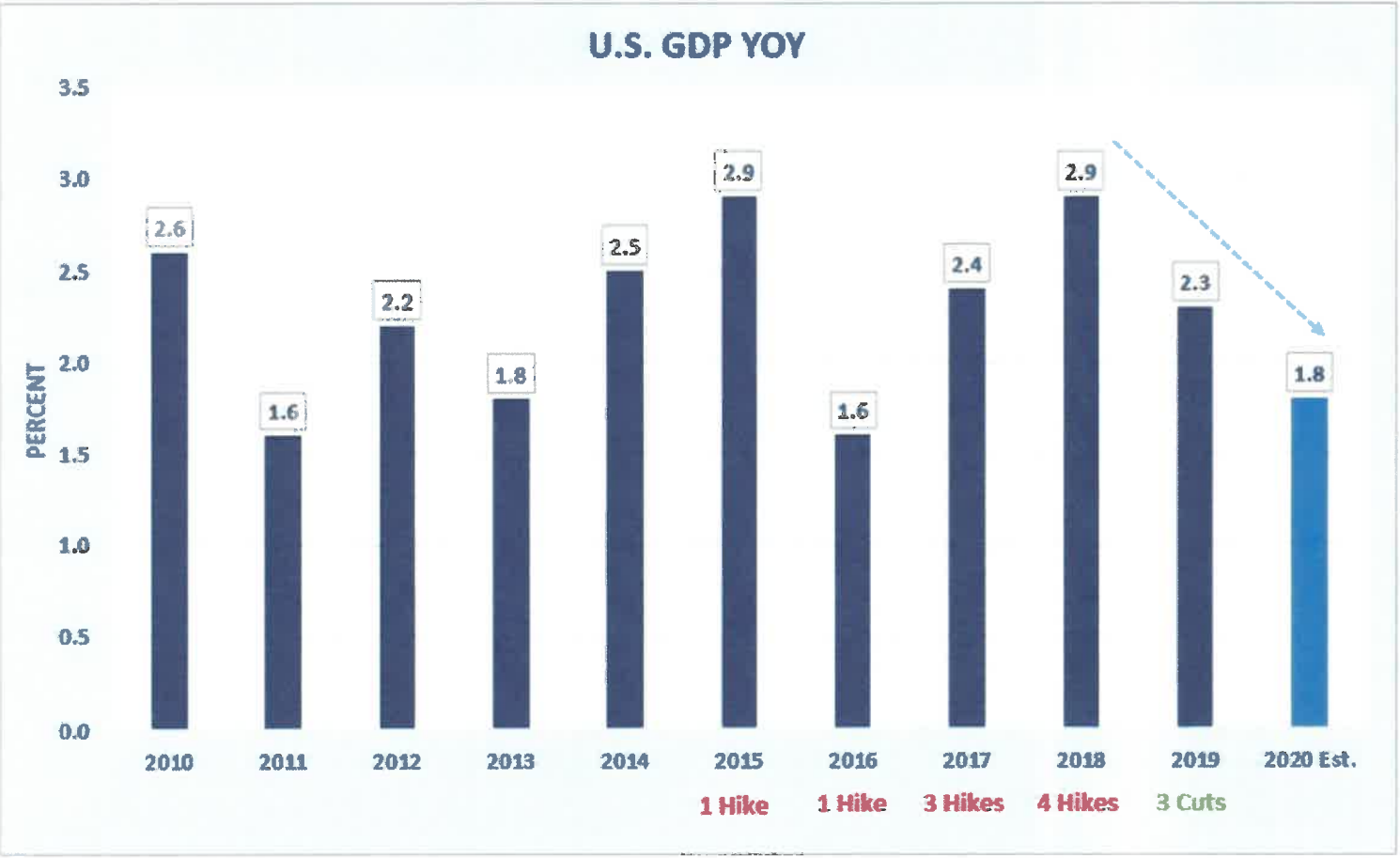
"Economy's in a Good Place"...GDP



Wall Street Journal

Trump Budget Forecast for Deficit Cuts Is Built on Shaky Assumptions, Experts Say

WASHINGTON—The Trump administration's proposed budget ... those figures by assuming real annual gross domestic product will rise 3.1% ...

23 hours ago

Source: Bloomberg

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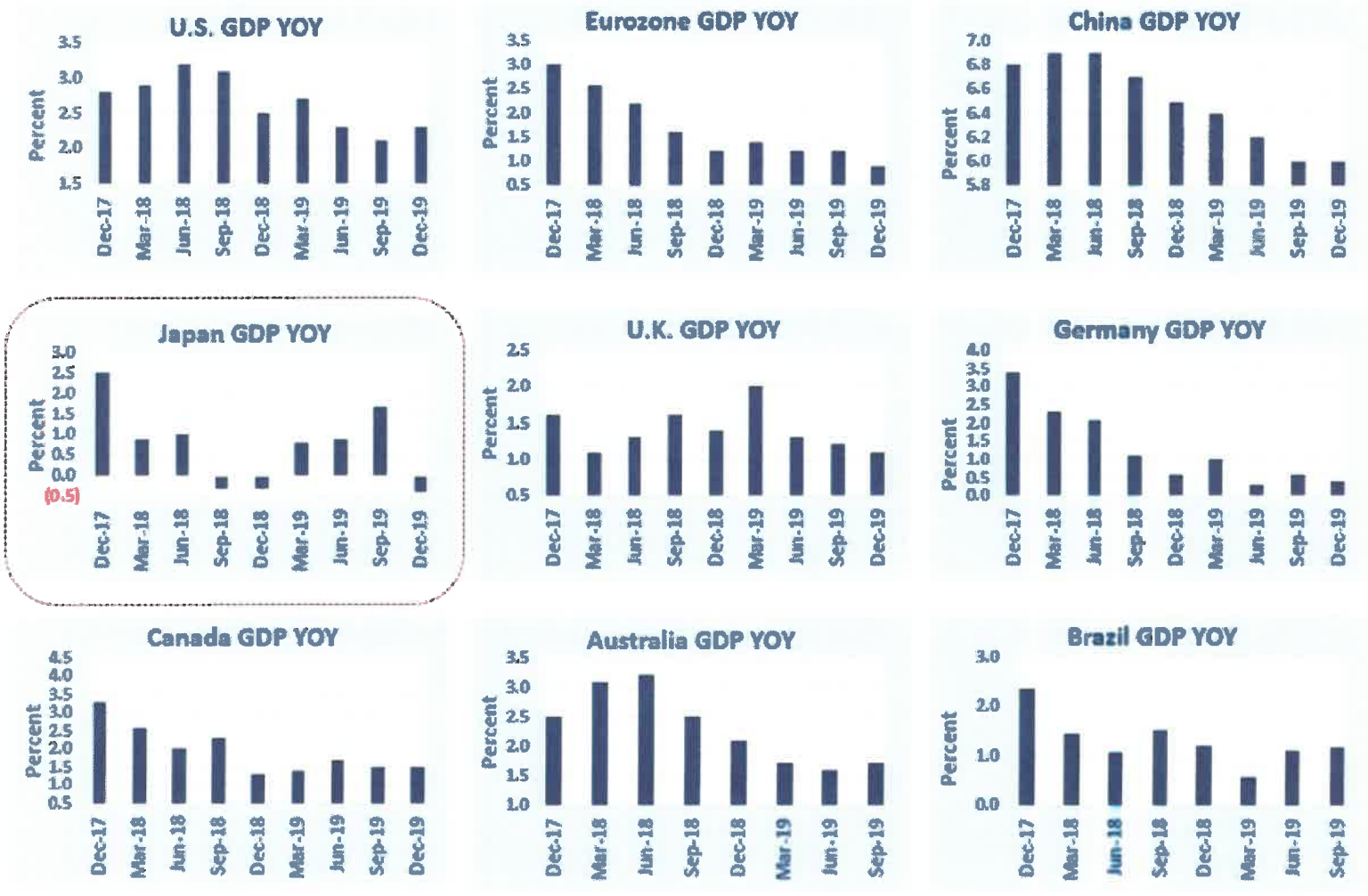
"Economy's in a Good Place"...Global GDP



