

**DRAFT Minutes 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, 2010 Time: 1:30 p.m.**

**Date: April 27, 2010 Time: 8:00 a.m.**

**JOINT BOARDS and EXECUTIVE COMMITTEES' MEETING**

**April 26, 2010**

**Board Governance Workshops**

**1:30 p.m. – 2:30 p.m. Investment Review: Good, Bad and Ugly**

Facilitators: Doug Smith, Joe Woods, Jas Short, Clay Lindsey

Topics:

- Review of Investment Results for Risk Pools and Captives
- Investment Strategies

Doug Smith provided an historical review of the 2008 economic presentation made by Jas Short and updated it to reflect current conditions. Jas Short could not attend due to airline flight delays. Doug provided his insights as to developing economic and investment issues and how he worked with Joe Woods on strategies to protect the members' funds. He showed charts that explained how the pools had avoided some of the market difficulties between 2008 and 2010 by prudent investment in fixed income and cash instruments.

**2:30 p.m. – 2:45 p.m. Break**

**2:45 p.m.- 5:00 p.m. Strategic Capital Planning Workshop**

Facilitators: Doug Smith

Topics:

- What Do We Do with a Black Swan?
- Board Policy Response to Financial Stress
- Communications Issues

Doug updated the key issues involved in the “black swan” scenarios presented in 2009 by Lloyd Kelley in his Strategic Risk Analysis stress test of the POOL’s ability to withstand loss volatility. Doug noted that Lloyd had updated the scenarios based upon feedback from the 2009 workshop. He then discussed what mitigating measures the pools had taken to respond should a black swan event occur that would jeopardize financial survival.

Tim Clue then provided a workshop on communications issues and had participants work in small groups to brainstorm ideas about what issues concerned them and how they could communicate effectively to address those concerns. The highly interactive process generated a wide-ranging discussion of ideas.

**5: 30 p.m. – 6:00 p.m. Board Attitude Assessment and Adjustment**

**6:00 p.m. – 8:00 p.m. Dinner and Tim Clue Show**

## **JOINT BOARDS and EXECUTIVE COMMITTEES' MEETING**

**April 27, 2010**

### **1. Introductions and Roll**

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

### **2. Action Item: Acceptance of Investment Advisor's Report and Action on Recommendations**

Jas Short of Eagle Asset Management presented an economic overview and a review of the assets managed by Eagle for POOL, PACT, PRM and PCM. He explained in depth the future expectations for the fixed income investments in particular and responded to questions from members of the board.

Joe Woods of Raymond James & Associates presented a review of the non-Eagle managed portion of the investments, commented on his views of the economy and investment expectations and the portfolio allocation recommendations he has made. He responded to questions from the board.

On motion and second to accept the investment advisors' reports, the motion carried.

### **3. Action Item: Review of Board Investment Guidelines for POOL and PACT**

Wayne Carlson noted that the Investment Guidelines had been approved in 2009, but that due to typographical errors, the PACT guidelines used the word "POOL" in several places so a technical correction needed to be made. No other changes were recommended.

On motion and second to approve the technical corrections to the PACT Investment Guidelines, the motion carried.

### **4. Action Item: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda**

- **Approval of Minutes of Board and Joint Executive Committee Meetings:**
  - Joint Board Meeting April 30 & May 1, 2009**
  - Joint Executive Committee Meeting of May 18, 2009**
  - Joint Executive Committee Meeting of March 8, 2010**
  - POOL Executive Committee Meeting of February 23, 2010**
- **Acceptance of Minutes of Committee Meetings**
  - Joint Executive Committee Meeting of April 27, 2009**
  - Joint Executive Committee Meeting of May 18, 2009**
  - Joint Executive Committee Meeting of November 6, 2009**
  - Audit Committee Meeting of November 5, 2009**

**Audit Committee Meeting of December 3, 2009**  
**Human Resources Oversight Committee Meeting of June 10, 2009**  
**Human Resources Oversight Committee Meeting of September 9, 2009**  
**Human Resources Oversight Committee Meeting of December 9, 2009**  
**Human Resources Oversight Committee Meeting of March 10, 2010**  
**Loss Control Committee Meeting of April 28, 2009**  
**Loss Control Committee Meeting of July 17, 2009**  
**Loss Control Committee Meeting of October 15, 2009**  
**Loss Control Committee Meeting of February 17, 2010**

On motion and second to approve and accept the minutes listed on the consent agenda as a whole, the motion carried.

**5. Action Item: Acceptance of Reports:**

- **PRIMA Risk Manager of the Year Recognition**
- **PRIMA Recognition of Nevada PRIMA Chapter and POOL/PACT Joint Risk Management Conference in 2009**
- **Strategic Plan Progress Report**
- **Executive Director's Report**
- **EAP Report**

Ann Wiswell informed the board that Mike Pennacchio, Risk Manager of Incline Village General Improvement District, a POOL Member, was selected by the Public Risk Managers Association (PRIMA) for national recognition as the PRIMA Risk Manager of the Year. The board gave Mike a standing ovation for his outstanding work and achievements.

