



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
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**Notice of Joint Meeting and Agenda of
Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust**

Date: Tuesday, February 19, 2019

Time: 8:30 A.M.

Place: at 201 S. Roop Street, Carson City, NV 89701

Conference Call-In Phone No: 1-800-593-9034; Passcode: 150420

Webex Meeting number: 629 407 862

Password: AyfMpMSM

<https://poolpact.my.webex.com/poolpact.my/j.php?MTID=m8393340469791cbff161a2ee0578f151>

AGENDA

Notices:

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken. Public Comments are Limited to Three Minutes per Person.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

- 1. Roll**
- 2. Public Comment**
- 3. For Possible Action: Consent Agenda
 - a. Approval of Minutes of Joint Meeting of November 5, 2018****
- 4. For Possible Action: NEAM and SAA Investment Update**
- 5. For Possible Action: Status update for the Formation of Nevada Risk Pooling, Inc and Approval of Grant to Nevada Risk Pooling, Inc.**
- 6. For Possible Action: Status update regarding Public Risk Mutual and Public Compensation Mutual annual audit.**
- 7. For Possible Action: PRI Budget for 2019-2020 grant period**

8. **For Possible Action: Acceptance of Reports:**
 - a. Executive Director
 - b. Chief Operations Officer
 - c. Chief Financial Officer
 - d. Risk Manager
 - e. Human Resources Manager
 - f. E-Learning/Web Master
 - g. ASC – Claims Manager

9. **For Possible Action: Review of NPAIP and PACT Program Renewal Status and Options**
 - a. Willis Pooling Report
 - b. Review of Reinsurance Coverage and Retention for NPAIP and PACT
 - c. Renewal Reinsurance Strategies

10. **For Possible Action: Review of Services and Approval of**
 - a. PACT Budget for 2019-2020
 - b. NPAIP Budget for 2019-2020

11. **For Possible Action: Approval of Prospective Members of NPAIP and/or PACT**
 - a. Nevada Risk Pooling, Inc.
 - b. Pooling Resources, Inc.

12. **For Possible Action: Review and Revise Drafts of April 19-20,2018 Annual Meeting Agendas Including:**
 - a. Executive Committee and Officers Up for Election at the Annual Meeting, Candidates and Conduct of the Elections
 - b. Draft Joint Board Agenda, NPAIP Board Agenda, PACT Board Agenda
 - c. Proposed Amendments to POOL and PACT Interlocal Cooperation Agreements and Bylaws

13. **For Possible Action: Approval of POOL/PACT branding approach.**

14. **For Possible Action: Approval of the next Joint Executive Meeting.**

15. **Public Comment**

16. **For Possible Action: Adjournment**

This Agenda was posted at the following locations and linked to the Official State Website <https://notice.nv.gov>:

N.P.A.I.P.
201 S. Roop
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

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Nevada Public Agency Insurance Pool in writing at 201 S. Roop Street, Suite 102, Carson City, NV 89701-4790, or by calling (775) 885-7475 at least three working days prior to the meeting.



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**Notice of Joint Meeting and Agenda of
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Date: Monday, November 5, 2018

Time: 8:30 A.M.

Place: at 201 S. Roop Street, Carson City, NV 89701

Conference Call-In Phone No: 1-800-593-9034; Passcode: 150420

1. Roll

Members present: Cash Minor, Josh Foli, Gerry Eick, Ann Cyr, Mike Giles, Chris Mulkerns, Dan Murphy, Cindy Hixenbaugh

Members absent: Dan Corona, Bev Conley, Paul Johnson, Elizabeth Frances

A quorum being present, Chair Minor called the meeting to order.

2. Public Comment

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

3. For Possible Action:

a. Approval of Minutes of Meeting of August 20, 2018

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

4. For Possible Action: Succession Planning for POOL/PACT

a. Decide whether to include the administrative functions of PARMS into PRI or establish a separate non-profit organization to handle all administrative aspects of POOL/PACT

Chair Minor asked Mike Rebaleati to review this item. Mike commented that the working group had met with General Counsel Stephen Balkenbush to review the legal issues regarding incorporating into PRI vs a new nonprofit organization. He indicated that Steve recommended a separate organization to avoid mixing the more complex issues with the current successful HR program of PRI. Wayne Carlson commented that Steve's opinion did not state that a legal combination could not be done, but a preference to avoid potential legal complications. Wayne highlighted some of the complexities from existing situations as examples. He noted that while it would be simpler to combine organizationally, he had already drafted much of the documentation for a separate organization based upon the original establishment of PRI. The process would not create a significant burden. Chair Minor opened discussion. Various members of the Executive Committee asked questions or made comments.

