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**Minutes of the Oversight Committee Meeting of the
Cooperative for Human Resources Management of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
Time: 2:00 p.m.
Date: December 1, 2005**

1. Oversight Committee Roll Call:

Members participating: Chairperson Curtis Calder, Linda Bingaman, Bill Deist, Nancy Medford, Marilou Walling, Geof Stark, Richard Stokes, Dee Zambetti, Ben Zunino, and Wayne Carlson.
Consultant staff present: Larry Beller.

2. Information Item: Discussion of CHRM services, as identified during the November 3, 2005, POOL/PACT Retreat and matters related thereto.

Curtis said a number of issues had been discussed at the POOL/PACT Retreat. He said some of the agencies wanted more feedback on whether the full value of the insurance pool was being obtained. He said agencies wanted to ensure CHRM was staying on top of current issues and interpretation of federal law was not varied.

Curtis said there was another meeting that took place subsequent to the Retreat in which a number of agencies met to discuss their concerns. He said many were the same as mentioned from the Retreat, but some were different. He said one of the concerns was that the goals of CHRM may have changed since its inception. He said some of the people were interested in what the original goals of CHRM were because those people were not with CHRM when it began. He said there were questions regarding the fee schedule, contract structure and what each entity was paying. He said one of the concerns expressed was the percentage of use of CHRM services versus cost. Curtis said some of the agencies expressed concern over whether there were enough personnel to handle the growing membership in the insurance pool. He said some agencies wanted to know why the CHRM Oversight Committee had not made any inquiries on the amount of turnover in agencies handling CHRM services. He said some had asked why CHRM services were exclusively handled by Larry Beller and Associates (LBA) and not competitively bid CHRM services. He said there were complaints of a lack of customer service and that some requests for services were resisted or denied. Curtis said there was a feeling that there was a resistance to change and that the fees for the liability insurance were not competitively priced. Curtis said some agencies felt as if the success of CHRM in minimizing litigation was difficult to measure. He said it was important to have all agencies implement a personnel policy but in order to ensure that was done it would be necessary to complete an audit of each agency to see what they had in place. He said some of the agencies had asked if an audit had ever been conducted. He said some questions had been asked about whether it was a conflict of interest for CHRM funded employees to perform non-CHRM services. He said any recommendations made needed to be forwarded to the Executive Committee.

Dee Zambetti asked if the concerns Curtis had mentioned had come from the consensus of those at the Retreat or if they came from only a few of the agencies. Curtis said the meeting he had mentioned took place separate of the Retreat and involved many of the CHRM clients. He said Larry Beller and

his staff and Wayne Carlson and his staff had been asked to leave the room while the agency representatives expressed their concerns. Dee said she appreciated what Curtis had said but asked again whether the opinions expressed were a consensus or from a minority of the agencies present. Curtis said the opinions were split, with the larger entities voicing the concerns while the smaller entities were more positive. Dee said she was surprised by the report Curtis had given. Curtis said the comments had been the cause of the special December 1, 2005, CHRM Oversight Committee meeting. Dee said the CHRM Oversight Committee had never been involved with the contractual language between Wayne Carlson and Larry Beller and that the Committee probably did not know what their responsibilities in regard to the contract really were. She said the insurance was pooled so it could be afforded by everyone, including the smaller agencies. She said if it was not pooled, the smaller entities would be unable to afford the insurance. Nancy Medford said she was also surprised by the opinions Curtis had presented to the Committee. Dee said she was concerned if the complaints had come from people who were new to CHRM or if they had come from long-time members.

Marilou Walling said some of the complaints had come from long-time members and from the larger entities. She said there was support for LBA, but the concerns expressed by the entities needed to be discussed in the CHRM Oversight Committee. Dee said she did not see any conflict of interest between CHRM and LBA. Curtis said there might be a lack of information to the board members, but if there were concerns, the Oversight Committee needed to address those concerns. Dee said there were a number of surveys and meetings with LBA, and those all asked the agencies what they needed. Dee said LBA could only give the agencies what they are told is needed. Curtis said some of the responsibility did fall on the entities for being somewhat unrealistic in their requests.