2/18/2020

Global GDP Growth is Slowing

Source: Bloomberg

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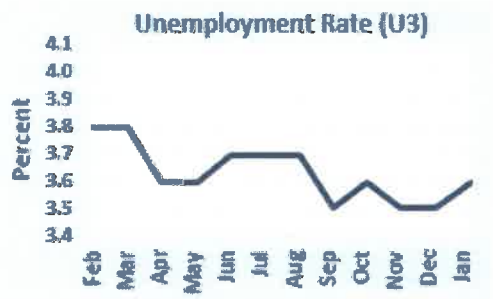
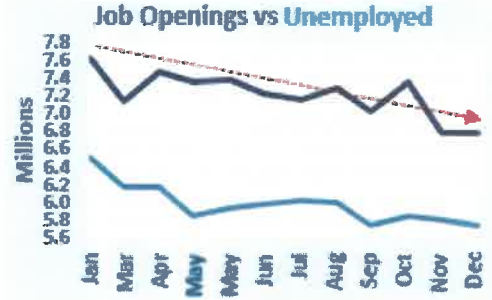
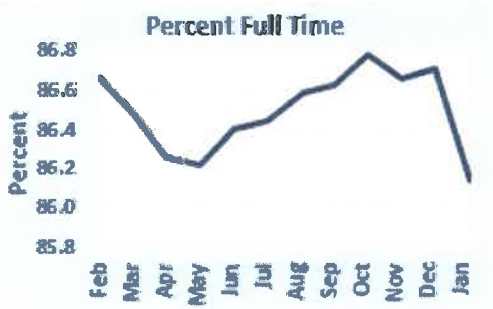
"Economy's in a Good Place"...Employment

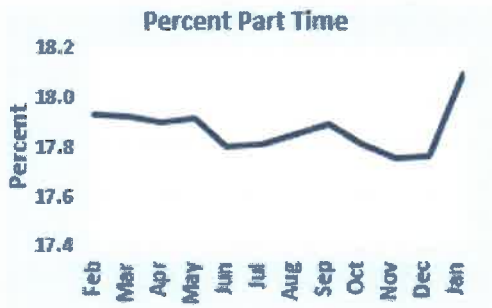




Was +56K, Now +1K Whew!

112 Consecutive Months...Previous Record is 48





2/11/2020

Source: Bloomberg

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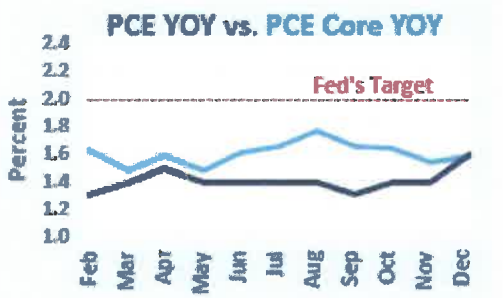
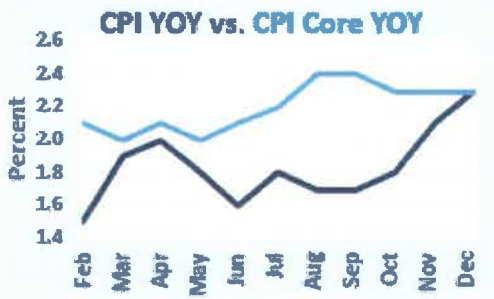
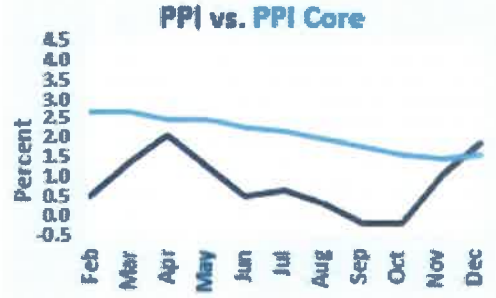
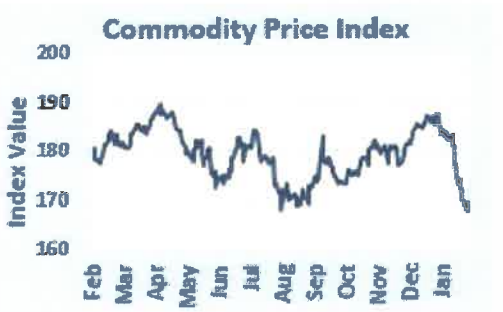
"Economy's in a Good Place"…Inflation

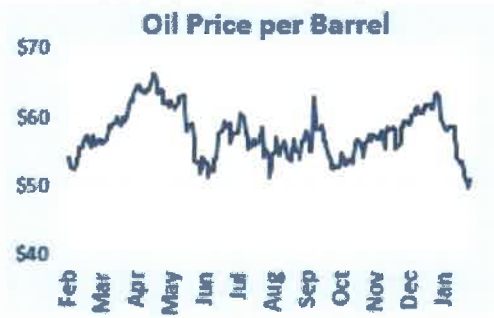






Fed's Primary Index: Personal Consumption Expenditure





2/5/2020

Source: Bloomberg

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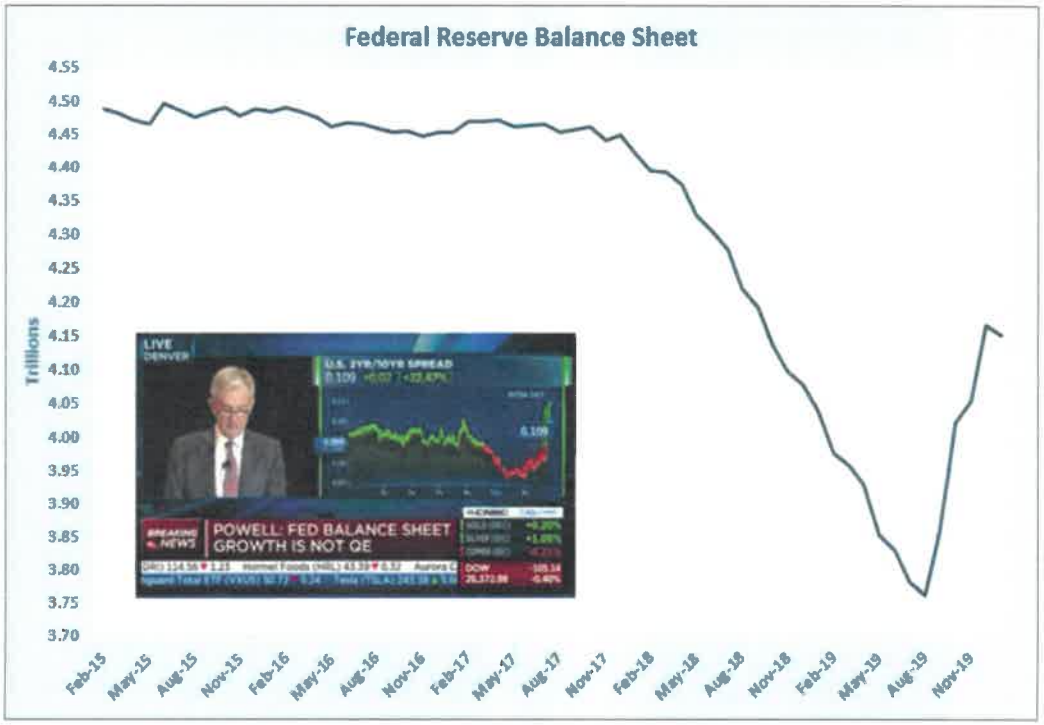
Coronavirus > Central Bank Balance Sheets > Ctrl+P