On motion and second to establish a separate administrative organization, the motion carried.

5. **For Possible Action: Ratification of New England Asset Management (NEAM) as the POOL/PACT investment manager and of Strategic Asset Alliance (SAA) as the POOL/PACT investment advisor**

a. **Update from Daniel Smereck of SAA on bank loans and next steps for potential risk asset allocation**

Chair Minor asked Mike Rebaleati to explain. Mike Rebaleati indicated that it had been three years since these contracts were entered into and that the purpose for this item was to ratify continuation of the contracts. In response to a question, Wayne Carlson reviewed the agreements and noted that they are ever-green agreements subject to cancellation upon 30 days' notice. Mike said he would like a ratification of the agreements annually to affirm satisfaction with the services provided.

On motion and second to ratify continuation of the NEAM and SAA agreements.

Chair Minor then asked Dan Smereck of SAA to provide an overview of bank loans as a potential investment option. Dan described them as an option to other investments with some degree of additional risk that is not subject to the same market cycles as other investments. He will provide a more in-depth presentation at a future meeting.

6. **For Possible Action: Acceptance of 2018 Financial Audit of**

- a. **NPAIP**
- b. **PACT**

Alan Kalt provided an overview of both organization's financial audits noting that the MD&A had been rewritten and expanded from prior years. He highlighted key financial results and considerations for future planning. He responded to questions. Gerry Eick commented and commended staff for improvements to the internal controls processes.

On motion and second to accept the financial audits for both NPAIP and PACT, the motion carried.

7. **For Possible Action: Approval from Executive Committee to proceed with roof repair/replacement**

Mike Rebaleati provided an overview of the problems with the roof system of the POOL Building noting prior repair attempts that continued. He reviewed the proposal for redesign of the roofing system. In response to questions about cost, he commented that no bids had been sought but he thought the costs would be under \$100,000 overall. Design and bidding would be necessary to obtain final costs. He indicated that it was possible that the engineer may find a way to repair rather than replace once design work was completed.

On motion and second to proceed with the project and obtain quotes, the motion carried.

8. **For Possible Action: Approval from Executive Committee to proceed with the purchase of two scanners and "OnBase" software from Precision Documents Imaging to continue the digitization of accounting system**

Mike Rebaleati said he had been looking into electronic records management and agenda management systems over the last couple of years. He considered several systems and found OnBase to be his preferred system. He noted that the initial focus would be on accounting

records which will create greater efficiencies and access to the records. He said the agenda and minutes features could be added once the accounting portion is implemented. He responded to comments and questions from committee members. He indicated that the program was scalable for multiple additional modules.

On motion and second to obtain OnBase for the accounting function, the motion carried.

9. **For Possible Action: Acceptance of Reports:**

- a. **Operations Manager Report (Retreat Summary)**
- b. **NEAM and SAA Investment Update**
- c. **Willis Pooling**
- d. **Human Resources**
- e. **ASC – Claim status**
- f. **Executive Director’s**
- g. **E-Learning/Web Master on the POOL/PACT LMS programs**

Operations manager report: Mike Rebaleati summarized the retreat results and continuing work with Daniel Burrus toward implementation. A summary spreadsheet was included in the packet for reference. He indicated that Dr. Burrus would be available for a video conference call at the February meeting. Mike then reviewed his meetings as a Board Member of GEM and the new ideas that have arisen from those meetings. He noted that Wayne Carlson and Alan Kalt had attended the CRL annual meeting. Investment advisor and manager reports from those meetings were included in the packet. Mike also noted that he and Marshall Smith had attended the school safety conference along with representatives of seven of our school districts. He said the conference was very successful and gave an opportunity to meet staff of members other than board members.

NEAM and SAA Investment Update: Alan Kalt reviewed the highlights of the reports and investment performance results. He noted that there not only were the reports of POOL/PACT/PRM/PCM, but also GEM and CRL in the packets.

Willis Pooling report: Stephen Romero reviewed the acceleration of the timeline that occurred in 2018 would be further accelerated in 2019. Beginning in mid-November 2018, appraisal results are due and Willis staff is updating the applications in preparation for distribution to the Members’ agents at that time. The due date for applications is being moved up to mid-January to enable preparation and submission to markets in February. The Lloyds meeting likewise has been moved to mid-March to enable timely receipt of quotes in advance of the annual meeting. There will be a pre-renewal meeting with POOL/PACT staff in December to plan strategies for quotations. He commented on the Willis Pooling loss control team efforts.

Human Resources report: Stacy Norbeck reviewed the expanded participation in the programs and services so far this year. Additional classes were being offered due to demand. She also noted that they are updating and refreshing their HR policies this year keeping in mind the upcoming Legislative session in 2019.