Dee said the issue of turnover was unfair because consultants will leave if they can receive better pay and benefits elsewhere. She said if the issue of turnover needs to be dealt with, it needs to be dealt with between LBA, Wayne Carlson and the Board. Marilou said the issue of turnover came up during the Retreat because some agencies would have to start from the beginning with a new consultant each time they called.

Bill Kohbarger said the City of Carlin was also concerned with the issue of turnover because the service plans generated could not be completed with the change in personnel. Dee asked if Bill had ever called and discussed his concerns with Larry Beller. Bill said he had discussed the issue with several consultants. Dee said this was the first time she had heard of this complaint and asked why it had not been brought to the attention of the CHRM Oversight Committee before. Bill said Linda Bingaman was a member of the Committee, but she often worked more than forty (40) hours per week and was unable to find the time to bring those concerns to the Committee. He said there should be alternate Oversight Committee members selected in case the primary member was unable to attend in order to ensure issues were being brought to the Committee's attention.

Curtis said this was an information item and wanted to move to the next item on the agenda.

3. Information Item: Review of POOL/PACT premiums, including the individual agency allocations for CHRM services and matters related thereto.

Wayne gave a PowerPoint presentation to the Committee on the costs for POOL/PACT in regard to CHRM services. He said the current costs for CHRM services were split evenly between POOL and PACT, but there were possibilities which might be brought before the Executive Committee in their next meeting about changing the level of cost for POOL and PACT members. He said LBA had presented the option of funding for 4, 5, or 6 full-time-employees (FTE) and the CHRM Oversight Committee unanimously recommended the 6 FTE level for LBA, with 5 FTEs as a backup if the funding was unavailable. He said the decision for 6 FTEs was also supported by the Executive

Committee and the POOL Board. He said the decision for 6 FTEs came because of the growth within CHRM membership. He said 6 FTEs expanded the package of services that could be delivered to CHRM members and accommodated the growth of membership.

Wayne said between '03-'04, '04-'05, and '05-'06, costs for POOL members went up 7 percent. He said this was competitive in today's market. He said these figures reflected increased property values and tax increases as well as other variables.

Wayne explained to the Committee that by using different variables, one could see that the entities within POOL were paying an equitable amount for their premiums. He utilized a PowerPoint slide show to illustrate the various percentages entities were paying as a percentage of payroll or property values in regard to their premiums. He demonstrated that some valuations such as earthquake risk were equally paid for by the entities and showed the savings of some counties and entities compared to others as a result of this. Linda Ritter asked if he could apply the same formula to check the equity of CHRM services. Wayne said he could do that. Linda Ritter said she had a difficult time seeing the value of CHRM services because she had never seen how much of the premium actually went toward CHRM services. Wayne said CHRM services were 3 percent to 4 percent of the overall cost for both POOL and PACT. Dee asked if there was a way to measure savings due to CHRM services. Wayne said he had looked at claims trends but it was difficult to measure the accuracy of those trends due to the increase in membership. He said claims were not increasing, but it was difficult to say whether or not the claims were decreasing because of the increased membership.

Curtis asked if the number Wayne used for contributions was for the current year. Wayne said the contribution represented the current year's contribution. Wayne said the debate about whether or not to change the contribution from a pooled to a utilization-based was difficult because a utilization-based contribution would have entities using CHRM services less often even though the services prevented lawsuits and claims.

Claudette Springmeyer asked if the risk in the premiums was spread across all entities. Wayne said the risk was spread across all entities.

Ben Zunino asked what the relationship between CHRM and Workers' Compensation was. Wayne said there often was crossover with issues such as ADA, FLSA and others. Wayne said the inequities in some areas are covered in other areas such as earthquake coverage. Wayne said the balances average out currently, but if the Executive Committee wanted a different allocation for the premiums, he would accept that decision. Ben said that with the disparity in payroll numbers, the 50-50 split on CHRM should be looked at. Wayne said that would be acceptable, but that all of the others would need to be looked at as well.

4. Information Item: Review, discuss, and possible recommendation to the POOL/PACT Executive Committee regarding the mission, and the current and future scope of services to be provided by CHRM and matters related thereto.

