



**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
Toll Free Phone (877) 883-7665
Telephone (775) 885-7475
Facsimile (775) 883-7398

**Minutes of the Meeting of
the Board of Directors and of the Executive Committee of
Public Agency Compensation Trust**

Join Zoom Meeting

<https://us02web.zoom.us/j/88934020177?pwd=ZGEzdkVEUVVVR1RRTUZZajJzWUVndz09>

Meeting ID: 889 3402 0177

Passcode: 632020

One tap mobile

+16699006833,,88934020177#,,,,*632020# US (San Jose)

+12532158782,,88934020177#,,,,*632020# US (Tacoma)

ALL AUDIO WILL BE TELEPHONE ONLY

Dial by your location

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

Meeting ID: 889 3402 0177

Passcode: 632020

Find your local number: <https://us02web.zoom.us/j/88934020177?pwd=ZGEzdkVEUVVVR1RRTUZZajJzWUVndz09>

Date: April 22, 2021

**Time: upon adjournment of Joint Board and Executive Committee Meeting
which starts at 8:00am**

1. Introductions and Roll

A quorum being present, Chair Johnson called the meeting to order at 10:18 a.m.

2. Public Comment

Chair Johnson announced that this is the 25th anniversary of PACT. Wayne Carlson congratulated both Paul Johnson as current chair and Alan Kalt as past chair of PACT.

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

- a. Approval of Minutes of Board Meetings of April 17, 2020
- b. Acceptance of Interim Financial Statements
- c. Actuarial Overview of PACT Reserve Liabilities as of June 30, 2020

On motion to approve the consent agenda by Cindy Hixenbaugh, second by Mike Giles, the motion carried.

4. For Possible Action: Acceptance of Audit for June 30, 2020

Alan Kalt complimented Deb Connally for her 25 years with PACT and her contributions to the audit process along with Melissa Mack and Zaria Hanses. He then reviewed highlights of the audit noting the key performance ratios over several years. The audit had an unqualified opinion from the auditor. He reminded the board of the restatement of the prior year because of a board policy to eliminate amortization of contributions to PCM. He commented on various aspects of the financial statements.

On motion to accept the audit by Cash Minor, second by Josh Foli, the motion carried.

5. For Possible Action: Approval of PACT Retention Options and Renewal Reinsurance Proposals and Options

Stephen Romero presented the Willis Re Pooling report on the PACT renewal. He commented on market trends. He noted that PACT retains \$300,000 with PCM bearing \$700,000 before CRL takes the 75% of next \$2,000,000 and PCM takes 25%, then Safety National takes the excess amounts to statutory limits. He reviewed the year-over-year comparison of the costs of reinsurance by layer with an overall comparative increase of 2.15%. Mary Wray added comments about the success of these results given market conditions.

On motion and second to approve the renewal proposal by Josh Foli, second by Carol Shank, the motion carried.

6. For Possible Action: Approval of Budget for 2021-2022

- a. Budget Narrative**
- b. Actuarial Overview**

Alan Kalt reviewed the budget spreadsheet showing the current fiscal year and the 2021-2022 fiscal year budgets. He described the class code changes that resulted from the actuary conducting a once in ten year class code relativities study. Specifically highlighted was the elimination of several classifications and the blending of the Code 9999 Heart/lung into the respective codes for law enforcement and firefighters. He also discussed the effect of experience rating factors on the individual members would apply to all codes. He noted that the actuary provided funding indications at both 75% and 70% confidence levels. The executive committee recommended using the 75% confidence level. Alan showed these options in the loss fund portion of the budget. He noted that PCM contributed \$575,000 toward the risk management programs of PACT.

On motion to approve the budget by Josh Foli, second by Cash Minor, the motion carried.

7. For Possible Action: Approval of SpecialtyHealth Fit For Retirement Program Agreement

Wayne Carlson referred to his memo in the packet describing the background of the proposed contract. He discussed the staff analysis done on the existing contract and the changes to the proposed contract which included a not-to-exceed monthly and annual amount, 50 hours of subject matter expertise for ELearning content development, and participant access to the SpecialtyHealth patient portal. He noted the efforts by Marshall Smith and Alan Kalt to do an in-depth analysis of the services and development of the contract.

Alan Kalt added comments that from his analysis, he realized that adding a staff driven oversight committee for the Fit For Retirement Program to include SpecialtyHealth and member participants would help ensure the program achieves what the members want. He noted the value of enhancing the ELearning approach to reach more participants at any time. He emphasized the new participant portal as a tool for participants to monitor their health status.

Marshall Smith said the reviewing the contract was part of an ongoing process for all vendors. He said Alan Kalt and Mike Rebaleati conducted a deep dive into the analysis of the services and costs. He said SpecialtyHealth staff is highly motivated to deliver continued improvements for the member participants.

Paul Johnson indicated support for the services and welcomed assistance with expanding member utilization of the program.

On motion to approve the SpecialtyHealth agreement by Mike Giles, second by Elizabeth Frances, 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 noted that there were no members in hazardous financial condition. Alan Kalt commented that some were being taken off fiscal watch but none are in hazardous financial condition. Wayne then reviewed the loss experience of PACT as a whole and by member category noting that there were a few very large claims for some. He said he did not think there were members who should be considered for removal.

Chair Johnson indicated that no action was deemed needed.

- 9. For Possible Action: Election of Executive Committee for Two Year Terms 2021-2023**
- a. One Representative from Counties and/or Cities with less than 35,000 Population**
 - b. One Representative from Hospitals**
 - c. One Representative of School Districts**

Chair Johnson opened the election discussion. Wayne Carlson noted that the positions up to reelection were those with current terms from 2019-2021 and the new terms would be from 2021-2023. Incumbents indicated interest in continuing to serve were: Mike Giles, Cash Minor, Josh Foli and Chris Mulkerns. Chair Johnson asked if there were any other candidates.

On motion to approve reelection of the incumbents by Elizabeth Frances, second by Cindy Hixenbaugh, the motion carried.

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

On motion to reelected the current Chair Paul Johnson and Vice Chair Cash Minor by Mike Giles, second by Elizabeth Frances, the motion carried.

11. Public Comment

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

12. For Possible Action: Adjournment

Chair Johnson adjourned the meeting at 11:07 a.m.

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

**201 S. Roop Street, Suite 102
Carson City, NV 89701**

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

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

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

DRAFT