ASC report: Donna Squires distributed and reviewed the property and liability claims activity report since July 1, 2018 noting 146 claims reported with reserves of \$1,391,241. She commented on some of the more severe claims. Mike Livermore distributed and reviewed the workers compensation claims activity in two reports: 1) open claims over \$200,000 and 2) claims since 4/1/2018. He noted that the larger open claims largely were related to presumptive benefits although there were some fatalities and other severe injury cases as well. The report showed current total open claims count as 407 with reserves of \$43,511,924 of which \$21,758,006 has been paid. For the most recent claims, he discussed a brain trauma

injury case as a result of a deputy being hit by a vehicle while directing traffic and which is the largest reserve so far in this period with more reserve development likely. There have been 179 cases filed since 4/1/2018 with reserves of \$2,397,485 thus far.

Executive Director report: Wayne Carlson commented on the succession planning progress and future steps to be undertaken. Regarding the POOL and PACT renewal budgets, he highlighted the key areas of focus where an increase may likely occur. He discussed optional renewal coverage and limits strategies and potential incentives for good loss prevention outcomes. He reviewed possible changes in coverage including increasing monies and securities limit from \$500,000 to \$1,000,000, amending the vehicle replacement cost, increasing flood zone A sublimit and option for a property retention increase.

E-Learning/Web Master on the POOL/PACT LMS programs: Mike Van Houten reviewed the substantial increase in trained Member administrators and course utilization. He mentioned the increased number and variety of courses. He also noted the new website refresh soon to be launched.

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

10. For Possible Action: Risk Management and Loss Control

- a. Risk Manager Report**
- b. Stryker Grant Program to get direction from the Joint Executive Committee on the overall process of conducting Stryker equipment grants as requested from the Loss Control Committee**
- c. Report on cyber protocol and introduction of John Funk of the Gunderson law firm as cyber counsel**

Risk Manager report: Marshall Smith commented on a course just completed for Cops and Prosecutors on Investigating Child Sexual Abuse cases, Road Operations and Jail Operations which was well attended. School District hazard vulnerability assessments and emergency response plans also are being updated. He was seeking a proposal for jail audits, training and follow-up for all our members with jails. Swimming pool audits are continuing.

Stryker Grant Program report: Marshall Smith reviewed his memo on the history of the program from 2012 through 2018 and its evolution from a one-time grant program with a 50% match to being merged into the regular risk management grants program with a 75% match from the pools. He commented that the Loss Control Committee in September 2018 requested direction from the Executive Committees. He noted two pending applications from Boulder City and Lander County under the existing 75% match program which had been tabled by the Loss Control Committee pending further direction from the Executive Committee. He noted four options in his report: 1) continue as current, 2) establish special criteria for eligibility and change to a 50% match subject to LCC approval extended for the next two years, 3) delegate the same criteria under 2 to staff to administer, and 4) Executive Committee determined option. Cash Minor commented that he thought the program had run its course and members now should plan and purchase these themselves. He generally agreed with option 2) then to end the program. Gerry Eick commented regarding it being a one-time program that became extended and should be limited in the future like option 2) and tied to risk reduction efforts. Josh Foli and Ann Cyr expressed similar views. Cash Minor expressed that the two pending applications should be addressed under the current program by the Loss Control Committee. Mike Rebaleati commented about he revisions starting July 1, 2019 should be announced to the members. Wayne Carlson commented that the Executive Committee by policy delegated to the Loss Control Committee authority to administer the Risk Management

Grant program with a limit of \$500,000 each pool. The policy provides some broad considerations that were not specific directives. The Loss Control Committee changed the original program to the current program within its discretion. He noted that, in effect, the Loss Control Committee was asking the Executive Committee to decide for the Loss Control Committee. Cash Minor chairs both committees. Gerry Eick expressed concerns that Stryker was using a substantial portion of the risk management grant budget and consideration should be made to change to match to 50%. Cash Minor suggested that the Executive Committee should provide general guidelines but leave the administrative decision to the Loss Control Committee in its discretion up to the maximum dollars available for the grants. Alan Kalt mentioned an idea he was working on to develop a separate revolving grant program with payback provision as a tool to provide financing for members who needed funds to initiate risk reduction efforts. He expressed that it could be an investment diversification tool for the pools/captives. Josh Foli expressed concerns about this competing with private funding sources available to lend funds for this purpose.

The Stryker grant item then was referred to the Loss Control Committee for action consistent with its policy authority in line with the general discussion.