Larry said when CHRM was formed with the question of how to focus the services was asked. He said there were decisions made by the Board in regard to how those services would be delivered and this included choices of coaching versus on-site visits and program development. He said that in 2002, during the contract development, decisions were made on whether or not to expand CHRM services. He explained there were decisions made in regard to funding CHRM services and where that funding would come from. He said recent questions from the Retreat and other meetings focused on issues such as the option of using multiple vendors instead of a single one, continuing with the same vendor, or issuing a Request for Proposal (RFP) for other vendors.

Larry said that when the budget was determined for CHRM services, certain requirements for delivering some services. He said 7 percent of the time was to be devoted to policies and procedures, 43 percent to training, 6 percent to publications, 30 percent to coaching, 2 percent to job descriptions, and 13 percent to overhead.

He said there were questions as to staffing and if the entities were receiving the full value of 6 FTEs. He said when LBA is at full capacity, there are 9 consultants, and this number includes the personnel analyst and the training manager. He said 4 of the consultants have a primary duty of providing CHRM services. He said the training manager works full time at developing training and occasionally delivering the training in order to keep in touch with what is being developed. He said the personnel analyst supports the consultant staff and works on the newsletter development as well as the Proactive Site Visits (PASV) development. He said a non-CHRM consultant was responsible for developing and maintaining policies and procedures. Larry said the way LBA was set up did not provide service 100 percent of one consultant's time, but provided service when it was needed.

Larry said he was aware of the turnover problem and he was taking steps to solve the issue. He said one of the solutions was to focus on who was being recruited and changing the workplace to make it a more desirable place to work.

Larry presented a summary of service hours over a 16-month period and showed the Committee that the average number of service hours per month was 870 and the budgeted requirement was 857.

Larry said there were often questions regarding the newsletter and whether or not to keep releasing it. He said the feedback he was receiving was confusing because it was mixed between positive and negative.

Larry presented a copy of the current contract for CHRM services to the Committee. The Committee was also given a handout containing a list of the training courses offered. He presented a fee schedule with the contract for services and said the schedule did not contain the fee for the one-year extension to the current contract. The fee for one year was 1 million 28 thousand dollars and had increased 5 percent this year. Wayne said a copy of the contract had been included in previous Board packets.

Larry presented the Committee with a sheet that contained the mission and vision statement for CHRM that had been developed at the 1997 retreat which led to the creation of CHRM. He said there was a small change made to the vision and mission statement when the 2002 contract was approved. The language "innovative human resources programs" was replaced with language keeping the programs to the basics. He said that was the general desire of those at the Retreat.

He said the website for CHRM was being updated and he hoped it would be operational by the beginning of the year.

Wayne said that CHRM was started because agencies in the State had no up-to-date policies and needed training and consultation on getting personnel policies updated and current. He said a CHRM task force was created to decide what training would be necessary and this task force became the Oversight Committee. He said CHRM services were created to reduce liability within POOL. He said POOL members received discounted fees when CHRM started because of anticipated liability claims. Linda Ritter asked if the discounts were still being applied. Wayne said he did not think the discounts were still being applied because the market had changed as well as the carriers. Linda Ritter said when the 2002 contract with LBA was signed there was a discussion on what services were necessary and which programs needed expansion. She said the time had come again for the same discussion to occur in regard to services. She said the larger entity needs were not being

addressed in regard to services. She said agencies were supposed to learn to take care of themselves with CHRM services, but many agencies were taking advantage of CHRM services.

Wayne said his focus was on reducing liability claims among the agencies with CHRM services. Linda Ritter asked how CHRM solved problems such as harassment. Wayne said CHRM was supposed to change the work environment and reduce those types of issues in the workplace. Linda Ritter said she did not think CHRM addressed the problem employees. She said she thought those people did not attend the training classes. Wayne disagreed and said that even those who attended the training courses still had problems. He said there was progress being made, even if it was slow.

Linda Ritter asked Larry if the CHRM members were all up to the red level. Larry said that the original agencies were probably at that level, but he would have to review to be certain. He said some of the newer member agencies who had come on board during the last two years had some problems and there was a lot of focus to get those agencies. Larry said he understood that agencies were supposed to learn to take care of themselves, but smaller agencies would have difficulty in being able to become experts in human resources (HR).

Ben Zunino said no agency would ever be “fixed” because there will always be turnover. He said turnover meant new employees would have to be trained and thus, the Committee needed to be mindful of that issue.

