



**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

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**Minutes of Meetings of the Joint Meeting of  
the Board of Directors and of the Executive Committees of  
Nevada Public Agency Insurance Pool and  
the Board of Trustees of  
Public Agency Compensation Trust  
Place: John Ascuaga's Nugget,  
Sparks, Nevada**

**Date: April 26, 2012 Time: 1:30 p.m.**

**Date: April 27, 2012 Time: 8:00 a.m.**

**JOINT BOARDS and EXECUTIVE COMMITTEES' AGENDA**

**April 26, 2012**

**Notices:**

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

**Board Governance Workshops**

**1:30 p.m. – 3:00 p.m. Disaster Recovery Before the Disaster (Brian Foote, Belfor)**

Due to unexpected unavailability of speaker, this workshop was changed to a review of the Risk Management Grant program for Stryker emergency services equipment.

**3:00 p.m. – 3:15 p.m. Break**

**3:15 p.m.- 4:30 p.m. County Reinsurance, Ltd. Enterprise Risk Management Responding to Crisis (Phil Bell, Executive Director, CRL)**

Phil Bell presented an overview of CRL and its efforts at managing through a financial and investment crisis.

**5:30 p.m. – 6:15 p.m. Board Attitude Assessment and Entertainment**

**6:15 p.m. – 9:30 p.m. Dinner and POOL's 25<sup>th</sup> Anniversary Celebration**

The POOL celebrated its 25<sup>th</sup> anniversary with a reflection on the history of the POOL and a roast of Wayne Carlson, its Executive Director, who had led the effort to enable pooling, then the formation and development efforts over the last 25 years. A Governor's Proclamation was read recognizing the 25<sup>th</sup> anniversary and Wayne's efforts.

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### 1. Introductions and Roll

A sign-in sheet was circulated at a quorum was determined to be present. Chair Kalt called the joint meeting to order at about 8:10 a.m.

### 2. Public Comment

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

### 3. For Possible Action: Acceptance of Investment Advisor's Report and Action on Recommendations

Joe Woods of Raymond James & Associates, the investment advisor, and Alan Ashworth of Eagle Asset Management, one of the key money management firms for the pools, presented a review of the investment portfolios and results currently and since inception. They also reviewed current economic and investment trends and responded to questions from members.

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

### 4. For Possible Action: Review of Investment Policies and Procedures

- a. PACT Investment Guidelines
- b. POOL Investment Guidelines
- c. Money Management Controls Procedure

Doug Smith reviewed the background of the investment guidelines, noting there were no suggested changes at this time. He then explained that the Money Management Controls Procedures were adopted and presented as a matter of transparency to the boards so they knew how their funds were being handled and what to expect in terms of fraud prevention controls. He invited comments or suggestions regarding these controls. Alan Kalt noted that the Executive Committees jointly review these guidelines and controls and had no changes to recommend.

On motion and second to accept the guidelines and controls procedures, the motion carried.

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

- **Approval of Minutes of Board:**
  - Joint Board Meeting April 28 & 29, 2011**
- **Acceptance of Minutes of Committee Meetings**
  - Joint Executive Committee Meeting of March 16, 2012**
  - Joint Executive Committee Meeting of August 23, 2011**
  - Audit Committee Meeting of January 17, 2012**
  - Audit Committee Meeting of December 29, 2011**
  - Human Resources Oversight Committee Meeting of March 23, 2012**
  - Human Resources Oversight Committee Meeting of December 16, 2011**
  - Human Resources Oversight Committee Meeting of September 16, 2011**
  - Human Resources Oversight Committee Meeting of June 17, 2011**
  - Loss Control Committee Meeting of March 8, 2012**
  - Loss Control Committee Meeting of January 24, 2012**
  - Loss Control Committee Meeting of July 22, 2011**
  - Loss Control Committee Meeting of June 21, 2011**

Chair Kalt called for a motion for approval of the consent agenda. Tom Fransway requested that the minutes of the Joint Board meeting of April 28 & 29, 2011 be pulled from the agenda for separate action so that he could abstain since he was not on the board at that time. Chair Kalt ordered the separation of this item from the consent agenda.

