



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: John Ascuaga's Nugget, Sparks, Nevada
Time: 10:00 a.m. or
Upon adjournment of Joint Board Meeting
Date: May 1, 2015**

1. Introductions and Roll

A quorum was present and Chair Kalt called the meeting to order at 12:41 p.m.

2. Public Comment

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

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

- **Approval of Minutes of Board Meetings:
Board Meeting April 25, 2014**
- **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, 2014

Chair Kalt noted the highlights of the audit results. On motion and second to accept the audit, the motion carried.

**5. For Possible Action: SpecialtyHealth Cardiac Wellness Program Report and
Recommendations**

Jackie Cox, CEO of SpecialtyHealth reviewed the results from the cardiac wellness program participants along with a comparison to some national data. She indicated that insulin resistance scores were early predictors of future diabetes by nearly 20 years, Diabetes is a risk factor for heart disease. Their focus now is to identify insulin resistance earlier in order to prompt lifestyle changes. She indicated that LipoScience, the firm that does the NMR tests, was acquired by LabCorp and that LabCorp's resources enabled further development of testing tools for insulin resistance which may be available next year. Shanti Wolfe and Ethan Opdahl reviewed three cases studies showing how their work with participants had reversed their

scores, thus reducing heart disease risks. Jack Cox then reviewed a program they are developing through which law enforcement departments would be trained in conducting certain in-house tests and thereby gaining early detection and referral to the wellness program as an officer to officer effort. She anticipated this would increase participation.

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

6. For Possible Action: Acceptance of Reports

a. Claims Review Report

b. Large Loss Report

c. Actuarial Update

a. Chair Kalt noted that the comparison claims spreadsheet by type of member was in the board packet for reference.

b. Mike Livermore reviewed the large losses noting that the most expensive claims were heart claims. He reviewed the trends in claims costs and frequency, reviewing the charts in the board packet.

c. Doug Smith reviewed the actuarial methodology, key reserves factors, claims trends and their impact on reserves and rate projections. He commented that the overall rate indications based on the actuarial report were a downward trend of 9% for loss rates. He said that as has been our practice with upward rate trends where we stabilize costs to avoid large variations, the rate change would be modified to a 5% overall decrease including any budgetary expenses. Rate and experience modification letters have been sent reflecting that 5% decrease.

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

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

Bob Lombard of Willis Pooling handed out his review of current coverages and retention options, showing payroll and incurred claims trends. He reviewed the reinsurance program structure and the retentions, noting the use of Public Compensation Mutual, PACT's captive, along with CRL and Safety National for higher layers. He also handed out a spreadsheet showing the estimated premiums using renewal payroll at current year rates and the same payroll with the renewal rates. Since the reinsurers have been stable participants and responded with positive rate reductions even with higher payroll, it was determined by staff and Willis Pooling not to shop the program to other markets this year. The comparative overall reinsurance premium reduction was from \$1,667,973 down to \$1,659,978. There were no changes in the retentions or the reinsured layers.

On motion and second to accept the renewal reinsurance proposals from PCM, CRL and Safety National as presented, the motion carried.

8. For Possible Action: Acceptance of Budget for 2015-2016

Chair Kalt noted that the budget was in the packet and highlighted some elements. He asked if there were questions about the budget.

On motion and second to approve the budget as presented, the motion carried.

9. 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**

a. Chair Kalt opened discussion. James Eason commented that Smokey Valley Library District was under review by the Committee on Local Government Finance (CLGF) and gave a status report on the Nye Regional Medical Center's efforts to return to a healthy financial condition. Both entities are seeking additional property tax authority from the CLGF. Chair Kalt thanked James for his input.

b. Chair Kalt referred the board to the previous claims by member type spreadsheet discussed previously.

c. Based upon these reviews there was no need to consider removal of a member for financial or claims reasons.

On motion and second to note the statutorily required review was completed, the motion carried.

10. For Possible Action: Election of Executive Committee for Two Year Terms from 2015-2017

- a. One Representative from Counties and/or Cities with less than 35,000 Population**
- b. Two Representatives from Counties and/or Cities with 35,000 or more Population**
- c. One Representative of Special Districts**

Incumbents Alan Kalt, Cash Minor, Roger Mancebo, Josh Foli and James Eason terms expire in 2015. Each had expressed interest in continuing to serve. Chair Kalt opened the floor for any other nominations and hearing none, closed the nominations.

On motion and second to reelect the incumbents for two-year terms from 2015 to 2017, the motion carried.

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

Chair Kalt opened this item noting he was willing to continue to serve as Chair. He noted that Cash Minor was the incumbent Vice Chair and that Paul Johnson was a candidate for Vice Chair. Cash Minor offered to withdraw as a candidate for Vice Chair since Paul was willing to serve.

On motion and second to elect Alan Kalt as Chair and Paul Johnson as Vice Chair, the motion carried.

12. For Possible Action: Approve Changes to the Bylaws

Wayne Carlson reviewed the proposed bylaws changes noting the key changes were the removal of task forces since none had been used in years and also changing the fiscal officer to be an appointment by the chair instead of the board to be consistent with the NPAIP bylaws.

On motion and second to approve the changes to the Bylaws, the motion carried.

13. Public Comment

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

14. For Possible Action: Adjournment

On motion and second to adjourn, the meeting was adjourned at 1:46 p.m.

The Agenda was posted at the following locations and on the State Website:

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

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

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

**Churchill County Administrative Complex
155 North Taylor Street
Fallon, NV 89406**