Nevada Public Agency Insurance Pool
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Notice of Meeting and Agenda of
Executive Committee of
Nevada Public Agency Insurance Pool and
Date: October 18, 2024
8:30 A.M.
Zoom Meeting

MINUTES

1. **Roll**
Chair Josh Foli called the meeting to order at 8:34 am.
POOL Members present: Josh Foli, Gina Rackley, Amanda Osborne, Scott Lindgren, and Ann Cyr.
Others present: Wayne Carlson, Alan Kalt, Stephen Romero, Deb Connaly, Marshal Smith, Jarrod Hickman, and Michael Bertrand.

2. **Public Comment**
Chair Foli opened public comment, hearing none, closed the comment period.

3. **F<u>or Possible Action:</u> Approval of Consent Agenda**

   a. **Approval of minutes of POOL Executive Committee Meeting of June 24, 2024**

On motion by Gina Rackley and second by Dan Murphy to approve the consent agenda, the motion carried.

4. **<u>For Possible Action:</u> Review and Accept FY2023-2024 Financial Audit for POOL**
   a. **Audit Overview Presentation**
   b. **Audit Committee letter.**
   c. **Communications with the Board**
   d. **Financial Audit for FY023-2024**

Chief Financial Officer Alan Kalt reviewed the PowerPoint presentation included in the meeting packet. The following are the financial highlights given in the presentation.
In the Statement of Net Position it was noted that Cash decreased from $5,700,870 to $5,253,220 during the year whereas Investments increased from $24,076,484 to $29,134,391. He noted that the sweep account on the cash account generated $299,248 in bank interest income with an average yield of 5.6% during the year. He praised Debbie Connaly for reactivating the sweep accounts to take advantage of the short-term rates. The claim reserves increased $203,000 or 1.7% using the 75% Confidence Level from the prior year as calculated by Derek, our independent actuary. Net Position grew by $3,374,875 during the year. On the Statement of Revenues, Expenses and Change in Net Position, total revenues increased from $22,134,614 to $26,921,645 primarily due to the increase in premium written to provide

increased funding needed for our losses and loss adjustment expenses and excess insurance premiums due to higher claims activity in the past few years. Our loss and loss adjustment expenses increased $2,718,317 and the excess insurance premiums increased by $2,749,989 due to the rate required by PRM and CRL due to losses in those layers. Bad debt expense was $775,981 due to the adverse ruling on the UE coverage case on the Elko County School District loss. Administrative expenses decreased by $25,551 compared to the prior year and reflected 6.5% of total expenses. Non-operating net investment income was $1,389,273 in FY 24 compared to a loss of ($108,063) due to increases in investment yields. Net Position grew by $3,374,875 in FY 24 compared to $2,787,670 in FY 23. Kalt noted that if we funded the claim liabilities at 80% CL as recommended by the actuary, the current year increase in Net Position would be like the FY 23 increase. Alan reviewed information included in the Bickmore Actuarial report providing the value of the claim's liability reserves as of June 30, 2024. It was noted that the expected liability at 75% CL is $12.156M compared to $12.735M at 80% CL, a difference of $579,000. The expected or 50% confidence level amount is estimated at $10.535M and the 90% CL is $14.419M. Alan commented that management will be looking at moving towards the 80% CL as recommended by the actuary for the FY 25-26 Budget. A review of the charts and graphs associated with the Liability and Property claims frequency and severity were included in the presentation.

Michael Bertrand reviewed the Audit Committee letter, Unqualified opinion in the financial statements and the Communications with the Board letter included in the packet. He praised staff for their hard work and dedication to the audit process. He noted that the POOL audit was completed on October 1st and the PACT audit September 23rd which is very timely.

After a brief discussion, Gina Rackley made a motion to accept the FY 2023-2024 financial audit and required communications with the Board, Ann Cyr seconded the motion, which carried. Chair Foli extended his thanks and appreciation to staff and Michael Bertrand and Associates for all the challenging work to complete the audit in an efficient and effective manner.

5. **Public Comment**
Chair Foli opened public comment, hearing none, closed the comment period.

6. **<u>For Possible Action</u>: Adjournment** The meeting adjourned at 9:04 am.