



Nevada Public Agency Insurance Pool
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**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 Hotel,
1100 Nugget Ave., Sparks, Nevada**

Date: April 27, 2006 Time: 5:00 p.m.

Alan Kalt, Chairman of PACT, gave a special presentation about the history of the pools as part of a celebration on PACT's 10th Year of operations. Alan cited his own personal recollections about starting PACT and watching it grow and invited others to share their thoughts. He presented recognition awards to Wayne Carlson and his staff for their service to PACT. No action was scheduled or taken.

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Place: John Ascuaga's Nugget Hotel,
1100 Nugget Ave., Sparks, Nevada**

April 28, 2006 8:00 a.m.

1. Roll

A sign-in sheet was circulated and a quorum was determined to be present. Chairman Rebaleati called the Joint Boards meeting to order at 8:00 a.m.

2. Action Item: Approval of Minutes and Reports of Board and Acceptance of Committee Minutes:

- a. Joint Board Meeting of April 28 & 29, 2005
- b. Joint Executive Committee Meeting April 21, 2005
- c. Joint Executive Committee Meeting May 20, 2005
- d. Joint Executive Committee Meeting October 17, 2005
- e. Joint Executive Committee Meeting of December 19, 2005
- f. Joint Executive Committee Meeting of March 13, 2006 (DRAFT)
- g. Loss Control Committee Meeting of October 17, 2005
- h. Loss Control Committee Meeting of March 28, 2006
- i. CHRM Oversight Committee Meeting July 20, 2005
- j. CHRM Oversight Committee Meeting October 25, 2005
- k. CHRM Oversight Committee Meeting December 1, 2005
- l. CHRM Oversight Committee Meeting February 27, 2006
- m. CHRM Oversight Committee Meeting March 8, 2006 (DRAFT)
- n. Audit Committee Meetings of October 26, 2005
- o. Audit Committee Meetings of January 25, 2006

On motion and second to approve a. Joint Board minutes and to accept b through o committee minutes as a whole, the motion carried.

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

Wayne Carlson introduced the new owners of Investment Management & Research, the local Raymond James investment advisor firm Toby Isler owned. Joe Woods and Brady Foley of Raymond James/San Diego purchased the Reno office and Toby Isler will be retiring over the next year.

Wayne then introduced Jas Short of Eagle Asset Management, the investment manager for POOL, PACT and PRM. Jas review the investment reports for each organization handed out to the board, highlighting the performance for varying periods. He discussed the market outlook, Eagle's investment strategies and performance relative to various benchmarks, then responded to questions regarding his reports.

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

4. **Action Item: Acceptance of Report on Board Retreat November 2-4, 2005 in Eureka, Nevada**

Chairman Kalt highlighted the Board Retreat in Eureka results that had been summarized in the retreat report prepared by Bobbie McCreary, the facilitator. On motion and second to accept the report, the motion carried.

5. **Action Item: Acceptance of Executive Director's Report for POOL and PACT**

Wayne Carlson highlighted certain portions of his written report noting the dates of upcoming law enforcement training seminars and citing recognition awards granted to members who had achieved the Certified Public Official designation – Pat Norman, City Clerk from City of Fernley and Gary Hollis, Commissioner from Nye County.

Claudette Springmeyer provided comments on her perspective from traveling to Lloyds of London along with Cash Minor, Wayne Carlson, Ann Wiswell and Bob Lombard to negotiate renewals of the casualty and property program. She expressed how valuable it was to learn about the way business is conducted at Lloyds and the importance of establishing personal relationships with the syndicates that participate on the POOL programs. She noted how interested and knowledgeable the syndicates and brokers were about Nevada and the POOL. She also said that the discussion with the MARP underwriters, our casualty reinsurers, in New Jersey on the way to London was very valuable in helping the underwriters understand Nevada and our membership. Overall she stressed the value of the learning for her in furthering her ability to serve on the Executive Committee. Wayne added that Cash Minor had expressed similar views about the importance of taking the time to visit directly with these decision makers to establish a better relationship for the future.