Linda Ritter asked if the number of contacts represented on the sheet Larry provided to the Committee were indicative of every time a call was made or meeting was held. Larry said the numbers reflected a meeting or a phone call of substance. He said administrative overhead should not have been reflected in the numbers presented and offered to review the records to ensure that was the case.

Marilou said LBA had always returned her phone calls immediately and had helped Storey County with some difficult issues and appreciated that assistance.

Curtis said if there were no questions then the Committee would move to the next item.

5. Action Item: Discussion and possible recommendations regarding CHRM service delivery including:

- **Distribution of the newsletter**
- **Access to web site**
- **Role of CHRM contact**
- **Exploration of video links for training.**

Curtis said many of the issues were discussed by Larry in his presentation and the video links issue was discussed at length during the Retreat. He said there had been a desire for web-based or video training in order to assist outlying areas in implementing training.

Larry gave the Committee a handout which illustrated comparisons between training methods. He said there were possibilities with styles such as e-learning and video-taped courses. He said he had been resistant to utilizing video-based training, but said that perhaps providing agencies with video-taped courses was more beneficial than nothing at all. He said there was the possibility of utilizing webinars or interactive video conferencing. He asked the Committee which method they would like to see pursued in regard to new training methods. He said he agreed with the assessment that training needs to be customized for different agencies in regard to material and training times.

Dee wanted to know if LBA would be able to conduct the new methods of training and what the costs would be. She said she was not sure if it would be beneficial to POOL/PACT members or not. She said the Committee needed more information and figures regarding new training methods before making any decisions.

Larry asked how the Committee felt in regard to the newsletter. Dee said the newsletter was a good tool and that she often distributed it to her employees. Marilou agreed and said the newsletter was a useful tool. Nancy Medford said she distributed the newsletter to employees as well. Curtis said the employees in Elko utilized the newsletter as well and recommended it continue. Geof Stark said his employees received the newsletter but was unsure of their feedback. Bill Deist said Humboldt County's experience with the newsletter was similar to what Geof had said. Linda Bingaman said the newsletter was distributed in Carlin and a great deal of discussion came as a result.

Curtis said the consensus seemed to indicate the newsletter continue and that more feedback was needed from some agencies. Richard Stokes asked if there was a limit to the amount of newsletters one could receive. Larry said if more were requested, more would be sent. Wayne said the agency sets its requested number and that is how the distribution was set.

Curtis said the issue of access to the website needed to be addressed. Larry said the current access to the website was limited to HR managers and supervisors. Larry said there might be benefits to expanding the access to the website. He said one development he would like to discuss was providing email updates to HR managers and key supervisors when the website was updated. He said he needed to know who the audience should be for the website.

Bill Deist said he had mixed feelings on the issue. He said there was value to letting people access the site, but certain individuals might not completely understand the laws and create more trouble than if they had discussed the problem with an HR representative or an HR manager in the first place. Dee said that problem could occur even without access to the website because of the internet. Geof said he had mixed feelings as well. He said access to the website would be a good thing, but pointing people more toward the laws through the website could create problems. Curtis said if the managers and supervisors were receiving the newsletter, he saw no problem with them accessing the website. Bill Deist said the managers and supervisors were not the people he was concerned about. He said his primary concern was elected officials getting access to the website. Dee said it should be the entity that decides who has access and who does not.

Jane Jenkins said her job as the HR manager was to disseminate information to the employees and that not everyone should have access to the information. Curtis said his impression was that each entity should decide who has access to the website. Wayne asked Larry about multiple levels of access and different items being available on the website for different people. Larry said multiple level access was easy to implement on the software end, but he needed input on who would have access at the different levels. Curtis asked if the website access could be customized for each entity. Larry said customizing access was not possible but broad categories could be developed. Bill Deist said he needed more information on what each level of access would encompass. Geof was concerned that multiple access levels would require more time invested by LBA into monitoring the website instead of HR issues. Larry disagreed and said that would not be the case. Larry said the responsibility and time would be in the hands of the entities in deciding who has access. He said the material on the website could be found elsewhere on the internet, but the website consolidated the information from multiple sources. Curtis was concerned about access to the NACO Salary Survey. Larry said the NACO survey was not a CHRM service and was not a part of the CHRM website.