Global Central Bank Policy Rates						
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	Last Move	Last Move Date
Denmark	Deposit Rate	-0.75%	0.7%	-1.5%	Cut	Sep-19
Switzerland	Target Rate	-0.75%	0.2%	-1.0%	Cut	Jan-15
Eurozone	Deposit Rate	-0.50%	1.4%	-1.9%	Cut	Sep-19
Japan	Policy Rate Bal	-0.10%	0.8%	-0.9%	Cut	Jan-16
Sweden	Repo Rate	0.00%	1.8%	-1.8%	Hike	Dec-19
Australia	Cash Rate	0.75%	1.8%	-1.1%	Cut	Oct-19
UK	Bank Rate	0.75%	1.3%	-0.6%	Hike	Aug-18
New Zealand	Cash Rate	1.00%	1.9%	-0.9%	Cut	Aug-19
Thailand	Policy Rate	1.00%	1.1%	-0.1%	Cut	Feb-20
South Korea	Repo Rate	1.25%	1.5%	-0.3%	Cut	Oct-19
Poland	Repo Rate	1.50%	3.4%	-1.9%	Cut	Oct-14
Taiwan	Discount Rate	1.50%	1.9%	-0.4%	Cut	Mar-16
Norway	Deposit Rate	1.50%	1.8%	-0.3%	Hike	Sep-19
US	Fed Funds	1.63%	2.5%	-0.9%	Cut	Oct-19
Chile	Base Rate	1.75%	3.5%	-1.8%	Cut	Oct-19
Canada	Overnight	1.75%	2.2%	-0.5%	Hike	Oct-18
Hong Kong	Base Rate	2.00%	2.9%	-0.9%	Cut	Oct-19
Czech Republic	Repo Rate	2.25%	3.2%	-1.0%	Hike	Feb-20
Peru	Policy Rate	2.25%	1.9%	0.4%	Cut	Nov-19
Saudi Arabia	Reverse Repo	2.25%	0.2%	2.1%	Cut	Sep-19
Malaysia	Policy Rate	2.75%	1.0%	1.8%	Cut	Jan-20
Philippines	Key Policy Rate	3.75%	2.9%	0.9%	Cut	Feb-20
China	Loan Prime Rate	4.15%	5.4%	-1.3%	Cut	Nov-19
Brazil	Target Rate	4.25%	4.2%	0.1%	Cut	Feb-20
Colombia	Repo Rate	4.25%	3.6%	0.6%	Cut	Apr-18
Indonesia	Repo Rate	5.00%	2.7%	2.3%	Cut	Oct-19
India	Repo Rate	5.15%	7.6%	-2.4%	Cut	Oct-19
Russia	Key Policy Rate	6.00%	2.4%	3.6%	Cut	Feb-20
South Africa	Repo Rate	6.25%	4.0%	2.3%	Cut	Jan-20
Mexico	Overnight Rate	7.00%	3.2%	3.8%	Cut	Feb-20
Turkey	Repo Rate	11.25%	12.2%	-0.9%	Cut	Jan-20

COMPOUND @CharlieBilello



Source: Bloomberg, Bilello, CNBC

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U.S. Stocks Leading the Way

US	Germany	UK	China	Japan	France	Hong Kong	India
21.5%	9.1%	0.9%	(2.4%)	5.2%	11.8%	(6.2%)	10.0%

2/20/2020

Source: Bloomberg

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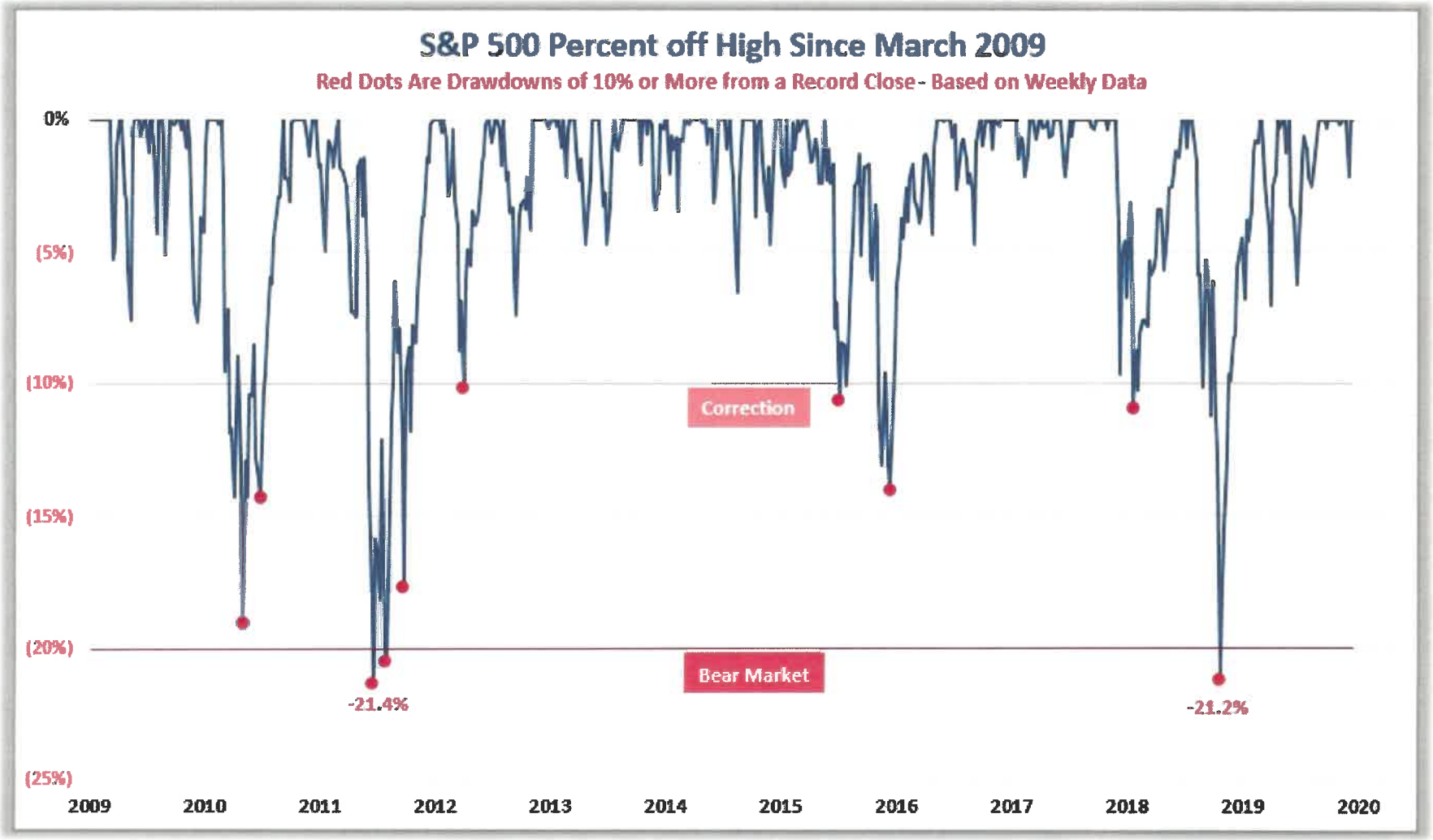
U.S. Stocks Liking an Easy Money Fed