Wayne mentioned that the three year certification from AGRIP for achieving their Advisory Standards was up for renewal. Ann Wiswell researched and completed the applications for both POOL and PACT and was advised that they were under staff review for submittal to the AGRIP board for approval. Both pools had achieved recognition continuously since 1996.

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

6. **Action Item: Authorization to Renew Current Employee Assistance Program Contract with Horizon Behavioral Services for an Additional Year**

Wayne Carlson referred the board to the utilization report that showed utilization continued to be around 1.75%, which was typical for EAP programs. He noted that utilization had increased from the first year, but that Horizon Behavioral Services was asked to step up their marketing efforts to assure member awareness of the service. He also commented that members should distribute the marketing

materials directly to each employee in order to enhance awareness. Larry Beller noted that Horizon had participated in some members health fairs and that they would be coming out soon to spend a week visiting members. In response to a question about changing the number of visits, Wayne indicated that the board had reduced the visits from 5 to 3 because of low utilization, but that there were available extra visits upon request from Horizon as needed and that we had authorized these on several occasions. He noted that members found the critical incident and supervisory assistance features very valuable. Several members commented on the value and importance of this service. Chairman Rebaleati requested that we discuss with Horizon creation of a mobile counseling service so that employees do not have to travel to Reno or Las Vegas to receive services.

On motion and second to extend the contract one year, the motion carried.

7. **Action Item: Loss Control Committee Report**

Doug Smith presented the highlights of the written report developed by Loss Control Committee Chairman Mike Pennacchio who was unable to attend this meeting. Doug noted that the report format followed along with the strategic plan for loss control. Mike Rebaleati commented that he was pleased to see the inclusion of fraud prevention in the plan. Doug noted that the swimming pool operators training and inspections were planned again this year and will complete a four year cycle in which inspections have been done for all pools. He noted that the Loss Control Retreat focused on the National Incident Management System training. Wayne added that NIMS certification was required by the State in order for the State and all political subdivisions to continue to have access to Homeland Security grants.

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

8. **Action Item: Willis Pooling Report**

- a. **Wellness/Fitness Programs Update**
- b. **Loss Control Update**
- c. **Broker Services Update**

Bob Lombard began the Willis Pooling report by introducing Josh Wilson to report on the wellness and fitness programs activity. Josh highlighted the efforts this year and circulated a copy of a booklet he had developed for use by POST as a training manual in the academy. He said that he and Wayne Carlson had discussed printing a larger quantity for distribution to POOL/PACT member agencies and were awaiting quotes.

Bob Lombard distributed a loss control services activity report that tracked visits and activities conducted for each member. He also stated that the loss control staff would email summaries of visits to the department and copy board member, liaisons and agents to assure communication increases awareness of activity within the member. He highlighted the Loss Control Services Tier Chart included in the board packet. He introduced Cecil McLaughlin as the newest addition to his loss control staff.

Bob introduced John Hayden, from Ohio, who spoke about corporate changes in Willis Pooling that would enable the creation of a center of excellence in Reno to enhance their presence and service capabilities in the West, particularly for the Nevada pools. John commended the board on its excellence in leading the pools, stating that he visits numerous pools around the country and the Nevada pools are the best lead and run in his experience around the country. Bob Lombard explained that he was in the hiring process seeking staff for the newly expanded services, but that Tammy Fahy of Willis Pooling in Ohio would continue to oversee the Nevada services although the primary contact would be in Reno in the future. He explained that this arrangement would expand support to Nevada and the West. Bob noted that future centers of excellence would be forthcoming in other areas where Willis has a presence. He was excited about the expanded ability to meet the pools service needs.

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

9. **Action Item: Approval of Strategic Plan for 2006-2009**

Chairman Kalt referred the board to the strategic plan 2006-09 document in the board packet that had been developed as a result of the board retreat. Wayne Carlson noted that these elements were developed by staff, vendors and committees, and reviewed by the Executive Committee.