11. For Possible Action: Approval of POOL Form Amendments/Endorsements for Fiscal Year 2019-2020

Wayne Carlson indicated that an option to eliminate the privacy response sublimit under the data security coverage was possible under CRL's reinsurance. If this is done, then the full liability limit is available for liability and privacy response without any sublimit. He also said consideration to increase the monies and securities limit from \$500,000 to \$1,000,000.

12. For Possible Action: Ratify the appointment of Small Schools Representative on NPAIP Executive Committee to Replace Lisa Jones

Wayne Carlson commented that the Chair has authority to appoint a replacement for a resigning member and that Chair Minor had appointed Dan Murphy of Pershing County School District to fill that vacancy for the remaining term.

On motion and second to ratify Dan Murphy as a member of the NPAIP Executive Committee, the motion carried.

13. For Possible Action: Approval of Resolution recognizing the service of Lisa Jones as Executive Committee Member on NPAIP

On motion and second to approve a resolution recognizing the service of Lisa Jones, the motion carried.

14. For Possible Action: Approval of the next Joint Executive Committee meeting being scheduled for February 19, 2019 and the Annual Meeting to be held on April 16-17 (Tuesday and Wednesday), 2019 at the Atlantis

Wayne Carlson commented that a proposal was received from the Whitney Peak Hotel and was comparable to the Atlantis from last year.

On motion and second to approve the meetings as presented, the motion carried.

15. Public Comment

Keith Westengard as about the Lander County risk management grant. He was advised that it would be decided by the Loss Control Committee at its December 17, 2018 meeting.

16. For Possible Action: Adjournment

On motion and second to adjourn, the meeting adjourned.

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N.P.A.I.P.
201 S. Roop
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

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POOL / PACT Executive Committee Meeting