Source: Bloomberg

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Quarterly Investment Report

Clark County OPEB Trust

December 2019

Sector	Current Market Value	Prior Qtr Market Value	Period Change
U.S. Stocks - RBIF	79,515,501.37	71,941,905.86	7,573,595.51
U.S. Bonds -RBIF	43,064,851.95	39,856,078.00	3,208,773.95
International Stocks - RBIF	33,401,718.97	30,396,757.68	3,004,961.29
Cash Equivalents - RBIF	782,731.45	1,067,321.44	(284,589.99)
Clark County Inv Pool (Fixed Income)	243,096.62	292,542.27	(49,445.64)
Total	**157,007,900.35**	**143,554,605.24**	**13,453,295.12**

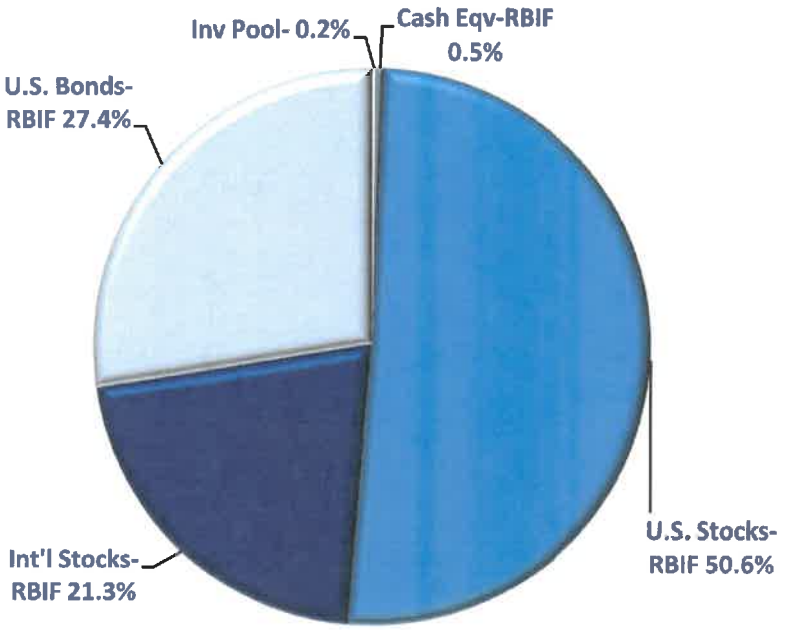
Cost vs Market Value

Market Value	157,007,900.35
Book Value	116,881,635.85
Variance	**40,126,264.50**
Total Gain/Loss %	**34.33%**
Since Inception	
Annualized Gain/Loss%	**6.18%**

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

Total Asset Allocation



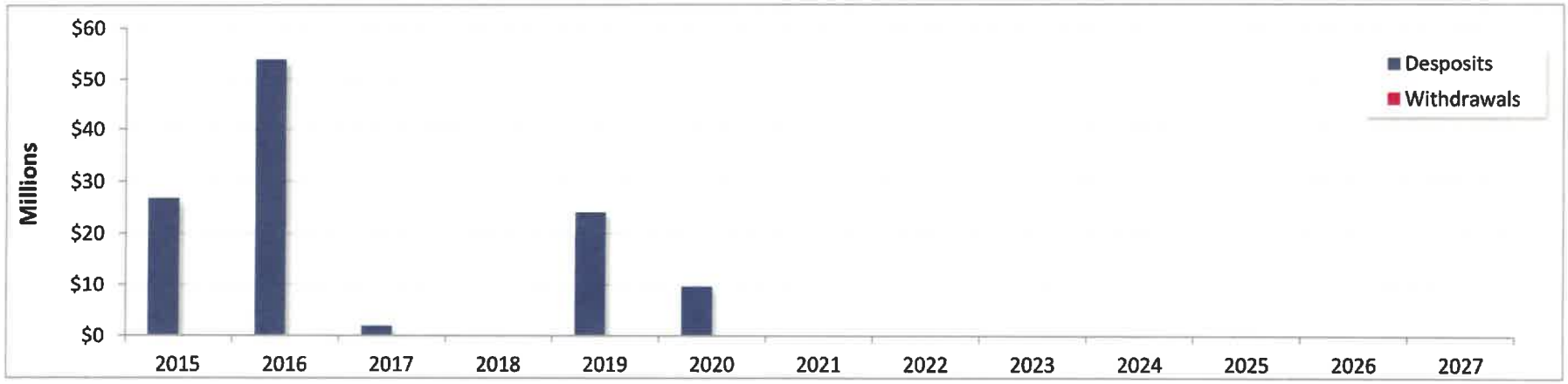
Note: First deposit into RBIF was 1/30/15

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	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	4.48		4.50						2.41			
February	4.48		4.50						2.41			
March	4.48		4.50						2.41			
April	4.48		4.50						2.41			
May	4.48		4.50						2.41			
June	4.48		4.50						2.41			
Total	26.88	0.00	54.00	0.00	2.00	0.00	0.00	0.00	24.08	0.00	9.68	0.00

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	0.0	24.1	9.7								116.6



S&P 500 (Domestic Stocks)

Quarterly Return: **9.06%**

Key Points

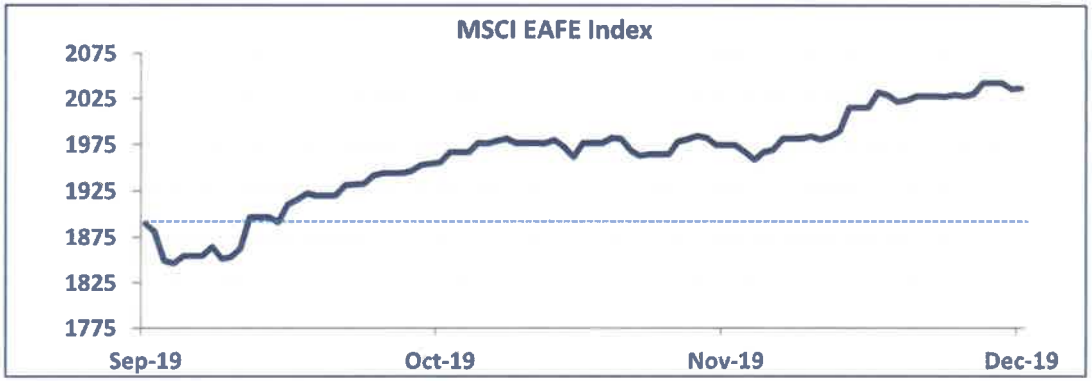
- Trade Agreements
- Stronger Than Expected Earnings
- Accommodative Fed

MSCI EAFE (International Stocks)

Quarterly Return: **8.23%**

Key Points

- Investor Confidence Strengthened
- Accommodative Central Banks
- Economy Signals Potential Turn Around