On motion and second to approve the strategic plan for 2006-2009, the motion carried.

10. **Action Item: Approval of Two Year Extension of Public Agency Risk Management Services, Inc. Contract for Executive Director Services**

Chairman Kalt introduced this item, commenting on the accomplishments made over the years that he had noted in his presentation the previous evening. On motion and second to approve the extension for two years, the motion carried.

11. **Action Item: Acceptance of Reports and Action on these Topics**
a. Update on Comprehensive School District Policies Project

Wayne Carlson referred the board to the summary report provided in the board packet and noted that the excess underwriters, particularly a proposed new market, were very interested in the progress being made. Larry Beller added that the model sexual misconduct policies had been adopted by nearly all school districts and that the comprehensive policies were being delivered and tailored in several districts. In response to a question regarding the timeframe for adoption and whether it was mandatory, Wayne responded that there was no set deadline nor was the program mandatory since these are elected boards. The approach was developed in response to a need for such assistance and in order to prevent losses as had been done for law enforcement several years previously. He said that the sample policy manual was quite large and that review for adoption was necessary to understanding and acceptance of the policies. Paul Johnson added that his school district had a policy review committee that included citizens and that their process took time and effort, but was necessary to tailoring policies to fit their needs. Bob Scott and Leon Hensley, the consultants who developed the models, have been meeting with several districts and assisting them with adoption.

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

b. CHRM Services Survey and Workshop Results

Chairman Kalt asked Curtis Calder, Chair of the CHRM Oversight Committee, to review the services survey and workshop results. Curtis reviewed the summary document entitled "Report and Recommendations from the CHRM Oversight Committee and Joint Executive Committees Meetings." He reviewed the highlights of the report prepared by Bobbie McCreary entitled "Survey Results and Comments from Workshop" noting that overall the survey showed that members found the services valuable and essential for them and the pools. He commented that individual survey respondents did express concerns about service delivery by Larry Beller & Associates, particularly as respects larger members who had professional human resources capability. He reviewed the CHRM Oversight Committee's several discussions and confirmed two recommendations to conduct an RFP process to determine whether the CHRM Services and delivery could be improved by an alternative vendor without precluding Larry Beller & Associates from being the successful bidder. Chairman Kalt asked that the recommendations discussion be deferred to item 12.d. Curtis Calder agreed, then stated that issues that came out of the discussions also involved the philosophy about use of an RFP process periodically and the fact that Beller had been a sole source contractor since 1997. Whether there may be other vendors who could improve on the current services is not known, but an RFP process could find possible alternatives or result in Beller's retention in the view of the CHRM Oversight Committee. Chairman Kalt asked if there were other comments from members of the board. Several members commented about the positive value of the CHRM services to them and the essential need for support in this area. Other expressed that the needs of some members had not been addressed and needed attention and resolution.

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

c. CHRM Services Report

Wayne Carlson noted that this was listed unnecessarily as a separate item. He referred the board to page 6 of the survey results and workshop report that had a chart showing the distribution of services to members. Larry Beller mentioned some updates on this chart and new activities. He said that various training presentations had been updated recently and that he was revising his training delivery to response to the survey recommendations to offer more alternatives to the training delivery modes, including providing materials to members who wanted to deliver their own training, Webinars and so forth. He also mentioned that he was forming two focus groups to refine services for large agencies and for school districts.