Ann Wiswell commented that the Nevada PRIMA Chapter was being recognized by the national PRIMA for the PRIMA and POOL/PACT Joint Risk Management conference in November 2009 that she coordinated.

Wayne Carlson indicated that the Strategic Plan progress report was in the board packet and that generally we were on target. He noted that separate reports for loss control and human resources would be provided during this meeting.

Wayne Carlson highlighted aspects of his written report that was provided in the board packet and responded to questions.

Kim Johnson of Horizon Behavioral Services provided an update about the scope of services included in the EAP program noting that they not only include psychological support, but also financial counseling, legal advisory services, wellness information and work-life balance support among many other services. She then reviewed the utilization results for POOL/PACT, showing the various categories of services used. She showed that the cases resolved within the EAP averaged 2.8 which showed that the 3 visit plan utilization design was appropriate for our members. She invited members to contact her

for additional support and training at health fairs, etc. since she and POOL/PACT Human Resources had worked well on providing trainings on site and via the Web site.

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

6. **Action Item: Loss Control Committee**
  - a. **Loss Control Committee Report**
  - b. **Recognition of Members for Loss Control Excellence Program Awards**

Cash Minor, Chair of the Loss Control Committee, provided a strategic plan update noting the progress made on the programs. He commented that the committee was actively working on the program objectives and had accomplished many of them. He noted that about 600 employees were trained on the OSHA 10/30 courses that were mandated by the Legislature. One major program implemented was the school bus safety training program which included a train the trainer session and bus safety training kits worth \$3,000 provided to each member school district.

He indicated that there were no new Loss Control Excellence Program awards and that none of the current recipients was up for renewal of the award. Continuation awards of \$750 each were given to Gardnerville Ranchos GID, City of Yerington and Incline Village GID for furthering their efforts in safety. He noted that the risk management grant program had given out \$59,218.60 in grants during 2008-09 and that through 2009-2010 the total grants rose to \$210,269.72.

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

7. **Action Item: Approval of Amendment to Public Agency Risk Management Services, Inc. Contract for Administration Services to Waive the 3% Increase Effective July 1, 2010**

Chair Mike Rebaleati indicated that this was a voluntary waiver of the contract increase. On motion and second to approve the amendment, the motion carried.

8. **Action Item: POOL/PACT Human Resources Oversight Committee Report**
  - a. **Grant Progress Report**
  - b. **Grant Financial Report**

Jeanne Greene reviewed the program report on the human resources services, noting the expanded scope of services and training achieved. She noted that the new HR Assessment Program has been delivered to several members with several in line to be reviewed soon. She indicated that she and her staff develop service plans for each member and have delivered on those plans which are tailored to each member's needs.

Wayne Carlson commented that the financial progress report was provided in the packet. Alan Kalt said it appeared that they had delivered the services and were under-budget.

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

**9. Action Item: Public Agency Retiree Trust for Post-employment Benefits Status Report**

Wayne Carlson commented that the PART agreement had been circulated to all members for consideration, but that he had not received much feedback since members were preparing budgets. He noted that AB3 of the Special Legislative Session contained a provision that has an unintended consequence of enabling the Legislature to take any funds deposited into the Retiree Benefits Investment Fund by local governments for any Legislative purpose with no repayment provision. While this was not the intent of the bill, the potential remains and members considering creating the PART trust or their own trust were cautioned about the potential issues until the 2011 Session can correct this problem. In addition, he explained that GASB was reconsidering some of its provisions regarding OPEB and that what those changes would be was not known. He indicated that no action was required by this board to set up PART, but this was an informational presentation. Individual agencies would have to make their own determinations about forming PART and creating a governing board. He indicated that PART could be formed without funds being transferred into it so that it is available as a vehicle for fulfilling the OPEB funding requirements. Alan Kalt indicated that the Legislature could eliminate some of the subsidy requirements and thereby reduce OPEB liability such that PART would not be needed, but it may be appropriate to consider formation in the meantime as an option. No action was taken.

**10. Discussion Item: Members' Commitments as Owners of POOL and PACT**

- **Interlocal Cooperation Agreement and Bylaws Provisions**
- **Member Services and Programs**
- **Members Joint Sharing in Risks and Benefits**
- **Contrast from Traditional Insurance**

Wayne Carlson presented an overview of the program and services provided by POOL and PACT and the reasons for them. He emphasized that the members created and own the pools and determine the scope of services available to help all members. He included a presentation on the growth of the net assets of the pools over that last nine years to demonstrate the financial strength and stability. He reviewed the extensive array of program and services included based upon the needs and wants of the members. He emphasized that the pools primarily were risk management focused with the risk transfer portion being a component, but not the sole reason for the existence of the pools. When comparing the pools to private insurer competitors, members were advised to note that these private insurers do not offer the scope of services that the pools provide, nor the breadth of coverage the collective buying power of the members could obtain.

**11. Public Comment**

None was received.

**12. Action Item: Adjournment**

On motion and second to adjourn, the meeting adjourned at about 11:30 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**

**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**

**DRAFT**