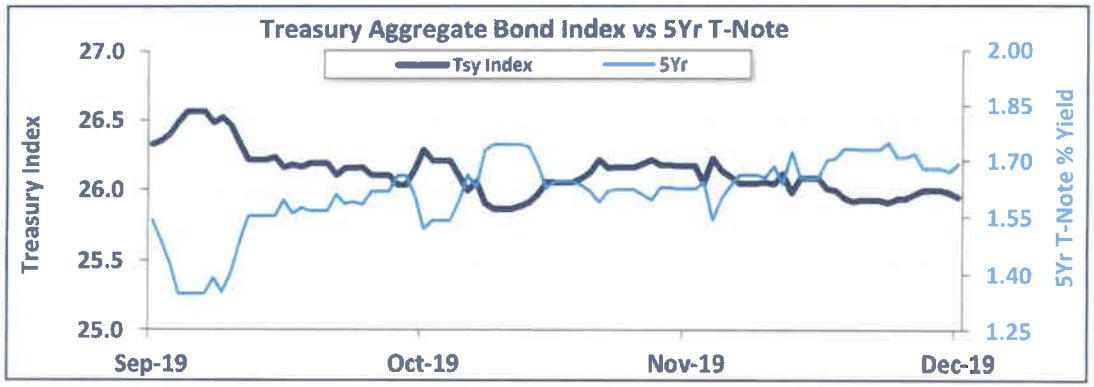


BAML US Treasury Bond Index (Domestic Fixed-Income)