On motion and second to approve the minutes of the Joint Board meeting of April 28 & 29, 2011, the motion carried, with Tom Fransway abstaining.

On motion and second the accept the committees meeting minutes as a whole, the motion carried.

**6. For Possible Action: Acceptance of Reports:**

- **Board Retreat Report**
- **Strategic Plan Progress Report**
- **Executive Director's Report**

Wayne Carlson highlighted the results of the board retreat and updated the board on activities that had occurred in response to the board's conclusions to focus on shared services, information technology shared services, IT security risk management, social media, enhanced human resources services and economic development issues. He noted that the HR Oversight committee had conducted a survey and done further reviews of the potential for enhanced HR services that Jeanne Greene would report on later. He said that he had been in contact with the State of Nevada Chief Information Officer about shared IT services and received a link to all of the contracts for both IT and Purchasing that allow local governments to utilize the State's bargaining power and contracts. Wayne indicated that he would be getting information to the members soon about this. He also said that he had attended the GROWCO conference in New Orleans to learn about their economic development efforts and results post-Katrina. He expressed that both New Orleans Mayor Landrieu and former President Bill Clinton both spoke on similar themes encouraging a focus on common ground in order to develop economic development strategies for the nation without having to have a disaster as the triggering event.

Wayne then reviewed the strategic plan progress report that showed the actions taken for the period 2009-2012. A new plan for 2012-2015 would be developed to measure progress on the retreat goals.

He added to the Executive Director's report a review of the Net Asset growth of both pools and the captives since 2004, noting the substantial 5-year annual average growth and strengthening the pools' ability to manage more risk retention over time.

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

**7. For Possible Action: Loss Control Committee**

**a. Loss Control Committee Report**

**b. Recognition of Members for Loss Control Excellence Program Awards**

**c. Risk Management Grants Report**

Ann Wiswell presented the report noting the shift from a return-to-work program of the pools toward educating members about the value of return-to-work as part of the HR team efforts. She explained that a major initiative was adding a matching grant program for Stryker emergency services equipment. The strategic plan for 2012-2015 would focus on these areas:

- OSHA and ADA Compliance
- E-Learning curriculum development
- Emergency Planning
- Continued focus on enhancing POOL/PACT member communication
- Claims Analysis/Benchmarking
- Wellness/Body Mechanics
- Auto/Driver Safety training
- LCEP Administration
- Grant Program Administration

Ann commented that the Loss Control Excellence Program was being revised to an electronic self-audit scoring system for the future.

Loss Control Excellence Program Awards were grant to:

Battle Mountain General Hospital

Boulder City

Douglas County

Elko County School District

Lyon County

Town of Pahrump

Risk Management Grants report:

Ann noted that the committee reviewed the current guidelines for the Risk Management Grant Program and determined a few changes were in order as follows:

- 50% match on all grant funding for property risk related measures
- 25% match for OSHA compliance related measures and personal protective equipment
- 100% funding for all training grants with a \$2000.00 per person limit.

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

**8. For Possible Action: Employee Assistance Program**

**a. Employee Assistance Program Report**

**b. Approval of Aetna Horizon Behavioral Services, Inc. Contract for the Period July 1, 2012 – July 1, 2015**

a. Wayne Carlson provided an overview of the results of the EAP program indicating that the legal and financial services utilization has increased recently in light of the economy and tax season. Telephonic work-life benefits were noted as helping members with things such as moving relatives into care facilities, helping to find appropriate care facilities and services and other similar services support. He noted that the management consultation and referral benefit usage was excellent and growing in collaboration with the POOL/PACT HR team coordination as needed. The HR team has been very supportive of promoting the EAP to members and arranging for EAP training programs. Wayne highlighted aspects of the written report.

b. Wayne commented that the current contract contained a provision enabling an extension up to two years. Horizon proposed a two year extension at the current rates.