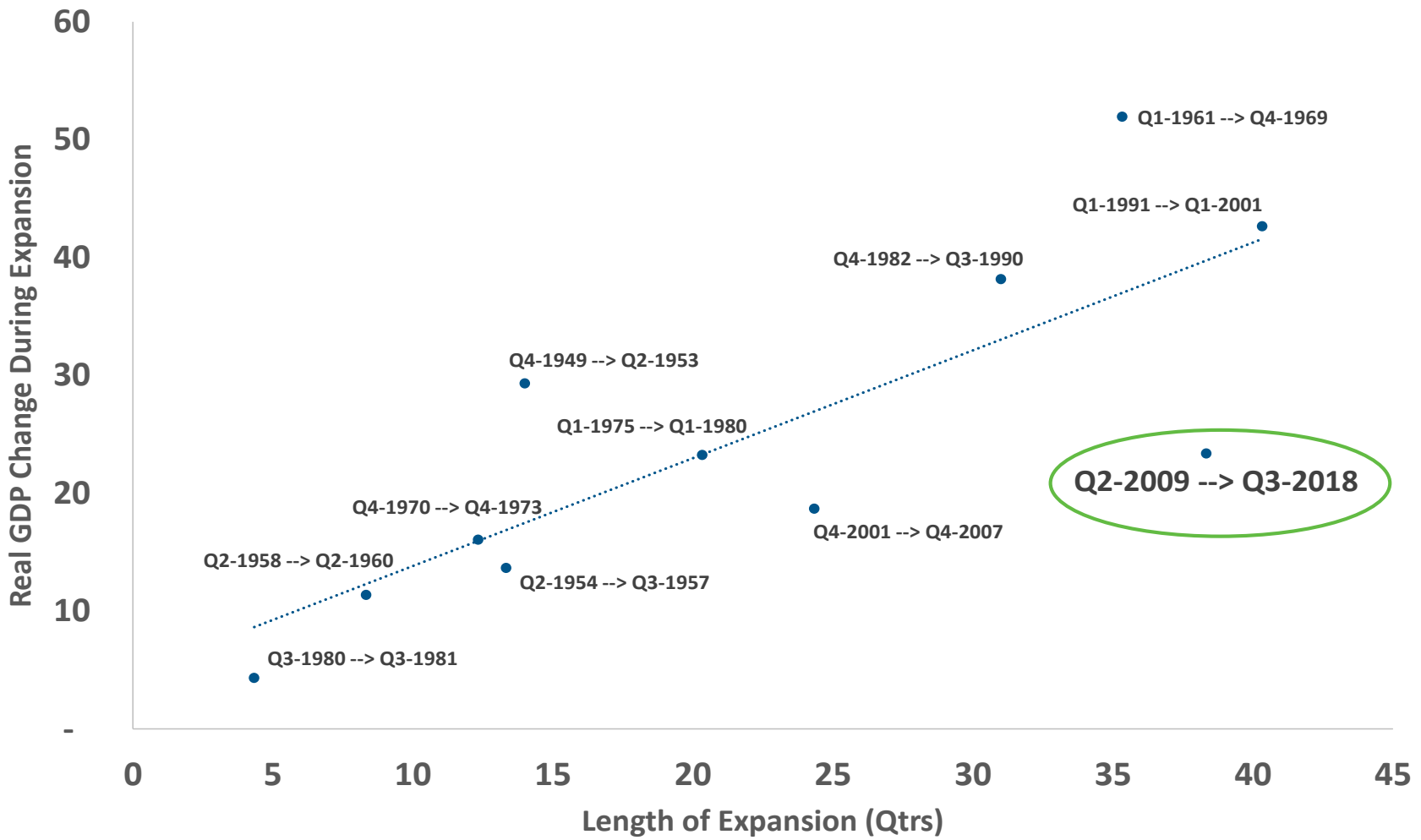
Investment Update

February 19, 2019

The image features a decorative graphic consisting of two overlapping, wavy, horizontal bands. The lower band is a dark blue color, and the upper band is a vibrant green color. The bands overlap in the center, creating a white space where the text is located. The overall design is clean and modern.

Economic Update

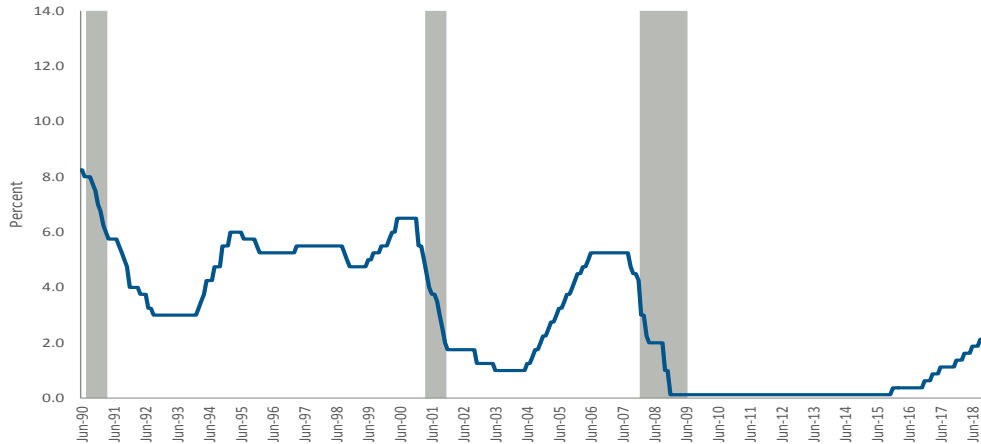
Expansion Cycle vs. Real GDP Change



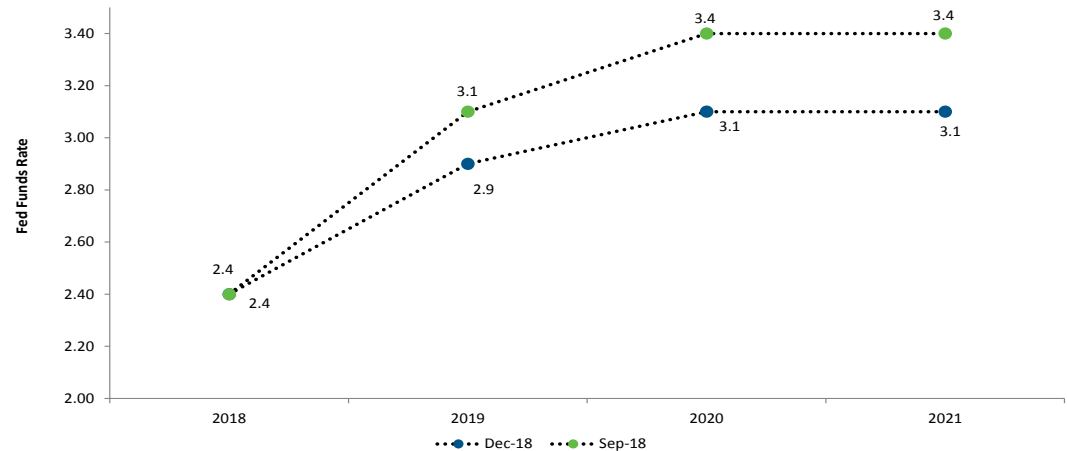
Source: BEA, NBER, Haver, NEAM, Bloomberg