Quarterly Return: **(0.85%)**

Key Points

- Muted Inflation
- Fed Signals a Pause
- Growth at a Slower Rate

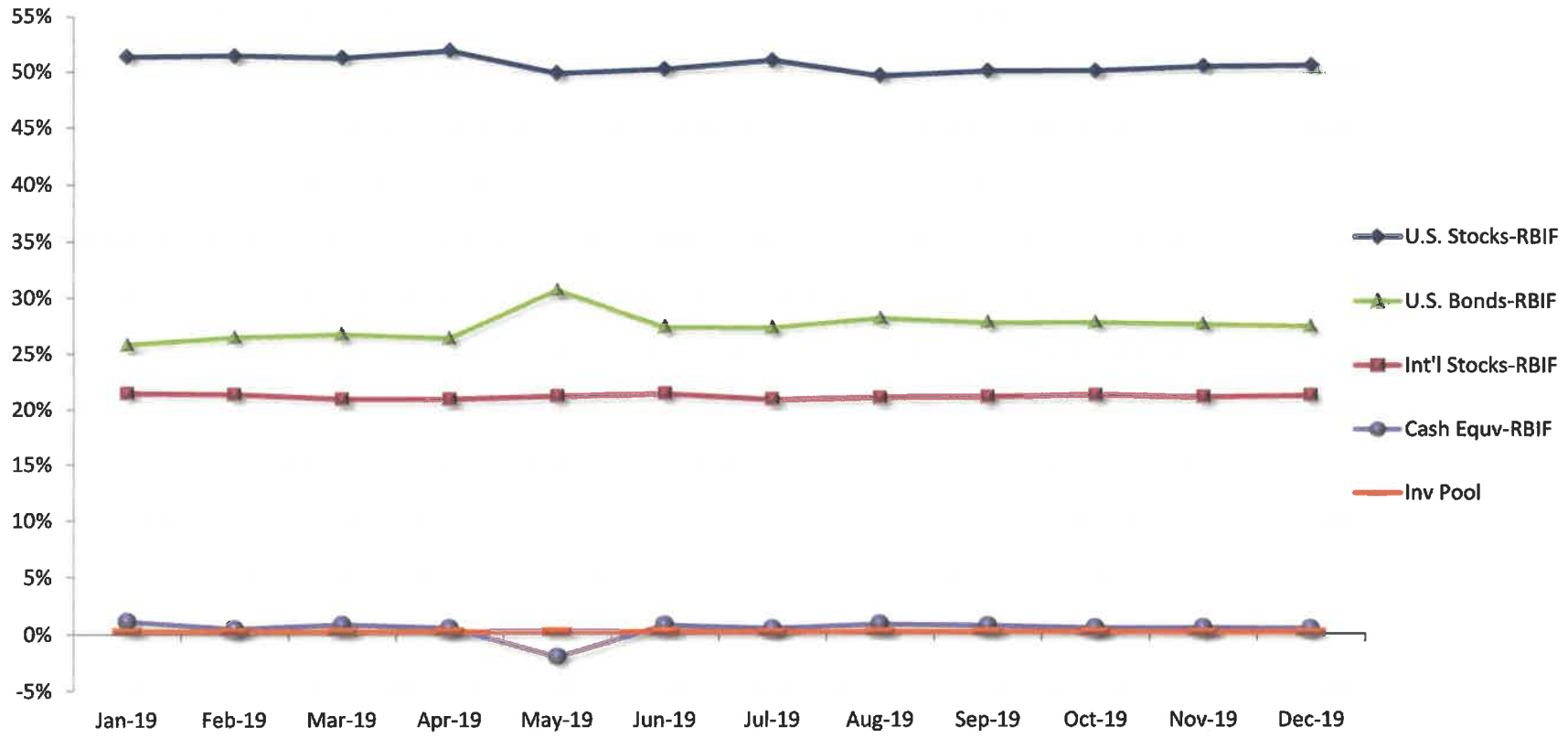


Source: Bloomberg, FHN Main Street

Historical Sector Allocation - All Assets

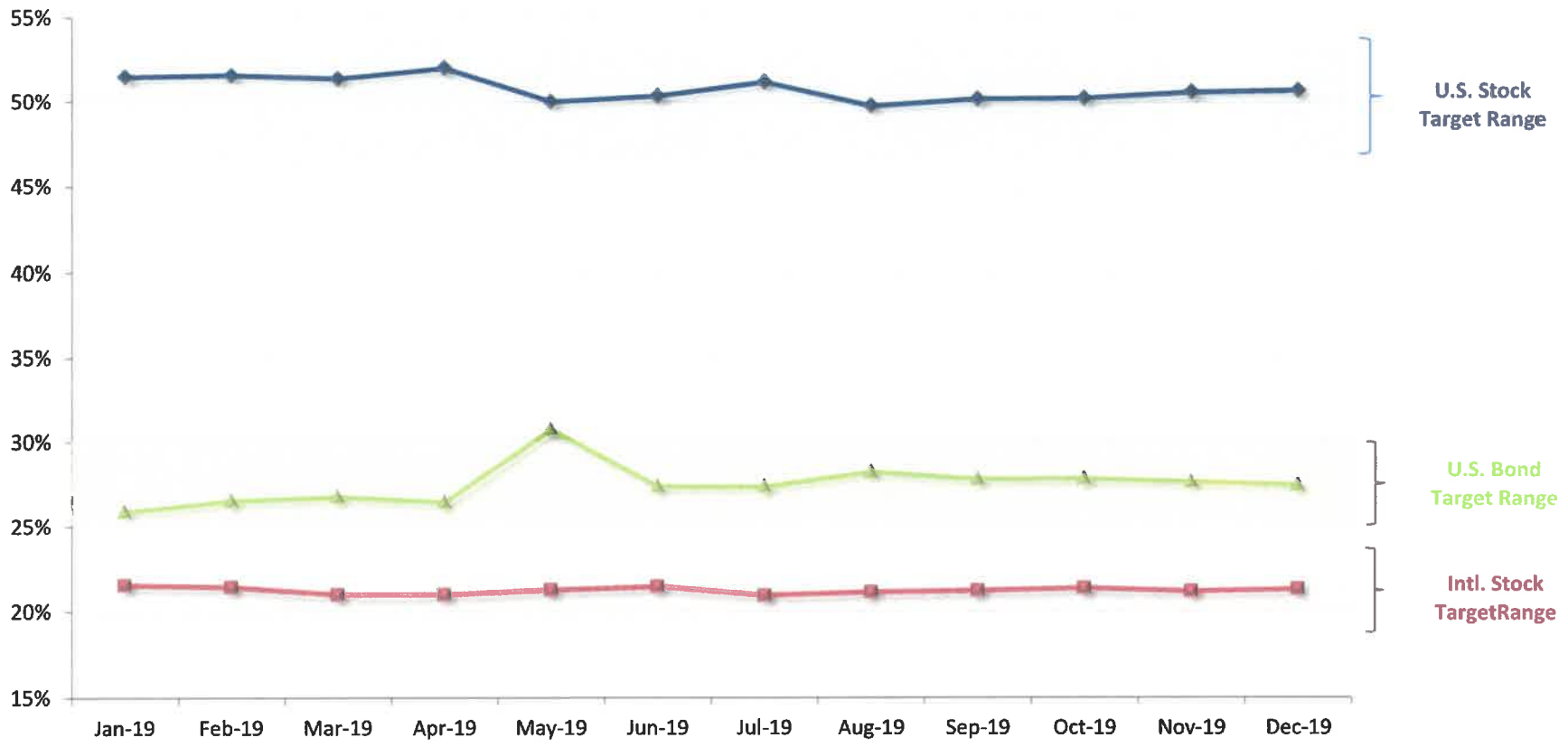
Clark County OPEB Trust

12/31/2019



Sector	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
CC Inv Pool	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
U.S. Stocks - RBIF	51.3%	51.5%	51.3%	51.9%	49.9%	50.3%	51.1%	49.7%	50.1%	50.2%	50.5%	50.6%
U.S. Bonds - RBIF	25.8%	26.5%	26.7%	26.4%	30.7%	27.3%	27.3%	28.2%	27.8%	27.8%	27.6%	27.4%
Int'l Stocks - RBIF	21.5%	21.4%	20.9%	20.9%	21.2%	21.4%	20.9%	21.1%	21.2%	21.3%	21.1%	21.3%
Cash Equiv - RBIF	1.1%	0.5%	0.8%	0.5%	-2.0%	0.8%	0.5%	0.9%	0.7%	0.5%	0.5%	0.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Historical Sector Allocation - RBIF Assets



RBIF Sector	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
U.S. Stocks - RBIF	51.5%	51.6%	51.4%	52.0%	50.0%	50.4%	51.2%	49.8%	50.2%	50.3%	50.6%	50.7%
Int'l Stocks - RBIF	21.5%	21.4%	21.0%	21.0%	21.3%	21.5%	20.9%	21.1%	21.2%	21.4%	21.2%	21.3%
U.S. Bonds - RBIF	25.9%	26.5%	26.8%	26.5%	30.7%	27.4%	27.4%	28.2%	27.8%	27.8%	27.7%	27.5%
Cash Equiv - RBIF	1.1%	0.5%	0.8%	0.5%	-2.0%	0.8%	0.5%	0.9%	0.7%	0.5%	0.5%	0.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%


Cost Value vs. Market Value
Market Value
Cost Value
Millions
$170
$160
$150
$140
$130
$120
$110
$100
$90
$80
Jun-15
Aug-15
Oct-15
Dec-15
Feb-16
Apr-16
Jun-16
Aug-16
Oct-16
Dec-16
Feb-17
Apr-17
Jun-17
Aug-17
Oct-17
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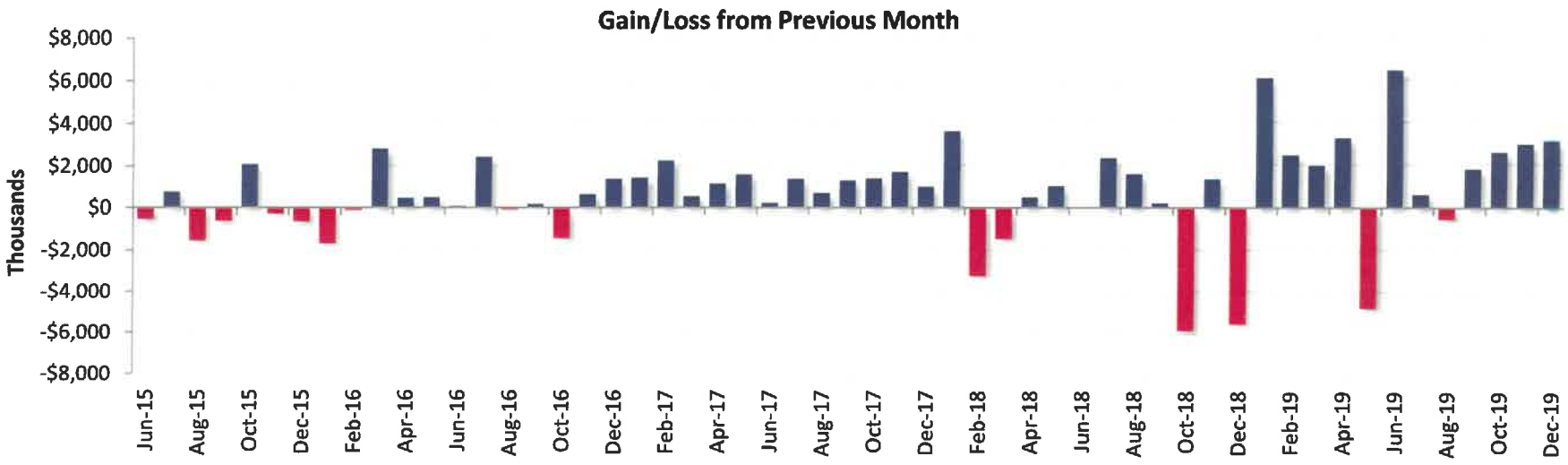
Oct-19
Dec-19