Curtis asked if Larry could send out a sign-up sheet to the agencies for who could have access to the website. Larry said that could be done after the beginning of next year.

Curtis asked to wait on the issue of CHRM contact. He asked for a motion on the issue of the newsletter, video-linked training, and access to the website. He said the issue of video-linked training was to be tabled until more information could be reviewed, the newsletter was to continue being distributed but more feedback was necessary from employees, and that access to the website should be left to the individual entities. Bill Deist made a motion to pass the actions Curtis had just explained. Geof seconded the motion. The motion carried unanimously.

6. Information Item: Review of the current contract with Larry Beller & Associates, Inc., and matters related there to.

Curtis said the issue of the contract had been discussed at the POOL/PACT Retreat and this item on the agenda was added so people could review the contract and ask any questions in regard to it. Bill Kohbarger asked if the contract had been extended or not. Curtis said the contract had been extended for one year.

Linda Ritter asked if the materials produced by LBA for training would be retained by Larry or the agencies if the contract was not renewed again. Larry said the materials would stay with both the agencies and with him and both would be able to use those materials without cost.

Dee said she needed more time to look over the contract before speaking about it. She said information item 6 and action item 7 needed to be discussed in a single meeting dedicated to those issues instead of discussing them at the end of a 2-hour meeting. Curtis said action item 7 was placed on the agenda for this meeting because if there was a request for an RFP, there was a short timeline in order to do that.

7. Action Item: Review, discuss, and possible recommendation to the POOL Executive Committee regarding the future process and/or options for providing CHRM services to the POOL/PACT membership, including but not limited to, soliciting competitive proposals for contract services, renewing the contract with Larry Beller & Associates, or providing CHRM services directly through the POOL/PACT and matters related there to.

Curtis distributed a flowchart Larry had made to the Committee which illustrated the options in regard to RFP and CHRM services. He said if any proposals for soliciting other vendors were made, he wanted enough time to prepare everything for the Executive Committee for POOL/PACT.

Dee said she would not want to make any recommendations regarding RFP because the issue had only been discussed in this meeting and she needed more time to work the issues out with the Committee before making any motions. She said no decisions should be made in haste. She said the Committee and LBA were a unit and she did not like the idea of starting over with another vendor.

Curtis said he still wanted the issue discussed as there was a lot of desire for RFP expressed at the Retreat by the various entities. Dee said the Committee had not been given enough time to review the issues at hand and said more time was needed before any discussion could occur. Linda Bingaman said that perhaps the issue was simply a communication problem that could be fixed.

Linda Ritter said the contract was for one million dollars and that, as employees in government, they had a responsibility to investigate if there were less expensive vendors available. Bill Kohbarger agreed with Linda Ritter's comments. Linda Ritter said an RFP did not need to be tied down to what was desired, but could allow vendors to explain how they would offer services and new ideas. She

said there might be a fresh approach that needed to be explored. She said other options needed to be explored. Bill Kohbarger agreed with Linda Ritter's comments. Linda Bingaman said, as an elected official, she did look at the costs and unless she was informed, she did not know the full value of the services being offered. Dee said she was open to hearing from other vendors if all services currently offered were exactly met by proposed vendors. Dee said often in this field, services were not matched by different vendors. Linda Ritter said services would be reviewed before costs were addressed. Dee said the issue of what services would be requested needed to be tied down before any action on an RFP was taken.

Bill Kohbarger said the market was competitive and it was a good idea to see what offers could be made from other vendors. Linda Ritter said she appreciated the handout from Larry in regard to RFP positive and negative aspects, but she said Larry could not be involved in the RFP process as it was a conflict of interest for him. She said it needed to be the Executive Board's decision to move forward on the RFP.

Wayne said the RFP process would take, at a minimum, six months to complete. Linda Ritter asked why this issue had not been discussed when the contract with LBA was extended. Wayne said the reason was because the Retreat did not occur until November and the issue was not on the agenda for the Retreat. He said the contract was extended in order to discuss the scope of services and not to look for RFP. Bill Deist said the concerns brought up at the Retreat were serious and needed to be addressed. He said the services provided depended upon who the consultant was who provided them. He said it was important to see if other options were available.