Fed Funds Rate

Fed Rate Hikes



Fed Median Rate Projections



Source: FRB, NBER, Haver, NEAM



Portfolio Review

POOL / PACT Portfolio



	12/31/2017	12/31/2018
Market Value	80.6mm	78.5mm
Average Duration	3.52	3.50
Average Quality	AA+	AA+
Book Yield	2.23%	2.53%
Annualized Book Income	1.8mm	2.0mm
Cash/Short Term	10%	4%
Treasury/Agency	16%	22%
Corporate	-	12%
MBS/CMO	64%	52%
ABS/CMBS	10%	10%
Municipal	-	-

- Rising interest rates throughout the course of 2018 (2 year +60 bps, 10 year +28 bps) have allowed us to reinvest at higher yields resulting in increased book yield and investment income – the primary investment objective for the POOL and PACT portfolios.
- Book yield increased **+30 bps YoY to 2.53%** and investment income increased **+\$200k/year to \$2.0mm** as a result of being able to reinvest at higher rates and also by diversifying into short, high quality Corporates.
- Portfolio positioning is consistent with the strategic target allocation for the Pooling companies:
 - Maintain high quality & liquidity
 - Enhance book yield & investment income
 - Manage consistent with Nevada insurance regulations

	12/31/2017	12/31/2018
Market Value	81.0mm	81.9mm
Average Duration	5.25	4.93
Average Quality	AA-	AA-
Book Yield	2.59%	2.77%
Annualized Book Income	2.1mm	2.3mm
Cash/Short Term	-	1%
Treasury/Agency	4%	3%
Corporate	36%	37%
MBS/CMO	18%	16%
ABS/CMBS	23%	24%
Municipal	19%	19%

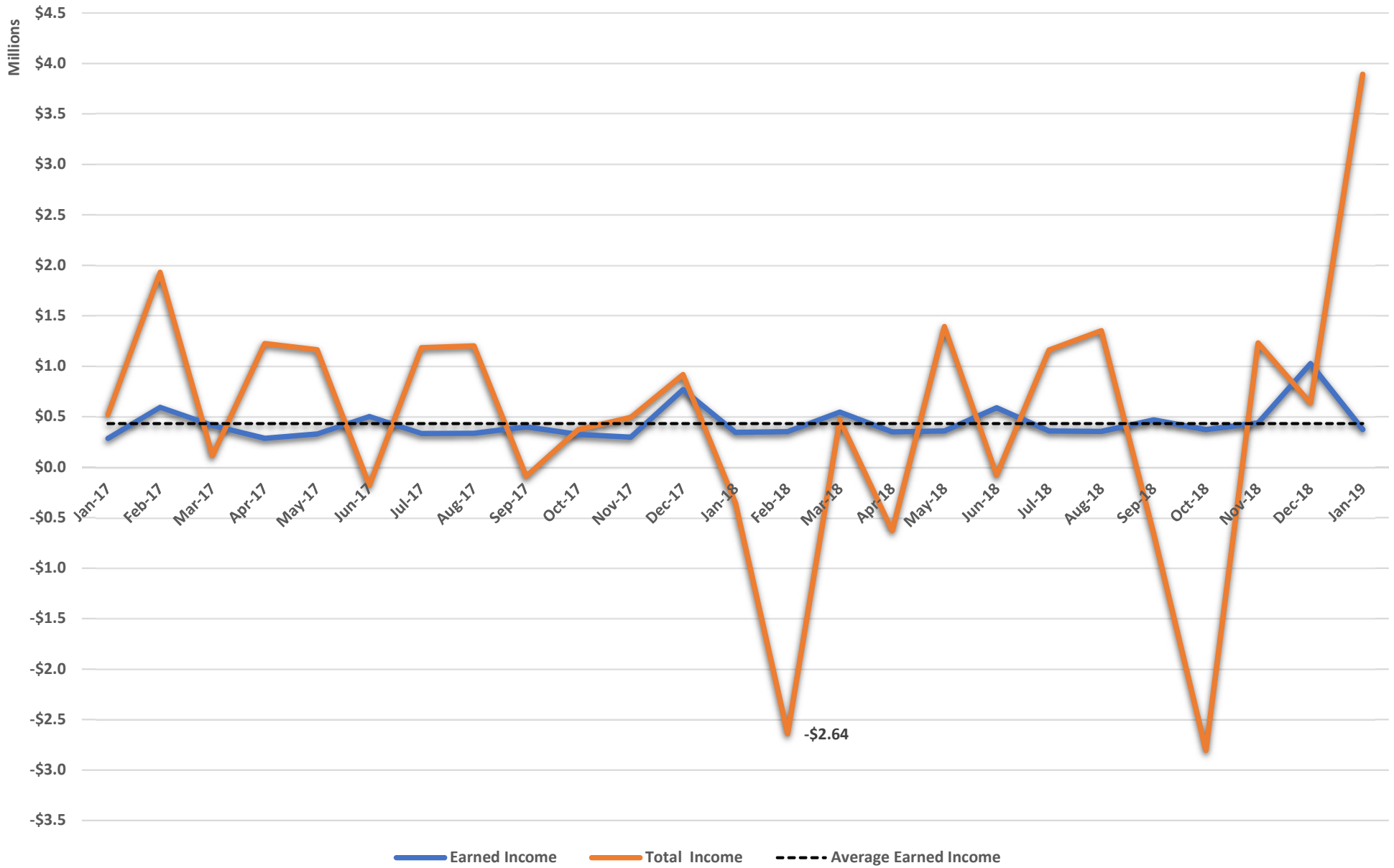
- Rising interest rates throughout the course of 2018 (2 year +60 bps, 10 year +28 bps) have allowed us to reinvest at higher yields resulting in increased book yield and investment income – the primary investment objective for the PRM and PCM portfolios.
- Book yield increased **+18 bps YoY to 2.77%** and investment income increased **+\$200k/year to \$2.3mm** as a result of being able to reinvest at higher rates and due to the captives' ability to invest in a broader universe of higher yielding securities.
- Portfolio positioning is consistent with the strategic target allocation and risk tolerance of the Captives:
 - Slightly longer duration than the Pooling companies
 - Enhance book yield & income
 - High overall credit quality