Gain/Loss from Previous Month
Thousands
$8,000
$6,000
$4,000
$2,000
$0
-$2,000
-$4,000
-$6,000
-$8,000
Jun-15
Aug-15
Oct-15
Dec-15
Feb-16
Apr-16
Jun-16
Aug-16
Oct-16
Dec-16
Feb-17
Apr-17
Jun-17
Aug-17
Oct-17
Dec-17
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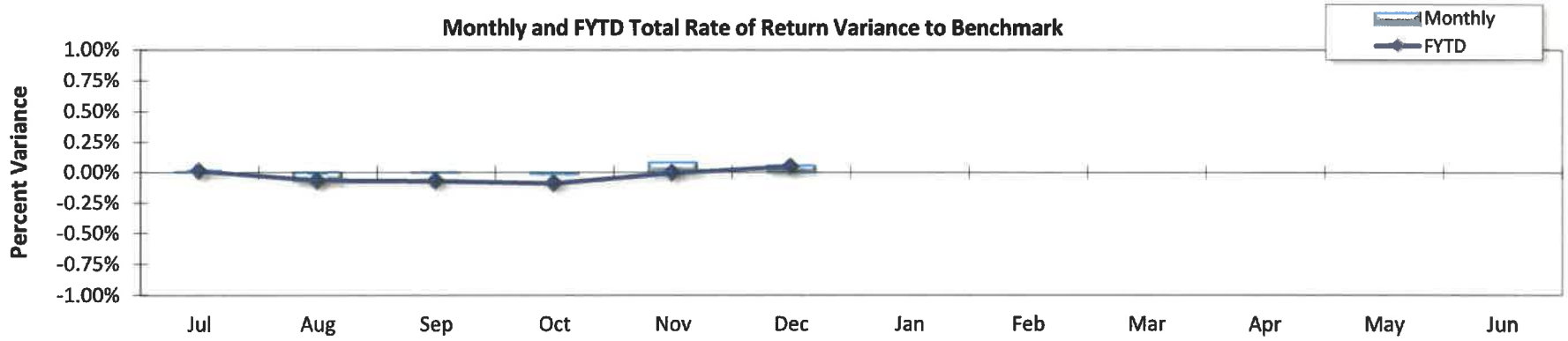
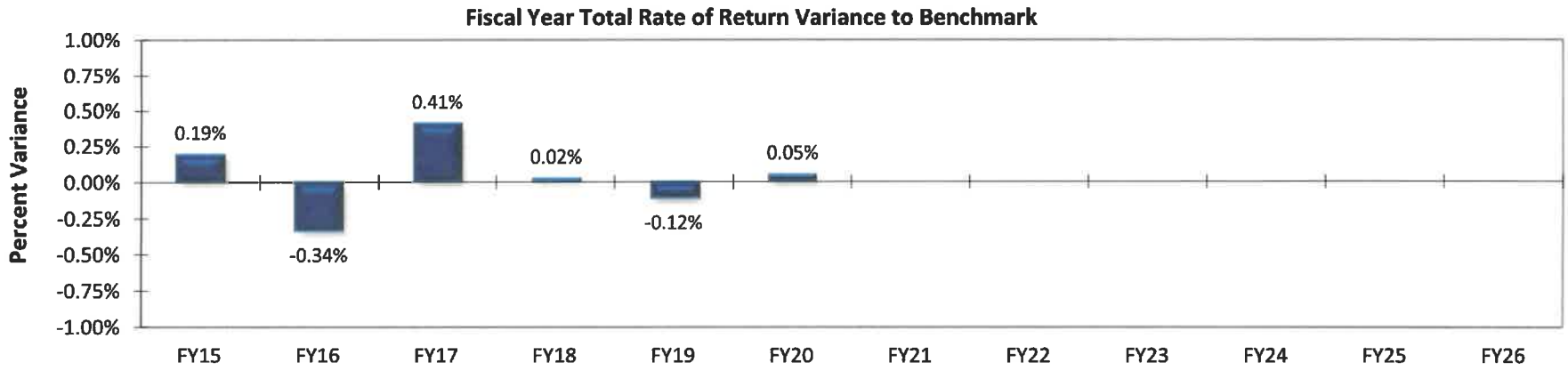
Jun-19
Aug-19
Oct-19
Dec-19

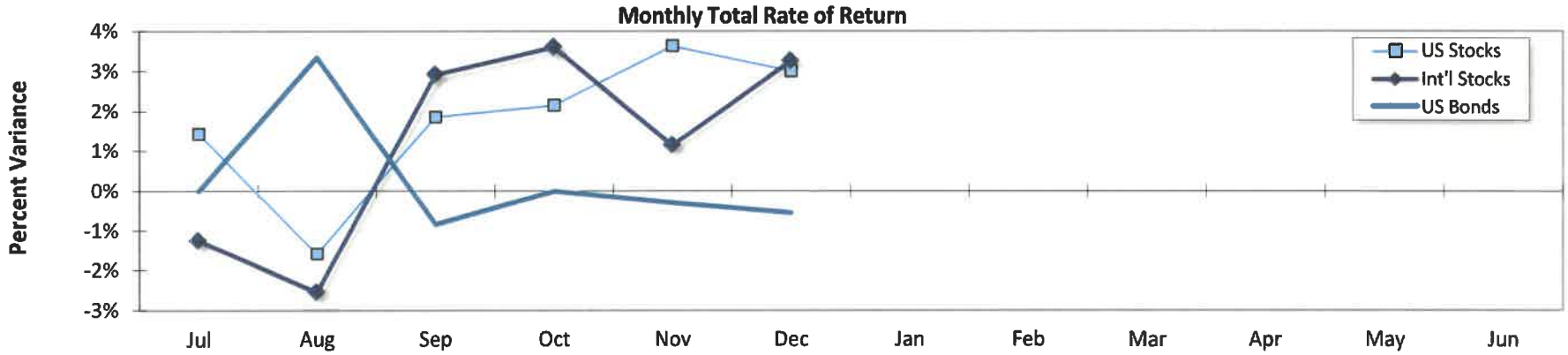


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
RBIF Portfolio	0.447%	-0.382%	1.275%	1.801%	2.011%	2.051%						
RBIF Benchmark	0.439%	-0.308%	1.278%	1.818%	1.932%	1.998%						
Monthly Variance	0.008%	-0.074%	-0.003%	-0.017%	0.080%	0.053%						
FTYD Variance	0.008%	-0.066%	-0.070%	-0.088%	-0.008%	0.048%						

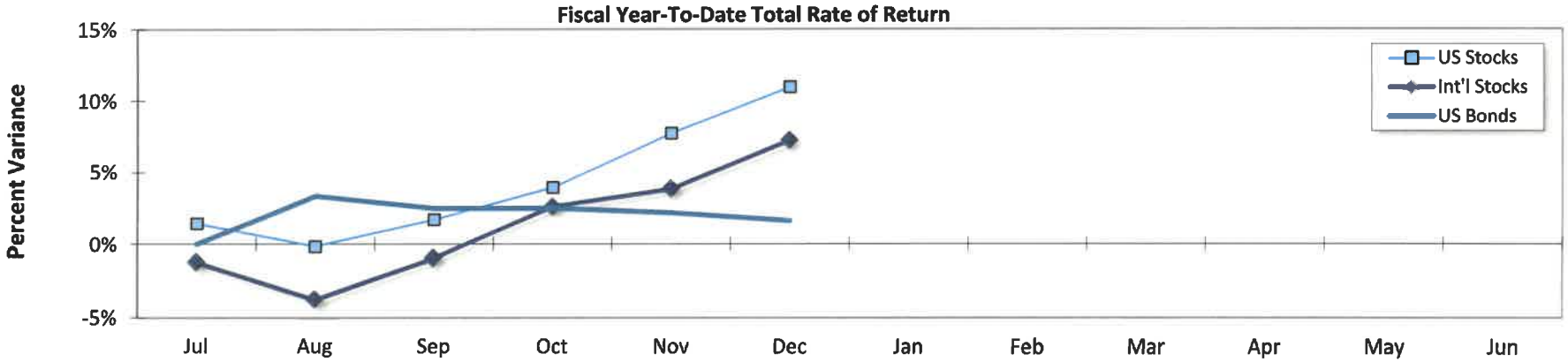


FYTD	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
RBIF Portfolio	2.61%	1.59%	12.51%	8.33%	7.82%	7.40%						
Benchmark	2.42%	1.93%	12.10%	8.31%	7.94%	7.35%						
Yearly Variance	0.19%	-0.34%	0.41%	0.02%	-0.12%	0.05%						

