



Nevada Public Agency Insurance Pool
Public Agency Compensation Trust
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**Minutes of the Meeting of
the Board of Directors and of the Executive Committee of
Public Agency Compensation Trust
Place: Whitney Peak Hotel, 255 N. Virginia Street, Reno, Nevada
Time: 9:00 a.m. or
Upon adjournment of Joint Board Meeting
Date: April 17, 2019**

April 17, 2019

1. Introductions and Roll

Gerry Eick served as chair of the meeting. A quorum being present, he called the meeting to order at 8:52 a.m.

2. Public Comment

Chair Eick opened public comment and hearing none, closed the comment period.

3. For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda

- a. Approval of Minutes of Board Meetings:
 - 1) Board Meeting April 20, 2018
- b. Acceptance of Interim Financial Statements

On motion and second to approve the consent agenda as a whole, the motion carried.

4. For Possible Action: Acceptance of Audit for June 30, 2018

Alan Kalt reviewed highlights of the audit results. He provided key performance ratios and commented on how these were important to PACT's long-term success. He explained that the audit reflects transfers of capital to PCM, PACT's captive, resulted in a decrease of surplus in order to enhance PCM's risk bearing capacity.

On motion and second to accept the audit, the motion carried.

5. For Possible Action: Acceptance of Reports

- a. Large Loss Report
- b. Legislative Report

- a. Mike Livermore, workers compensation claims supervisor at ASC, reviewed large losses over \$300,000 taking particular note of the impact of heart claims which often were over \$1.5 million in incurred costs. He indicated that some of these claims were from former members. He discussed trends in frequency and severity for these types of claims. Mike indicated that

member participation in the various risk management programs would lessen claims and encouraged members to participate in the programs, particularly heart/lung programs.

- b. Wayne Carlson reviewed several workers compensation bills some of which had failed first house committee deadlines which avoids some adverse impact to PACT. He highlighted key provisions of bills that had been passed out of the committee, often with amendments which make the less adverse, but still a significant fiscal impact if passed and signed into law.

6. For Possible Action: Acceptance of PACT Retention Options and Renewal Reinsurance Proposals and Options

Mary Wray presented the Willis Pooling Re stewardship report which showed their team involved with supporting the pools' programs and services. She then highlighted changes over the previous year and how they approach markets to obtain optimal program design for each year.

Stephen Romero presented the results of the reinsurance marketing efforts for the renewal. He showed that CRL reduced their rates due to improved loss experience at their layer and SNCC renewed with no change in rate. PCM increased its program costs due to losses within its retention and the PACT loss fund was relatively flat. Overall, this portion of the program costs increase by about 1.4% excluding program expenses. It was noted that the rate increase would be approximately 10% plus changes in exposure.

On motion and second to accept the renewal proposal as presented, the motion carried.

7. For Possible Action: Acceptance of Budget for 2019-2020

Alan Kalt reviewed the proposed budget highlighting the key revenue and expense categories. He noted that the loss fund was based upon an actuarial 70% confidence level although a 75% confidence level was evaluated. He also noted that the public safety heart rate would be increase by \$1.00 to allocate some of the wellness program costs and in anticipation of pending legislation having some impact on costs. He commented that an additional revenue item reflects a contribution from PCM to PACT to support the risk management program services. He noted that while an increase was occurring, the budget net income was for a very thin margin of 4.1% to help mitigate needed increases due to losses and expense allocations.

On motion and second to accept the budget, the motion carried.

8. For Possible Action: Action regarding these topics as required by Nevada Administrative Code:

- a. **Review of financial condition of each member and prompt notification to the Members of any Member determined to be operating in a hazardous financial condition**
- b. **Review of the loss experience of each Member of the association - Claims Experience Report Summary**
- c. **Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition**

Wayne Carlson commented that Alan Kalt had contacted the Department of Taxation regarding whether any members were on their fiscal watch list and learned that none were. Included in the board packet was the comparative five-year loss experience report by type of member and noted that no member's experience was excessive.

On motion and second to note for the record that this reviewed occurred in conformance with regulation, the motion carried.

- 9. For Possible Action: Election of Executive Committee for Two Year Terms 2019-2021**
- a. Two Representatives from Counties and/or Cities with 35,000 or more Population**
 - b. One Representative from Counties and/or Cities with less than 35,000 Population**
 - c. One Representative of School Districts**
 - d. One Representative of Special Districts/Towns**

Chair Eick reviewed the list of positions up for election noting that the incumbents all indicated willingness to continue to serve. He asked whether there were any other candidates and hearing none, called for a motion to reelect the incumbents.

On motion and second to elect the incumbents for two-year terms from 2019-2021, the motion carried.

10. For Possible Action: Election of Chair and Vice Chair

Chair Eick indicated that current Chair Paul Johnson and Vice Chair Cash Minor both expressed interest in continuing to serve.

On motion and second to reelect the current Chair and Vice Chair to their respective positions, the motion carried.

11. Public Comment

Chair Eick opened public comment and hearing none, closed the comment period.

12. For Possible Action: Adjournment

On motion and second to adjourn, the meeting adjourned at 10:17 a.m.

The Agenda was posted at the following locations and on the State Website notice.nv.gov:

**N.P.A.I.P. / P.A.C.T.
201 S. Roop Street, Suite 102
Carson City, NV 89701**

**Carson City Courthouse
885 E. Musser Street
Carson City, NV 89701**

**Eureka County Courthouse
10 S. Main Street
Eureka, NV 89316**

**Churchill County Administration
155 North Taylor Street
Fallon, NV 89406**