POOL/PACT/PCM/PRM/PRI
Consolidated Investment Income Report
Cumulative From 1/1/2017 through 1/31/2019

BY Chg	Date	Book Value	Market Value	Change In		Book Yield	Duration	Earned Income	Realized G/L	Total Income	Average Earned Income	Average Total Income
				Unrealized G/L								
	Dec-16	\$ 188,049,485	\$ 186,397,077	\$ (1,652,408)		2.16%	3.50					
	Jan-17	\$ 188,050,180	\$ 186,630,674	\$ (1,419,506)		2.21%	3.60	\$ 284,852.46	\$ 3,798.94	\$ 521,553	\$ 432,415	\$ 473,374
	Feb-17	\$ 190,095,739	\$ 190,002,262	\$ (93,477)		2.21%	3.58	\$ 594,040.43	\$ 10,170.18	\$ 1,930,240	\$ 432,415	\$ 473,374
	Mar-17	\$ 189,517,857	\$ 189,117,299	\$ (400,558)		2.15%	3.29	\$ 412,954.24	\$ 10,603.11	\$ 116,476	\$ 432,415	\$ 473,374
	Apr-17	\$ 188,504,761	\$ 189,031,015	\$ 526,254		2.08%	3.50	\$ 285,389.27	\$ 13,358.49	\$ 1,225,560	\$ 432,415	\$ 473,374
	May-17	\$ 187,901,308	\$ 189,261,858	\$ 1,360,550		2.18%	3.72	\$ 329,856.78	\$ -	\$ 1,164,153	\$ 432,415	\$ 473,374
	Jun-17	\$ 189,921,624	\$ 190,592,983	\$ 671,359		2.34%	3.83	\$ 501,890.45	\$ 7,170.53	\$ (180,130)	\$ 432,415	\$ 473,374
	Jul-17	\$ 189,379,275	\$ 190,897,021	\$ 1,517,746		2.31%	3.81	\$ 334,890.52	\$ 3,439.07	\$ 1,184,717	\$ 432,415	\$ 473,374
	Aug-17	\$ 189,735,010	\$ 192,120,520	\$ 2,385,510		2.33%	3.86	\$ 335,719.78	\$ (1,534.05)	\$ 1,201,950	\$ 432,415	\$ 473,374
	Sep-17	\$ 189,046,907	\$ 190,916,059	\$ 1,869,152		2.20%	3.52	\$ 400,972.06	\$ 25,067.98	\$ (90,318)	\$ 432,415	\$ 473,374
	Oct-17	\$ 195,576,534	\$ 197,493,992	\$ 1,917,458		2.32%	3.71	\$ 325,268.89	\$ 197.95	\$ 373,773	\$ 432,415	\$ 473,374
	Nov-17	\$ 195,859,051	\$ 197,632,990	\$ 1,773,939		2.34%	3.88	\$ 296,894.16	\$ 340,048.62	\$ 493,424	\$ 432,415	\$ 473,374
0.29%	Dec-17	\$ 196,083,759	\$ 197,746,235	\$ 1,662,476		2.45%	3.85	\$ 769,715.36	\$ 259,890.89	\$ 918,143	\$ 432,415	\$ 473,374
	Jan-18	\$ 198,835,581	\$ 199,800,472	\$ 964,891		2.41%	3.68	\$ 345,134.69	\$ (376.85)	\$ (352,827)	\$ 432,415	\$ 473,374
	Feb-18	\$ 197,751,645	\$ 195,723,881	\$ (2,027,764)		2.46%	3.69	\$ 352,483.93	\$ 139.84	\$ (2,640,031)	\$ 432,415	\$ 473,374
	Mar-18	\$ 196,634,940	\$ 194,522,917	\$ (2,112,023)		2.36%	3.70	\$ 546,948.30	\$ 6,634.74	\$ 469,324	\$ 432,415	\$ 473,374
	Apr-18	\$ 195,011,205	\$ 191,924,071	\$ (3,087,134)		2.36%	3.66	\$ 349,628.20	\$ (3,419.20)	\$ (628,902)	\$ 432,415	\$ 473,374