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

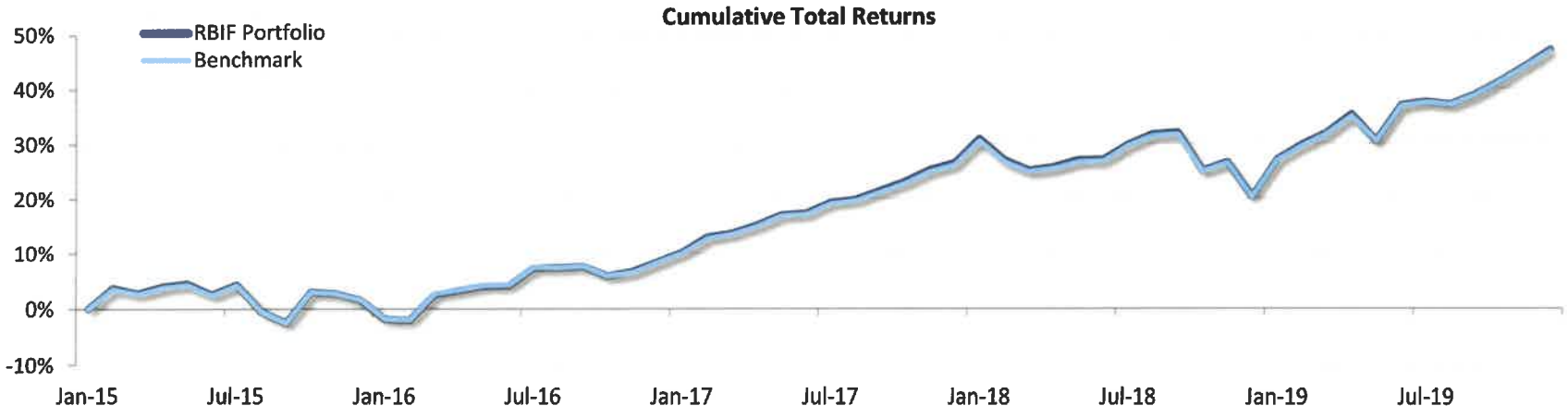


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
U.S. Stocks	1.44%	-1.58%	1.87%	2.17%	3.63%	3.01%						
Int'l Stocks	-1.25%	-2.56%	2.92%	3.60%	1.16%	3.27%						
U.S. Bonds	-0.01%	3.35%	-0.84%	0.00%	-0.30%	-0.55%						

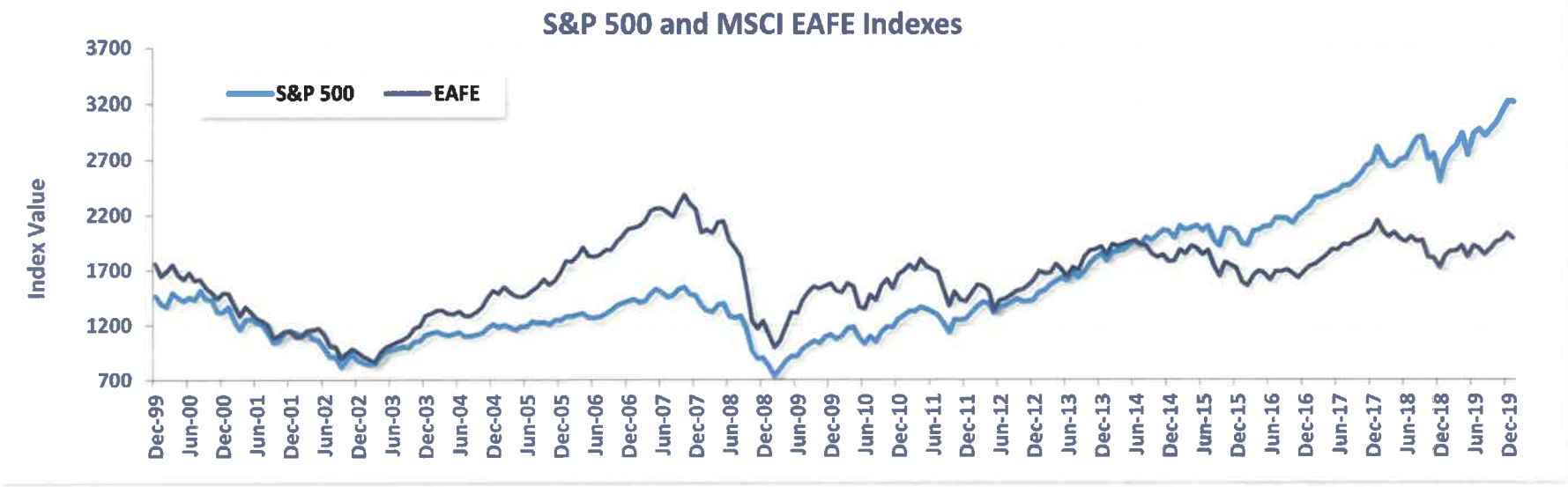


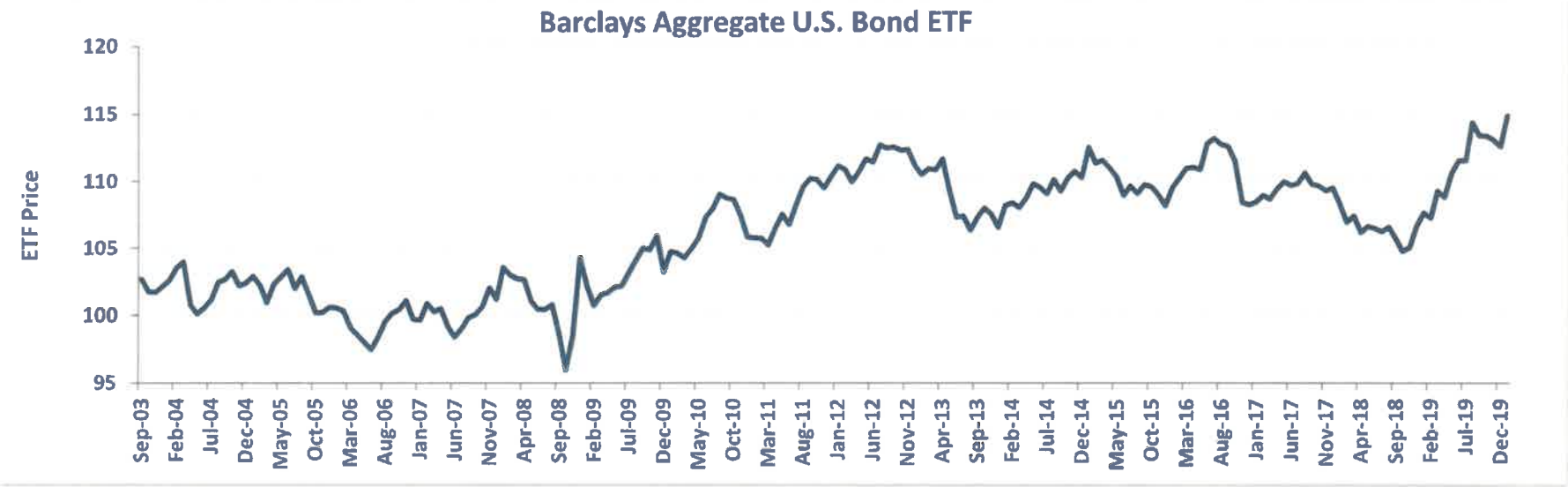
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
U.S. Stocks	1.44%	-0.17%	1.70%	3.90%	7.67%	10.92%						
Int'l Stocks	-1.25%	-3.77%	-0.96%	2.60%	3.79%	7.19%						
U.S. Bonds	-0.01%	3.34%	2.47%	2.47%	2.16%	1.60%						

	Latest Month	Latest QTR	FYTD	One Year	Three Years	Five Years	Since Inception*
RBIF Portfolio	2.05%	5.98%	15.80%	22.39%	10.71%	N/A	8.17%
Benchmark	2.00%	5.86%	15.87%	22.27%	10.69%	N/A	8.13%
Variance	0.05%	0.12%	-0.07%	0.12%	0.02%	N/A	0.04%



*Inception Date of 1/31/2015





Data Souce: Bloomberg

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