



**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
Toll Free Phone (877) 883-7665
Telephone (775) 885-7475
Facsimile (775) 883-7398

**Minutes of Meeting of the
Audit Committee of
Nevada Public Agency Insurance Pool and
Public Agency Compensation
Trust Date: October 26, 2017
Time: 8:00 A.M.
Place: 201 S. Roop St., Suite 102
Carson City, NV 89701 and
Conference Call: 1-800-593-9034; Passcode: 15042**

1. Roll

Members Present: Josh Foli, Gerry Eick

Members Absent: Cash Minor

Others Present: Michael Bertrand, Deb Connally, Wayne Carlson, Mike Rebaleati

2. Public comment

Josh Foli opened for public comment and hearing none, closed the comment period.

3. Action Item: Approval of Minutes of Meeting of November 28, 2016

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

4. Action Item: Acceptance of Auditor's Report and Recommendations Regarding Public Agency Compensation Trust

Michael Bertrand reviewed his audit findings, noting the changes in the balance sheet included a transfer of \$15.1million to PACT's captive, Public Compensation Mutual. Total revenues dropped by \$1.1 million and net position dropped by \$3.1 million with drop in revenue, net investment income due to net losses, amortization, and increases in risk management grants. Loss reserves were fairly level compared to prior year. He responded to questions. Gerry Eick noted that with quantitative easing would both explain this year's investment income drop and the potential for subsequent years.

His recommendations included: 1) he recommended continuing to simplify the PACT supporting spreadsheets and protecting the cells from input errors, 2) tighten the documentation of invoices to claims payments and notes, 3) deposit allocation schedule reconciliation needs further attention.

Mike Rebaleati responded to a question about the cell protection and advised that he expected this to be completed within the next few months. Gerry Eick said a good system design would prevent errors.

5. **Action Item: Acceptance of Audit: Public Agency Compensation Trust**

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

6. **Action Item: Acceptance of Auditor's Report and Recommendations Regarding Nevada Public Agency Insurance Pool**

Michael Bertrand reviewed his report and recommendations. He noted that there was a transfer of capital in the amount of \$5.7 million from POOL to its captive, Public Risk Mutual. There was little change in the reserves. Revenue remained flat, but expenses increased by \$2 million plus net investment income declined by \$1.5 million. Net position dropped by \$3.1 million as a result. He responded to questions noting that the same market value changes in the investment income. Josh Foli noted that the committee should keep a close watch on future developments in the investment income conditions. Michael was awaiting one outstanding confirmation on maintenance deductibles from Douglas County before wrapping up. Wayne noted that Douglas County expected to respond to Michael later today. There was an internal communication issue within Douglas County that affected them responded.

His recommendations: 1) same as PACT plus 2) equipment schedule depreciation needs to be reconciled to the books in the future due to the transfer of additional assets into POOL, 3) member deductible error for one member needs to be updated, and 4) over-accrual of rental income by one month so review each month should reconcile the transactions during the year.

Mike Rebaleati commented that the recommendations would be corrected this year.

7. **Action Item: Acceptance of Audit: Nevada Public Agency Insurance Pool**

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

8. **Public comment**

Chair Eick opened public comment and hearing none, closed the comment period.

9. **Action Item: Adjournment**

On motion and second to adjourn, the meeting adjourned.



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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