On motion and second to accept the EAP report and to approve a two year extension at the current rates, the motion carried.

**9. For Possible Action: POOL/PACT Human Resources**

**a. HR Oversight Committee Report**

**b. Grant Progress Report**

**c. Grant Financial Report**

**d. Approval of Grant for the period July 1, 2012 - July 1, 2015**

Curtis Calder presented awards to the following members for achieving recognition under the HR Assessment Program: Mt. Grant Hospital, Douglas County, West Wendover, Town of Tonopah, Sun Valley GID and Yerington. Jeanne Greene provided an overview of the strategic plan results noting the additional and ongoing training programs being offered, updated sample policies and the HR assessments that were done. She pointed out the new program, called the FRISK documentation program, developed by a California attorney that licensed its use to POOL/PACT HR. She noted the survey results following up on the board retreat outcomes, commenting that several items will be incorporated into the strategic plan for 2012-2015.

Wayne Carlson noted that what Jeanne Greene had described was incorporated into Exhibit A of the grant and that the grant had been reduced slightly. He complimented staff and the utilization by members of the services offered. He recommended approval of the grant. Alan Kalt noted that the savings under the current grant had been retained as a cushion for future use.

On motion and second to approve the grant for the period of July 1, 2012-July 1, 2015, the motion carried.

**10. For Possible Action: Stewardship Reports**

**a. Alternative Service Concepts**

**b. Willis Pooling**

Donna Squires reviewed the first claims of the POOL from 25 years ago, the largest property and liability claims ever faced by the POOL (both happened in early 2008) and noted that the most frequent losses were general liability claims, but the most expensive on average were errors and omissions claims.

Donna Squires, Pam Finch (ASC regional supervisor) and Bob Bennett (CEO of ASC) noted that ASC is celebrating its 10<sup>th</sup> year. They presented a wall-mounted fountain in honor of the POOL's 25<sup>th</sup> anniversary to be hung in the POOL offices. Bob Bennett commented about his experience with the POOL some 25 years ago to the present and thanked the board for their faith in ASC.

Mike Livermore presented the stewardship report on PACT. He commented about the frequency and severity of claims, focusing specifically on the large, heart claims that were driving up costs. He expressed concerns about the need to control the costs of these claims. He noted a substantially increasing trend in the frequency of heart claims that was worrying in light of their common cost over \$1,000,000 each. He cited the statutory compliance requirements for employers on physical examinations and the substantial penalties and fines that may accrue for noncompliance. Not only is noncompliance a regulatory concern, but also a claims management concern since lack of physicals makes it difficult to adjudicate claims, let alone help with prevention of claims via the Cardiac Wellness Program. He commended SpecialtyHealth for this program. He encouraged members to inquire about regulatory compliance within their agencies.

Chair Kalt asked about utilization of ARC for the physical examinations. Mike indicated that he seldom saw such physicals, but it may be early since ARC started offering its services. Jack Cox added information about the current level of physical examinations from ARC that SpecialtyHealth was receiving.

Bob Lombard presented the Willis Pooling stewardship report beginning with a celebratory video from Joe Plumeri, Chairman and CEO of Willis, congratulating POOL on its 25<sup>th</sup> anniversary and thanking POOL for the continuing relationship with Willis from the beginning. Bob then review the services and staff Willis provides to the pools. Rick Hudson reviewed the loss control services and future focus. Bob reviewed the market conditions overall, noting the accumulation of disasters in 2011 and the effects of changes in risk modeling on capacity. He introduced the Willis Pooling team.

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

## **11. Public Comment**

Chair Rebaleati called for public comment and hearing none, closed the public comment period.

## **12. For Possible Action: Adjournment**

On motion and second to adjourn, the meeting was adjourned at about 11:17 a.m.

### **The Agenda was posted at the following locations:**

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