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

d. Beller & Associates Contract for CHRM Services

Chairman Kalt introduced the discussion format he wanted to assure participation by members. He asked Curtis Calder to again review the recommendations from the CHRM Oversight Committee and Executive Committee. Curtis explained that there were two options put forward: 1) from the CHRM Committee, to extend the contract one year and to conduct an RFP process to select a service provider for the following year including Beller as one of the alternatives, and 2) from the Executive Committee, to include the CHRM Committee's recommendation and another alternative of a two-year contract extension that would include a performance review after the first year and a decision whether to initiate an RFP at that time or to let the contract continue if performance were satisfactory. Claudette Springmeyer offered that the two-year option enabled an opportunity for correction of problems, but if progress was not sufficient, then the RFP process would proceed. Bruce Brooks commented extensively about Humboldt County's experience with poor service, then after complaining, substantial improvement in service delivery and that giving an opportunity for correction was consistent with dealing with employee problems. He expressed support for the two year approach to enable corrections while at the same time supporting the value of an RFP process to test the current vendor and to find options. Bill Kohbarger observed that the problems of turnover were too great and service had suffered as a result. He expressed the need for an RFP and a one year contract. Mike Tourin observed that small agencies such as his needed the CHRM services and had experienced very good service and support from Beller & Associates. However, he also supported the value of an RFP process for selection of service providers. Paul Johnson expressed support for the CHRM services and his positive experience with Mitch Brust as a consultant. He felt that a chance to demonstrate performance improvement was important. Other board members commented in favor of either the one year or a two year contract approach.

On motion by Bill Kohbarger and second by Patsy Waits to extend the contract one year and to conduct an RFP process as recommended by the CHRM Oversight Committee, followed by additional discussion on the motion, Chairman Kalt requested a vote by raised hand count. Counting 8 ayes and 16 nays, Chairman Kalt declared the motion defeated.

Chairman Kalt then requested another motion. A motion was made by Mike Tourin and seconded by Marilou Walling to extend the contract for two years with a performance review after one year to determine whether to conduct an RFP process as recommended by the Executive Committee. Under discussion, Bruce Brooks requested that the motion maker and second accept a friendly amendment that there should be no increase in the contract amount in lieu of the 5% requested because of the performance problems. Discussion ensued, but the motion maker and second did not accede to the proposed amendment. Chairman Kalt called for a vote on the original motion by raised hand count. Counting 11 ayes and 14 nays, Chairman Kalt declared the motion defeated.

Chairman Kalt then requested another motion. A motion was made and seconded to extend the contract for two years with no increase for the first year, subject to performance review and determination as to whether to conduct an RFP process after the first year, and if the performance

review showed sufficient progress an increase would be granted upon recommendation from the CHRM Oversight Committee. Chairman Kalt asked Larry Beller if this would be acceptable and Larry Beller said he could not perform the contract with no increase. Further discussion ensued. Chairman Kalt called for the vote by a raised hand count. Noting 12 ayes and 13 nays, Chairman Kalt declared the motion defeated.

Chairman Kalt commended that in his experience, underperforming employees do not receive a full merit increase and that this situation may be similar. He suggested that perhaps a 2.5% increase be given the first year then, if performance is satisfactory, the second year would get the 5% increase. Further discussion ensued. Chairman Kalt then requested a motion. On motion and second to grant a two year contract increasing the fee by 2.5% for the first year, subject to performance review after the first year and a determination as to whether to conduct an RFP process, and for the second year to be as recommended by the Executive Committee, Chairman Kalt called for a votes by a raised hand count. After noting that there were 28 possible voting members present and seeing 20 ayes, Chairman Kalt declared the motion passed.

12. Public Comment

No public comment was received.

13. Action Item: Adjournment

On motion and second to adjourn, the meeting was adjourned at 11:35 a.m.

NOTE: Subsequent to adjournment, Chairman Kalt was informed by Larry Beller that Larry Beller was rejecting the contract as approved by the Board. Chairman Kalt informed the Board that as a result of this rejection, and upon advice of legal counsel that since the meeting already had been adjourned and could not then be reconvened, the contract would be placed on a future agenda of the Executive Committee to decide the issue. He invited board members to provide further suggestions for discussion at that meeting and asked staff to notify all board members of that meeting.

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 Courthouse
155 North Taylor Street
Fallon, NV 89406