Wayne said the Board meeting was in April and that allowed three months to do the RFP. He said the short timeframe would impact which vendors responded and whether it could be completed or not. Linda Ritter said other HR professionals could assist in developing the RFP. Wayne said the timeframe was the issue and that a four month window was not enough time. Linda Ritter asked if the Board meeting could be moved to a later date. Wayne said it was already difficult to get a quorum for the meeting at its normal date and that the Board did not like to receive issues like an RFP without everyone present. He said he was not trying to kill the idea, but was presenting the issues involved in something like an RFP. Linda Ritter asked Wayne if he was recommending another three-year contract with LBA. Wayne said he was not recommending anything. He said if the Committee wanted to do an RFP, it needed more time than it had now. Dee recommended a six month extension to the contract in order to have time to do an RFP. Wayne said a six month extension would place the RFP in the middle of the year and any extra costs would need to be absorbed by the agencies. Dee asked Wayne what solution he recommended which would be equitable to everyone. Wayne said a one year extension would allow more time for review, RFP development, and would be equitable in regard to costs. Dee made a recommendation for a one year contract extension and go for an RFP.

Ben recommended that an RFP be sought every few years to alleviate the issue and that way, whatever vendor was being used would know that every third or fourth year an RFP would occur. Dee asked if the Executive Board did not want to extend the contract with LBA. Wayne said that was not the case and the issue had only been discussed informally at the Retreat.

Larry said an important point to remember was that if an RFP was sought, he could not guarantee his better staff was going to remain with LBA. Curtis said there was no guarantee they would remain even without the RFP issue. Geof said even if the RFP was sought every few years, the same issues would be present.

Ben said an RFP that involved the various agencies would take a considerable amount of time and so a three year extension might be an alternative to allow for everyone to be involved in the RFP process.

Claudette Springmeyer said the issue was too big to be discussed at this late point in the day and recommended a special meeting where HR professionals and the Committee could provide input to get a better grasp on the issue. She said it was not fair to the issue to try and work everything out in 30 minutes. She said she did not support a three year extension to the contract but six months was not enough time to do the RFP either.

Susan Johnson said a one year extension on the contract would allow plenty of time for an RFP and that an RFP should be sought. She said a survey should be sent to each of the agencies in regard to the issue of service and have those surveys sent back to the Committee in order to get everyone's feedback. She said her agency would like to see some trends tracked between services now and services provided five years or six years ago to see what has been accomplished or what needs more work. She said measurement could be conducted even though the population has changed in the state.

Dee said the RFP should be handled by professional services. Linda Bingaman said she agreed that a one year contract extension would provide enough time to do the RFP properly. She said a special workshop to work through the details of an RFP would be beneficial as well as a questionnaire to the agencies for their feedback.

Dee made a motion to extend the contract one year and seek an RFP. Linda Bingaman seconded the motion. The motion carried. Curtis said he would organize a special workshop to discuss the RFP issue further and he would develop a questionnaire for the individual agencies in order to get feedback. Wayne asked if there would be a change in the scope of service for CHRM with the one year contract extension. Curtis asked when Wayne would need to know that information. Wayne said the Executive Committee would meet in February. Curtis recommended scope of services be discussed during the special workshop he would develop. Geof asked who would be attending the workshop. Curtis said any HR managers from the agencies would be invited, but he wanted to see the results from the questionnaire before going forward with that.

Ben asked when the extension on the contract would take place. Curtis said he understood the extension would start July 1, 2006 and end June 30, 2007. He said he would try to have a draft of the survey to the Committee members within a couple of weeks and then try to get the survey out to the agencies after the start of the new year. He said he also had no opposition to anyone with an interest attending the special workshop. He said the issue would be finding a location to hold the meeting.

8. Action Item: Public comment

Jane said the CHRM services needed to be examined because some smaller entities have grown and the larger entities do not need CHRM services as much as the smaller entities do. She said she had heard that CHRM, when it was developed, was eventually supposed to work itself out of business. She said HR within the agencies was supposed to become developed enough to limit liability and thus make CHRM unnecessary. She said it was time for CHRM to recognize the structural changes that have occurred since its inception.

9. Action Item: Adjournment

The meeting was adjourned at 4:45 p.m.