



**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
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**Minutes of Meeting of
the Executive Committee of
Public Agency Compensation Trust
Place: Conference Call & 201 S. Roop St.
Carson City NV
Time: 3:00 p.m.
Date: May 2, 2007**

1. Introductions and Roll

Action taken at this meeting was based upon the April 27, 2007 board workshop input received and noted in notes from the board workshop that were distributed to the committee members.

Members Present: Claudette Springmeyer, Alan Kalt, Roger Mancebo, Mike Tourin, Paul Johnson, Linda Bingaman

Members Absent: Marilou Walling, Toni Inserra, Cash Minor

Others Present: Mike Rebaleati, Lisa Jones, Jeff Zander, Dan Newell, Mike Pennacchio, Wayne Carlson, Doug Smith, Debra Connally

A quorum being present, Chairman Kalt called the meeting to order at 3:23 p.m.

2. Action Item: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda

- **Approval of Minutes of Board Meetings:
Board Meeting April 27 & 28, 2006**
- **Acceptance of Minutes of Committee Meetings
Executive Committee December 15, 2006**
- **Acceptance of Reports:
Claims Experience Report**
- **Amend Bylaws Article VII to Reflect Board Decision to Revise its
Policy on Equity**
- **Ratify Executive Committee Decision to Approve Amendment to
Contract with Alternative Services Concepts, LLC. For Claims
Management Services Adjusting Cost Plus Fee Schedule to 12%
Margin and Additional Staffing and Services**

On motion and second to approve the consent agenda items, the motion carried.

3. **Action Item: Acceptance of Audit for June 30, 2006**

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

4. **Action Item: Acceptance of Reports**
a. **Large Loss Report**
b. **Actuarial Update**

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

5. **Action Item: Acceptance of Budget for 2007-08**

On motion and second to accept the budget for 2007-08, the motion carried.

6. **Action Item: Adoption of Resolution Authorizing Implementation of the Proposed Cardiac Wellness Program; Approval of SpecialtyHealth as the Service Provider for the Physical Examinations and Cardiac Wellness Program; and Authorization to Enter into Agreement with SpecialtyHealth for this Purpose**

On motion and second to adopt the resolution, to approve SpecialtyHealth as the service provider and to enter into an agreement to implement the cardiac wellness program, the motion carried.

7. **Action Item: Approve Broker/Loss Control Services Contract with Willis Pooling**

On motion and second to approve the contract, the motion carried.

8. **Action Item: Consider Options to Change Payroll Basis for PACT**
a. **Continue Current Calendar Year Capped Payroll as Basis for Fiscal Year Subject to Audit at End of Fiscal Year**
b. **Use Calendar Year Audited Capped Payroll as Basis for Fiscal Year**
c. **Use Fiscal Year Capped Payroll Subject to Audit at End of Fiscal Year**

Chairman Kalt asked for comments. Wayne Carlson clarified the options and responded to questions about the financial effects on the members and on PACT. Wayne noted that the members would benefit by a reduction in assessments and that PACT would incur a reduction in assessments received if the plan were to go into effective during the current fiscal year and in 2007-08. He noted that if claims remained the same, rates would tend to rise over time due to a reduced payroll basis for the assessments. Claudette Springmeyer recommended 8.b. would be the best option to select due to computer configurations to calendar year, but that the current method would be okay to continue if that was desired. Wayne commented that if the calendar year was selected, the payroll auditor would audit the 2006 calendar year payroll now as the basis for fiscal year 2006-07 and would audit again in the spring of 2008 as the basis for the 2007-08 fiscal year and so forth. The audited payroll would be used to determine the ACH installments for the subsequent fiscal year.

On motion and second to select option 8.b. calendar year audited payroll capped at \$36,000 per person as the basis for the fiscal year effective January 1, 2007 for the current fiscal year, the motion carried.

9. Action Item: Adoption of Capitalization Strategy Policy Statement

On motion and second to adopt the capitalization strategy policy statement, the motion carried.

10. Action Item: Approve Formation of Nonprofit Captive Mutual Insurance Company and to Authorize Capitalization

On motion and second to approve formation of the captive with \$5,000,000 capitalization, the motion carried.

On motion and second to utilize the incorporators of Public Risk Mutual, with the exception of Bruce Brooks, who recently resigned from the board, and substituting Paul Johnson to incorporate the PACT captive, the motion carried.

11. Action Item: Acceptance of Renewal Insurance Proposals and Options

On motion and second to approve option 5, which utilizes the new captive for a quota share reinsurance of 25% of \$2,000,000 with County Reinsurance, Ltd. taking 75% of \$2,000,000 excess of a PACT \$500,000 retention plus a \$500,000 corridor and with Midwest Employers Casualty Company providing statutory limits excess of a \$2,500,000 retention by PACT and including aggregate excess insurance limits of \$3,000,000, the motion carried.

12. Action Item: 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**
- c. Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition**

On motion and second to note that the review of these items was accomplished, the motion carried.

13. Action Item: Election of Executive Committee

- a. One representative from Counties and/or Cities with less than 35,000 population for a two year term from 2007-2009**
- b. Two representatives from Counties and/or Cities with 35,000 or more in population for two year terms from 2007-2009**
- c. One representative of Special Districts for a two year term from 2007-2009**

Chairman Kalt asked if there were any additional nominations for any of these positions. Hearing none, he called for a motion. On motion and second to elect the slate of current members, the motion carried. Re-elected for terms expiring July 1, 2009 were Alan Kalt, Cash Minor, Roger Mancebo and Mike Tourin.

14. Action Item: Election of Chairman and Vice Chairman

Chairman Kalt asked if there were any additional nominations for any of these positions. Hearing none, he called for a motion. On motion and second to elect the current chairman and vice chairman, the motion carried. Re-elected for terms expiring July 1, 2009 were Alan Kalt as Chairman and Cash Minor as Vice Chairman.

15. Public Comment

No public comment was received.

16. Action Item: Adjournment

On motion and second to adjourn, the meeting adjourned at 3:48 p.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 Courthouse
155 North Taylor Street
Fallon, NV 89406**