	May-18	\$ 194,156,063	\$ 192,177,552	\$ (1,978,511)		2.41%	3.65	\$ 358,344.14	\$ (73,326.23)	\$ 1,393,641	\$ 432,415	\$ 473,374
	Jun-18	\$ 192,546,888	\$ 190,012,191	\$ (2,534,697)		2.61%	3.61	\$ 590,107.86	\$ (111,283.27)	\$ (77,361)	\$ 432,415	\$ 473,374
	Jul-18	\$ 191,859,746	\$ 190,136,545	\$ (1,723,201)		2.63%	3.58	\$ 358,890.96	\$ (8,821.00)	\$ 1,161,566	\$ 432,415	\$ 473,374
	Aug-18	\$ 191,897,408	\$ 191,173,041	\$ (724,367)		2.51%	3.55	\$ 354,344.38	\$ -	\$ 1,353,178	\$ 432,415	\$ 473,374
	Sep-18	\$ 191,605,470	\$ 189,764,878	\$ (1,840,592)		2.55%	3.54	\$ 468,376.06	\$ (11,096.66)	\$ (658,946)	\$ 432,415	\$ 473,374
	Oct-18	\$ 198,850,614	\$ 193,860,247	\$ (4,990,367)		2.59%	3.54	\$ 373,761.21	\$ (29,606.67)	\$ (2,805,620)	\$ 432,415	\$ 473,374
	Nov-18	\$ 198,521,582	\$ 194,333,925	\$ (4,187,657)		2.63%	3.72	\$ 439,254.00	\$ (9,821.96)	\$ 1,232,142	\$ 432,415	\$ 473,374
0.23%	Dec-18	\$ 198,767,313	\$ 194,190,804	\$ (4,576,509)		2.68%	3.76	\$ 1,026,861.12	\$ (2,653.69)	\$ 635,355	\$ 432,415	\$ 473,374
	Jan-19	\$ 197,747,039	\$ 196,763,356	\$ (983,683)		2.69%	3.62	\$ 373,801.93	\$ (73,339.22)	\$ 3,893,289	\$ 432,415	\$ 473,374
	Feb-19										\$ 432,415	\$ 473,374
	Mar-19										\$ 432,415	\$ 473,374
	Apr-19										\$ 432,415	\$ 473,374
	May-19										\$ 432,415	\$ 473,374
	Jun-19										\$ 432,415	\$ 473,374
	Jul-19										\$ 432,415	\$ 473,374
	Aug-19										\$ 432,415	\$ 473,374
	Sep-19										\$ 432,415	\$ 473,374
	Oct-19										\$ 432,415	\$ 473,374
	Nov-19										\$ 432,415	\$ 473,374
	Dec-19										\$ 432,415	\$ 473,374
TOTAL		\$ 192,966,398	\$ 192,218,420	\$ (2,924,101)				\$ 10,436,579	\$ 428,581	\$ 7,941,059		
								\$ 172,266		\$ 1,168,840		

Volatility (STD) >>>

POOL/PACT Consolidated Investment Income



PCM/PRM Risk Asset Performance Since 12/31/2018

<i>Key: change headers here</i>		<i>Name</i>	<i>LAST_UPDATE_DT</i>	<i>PX_LAST</i>	<i>CHG_PCT_1D</i>	<i>MTD</i>	<i>QTD</i>	<i>Fiscal YTD</i>		
					<i>CUST_TRR_RETURN_HOLDING_PER</i>	12/31/2018	11/30/2018	6/30/2018		
PCM - Pool/Pact										
						Tailing Returns %			12/31/2018	
<i>Ticker</i>	<i>Name</i>	<i>Date</i>	<i>Value</i>	<i>1 Day chg %</i>		<i>MTD</i>	<i>QTD</i>	<i>Fiscal YTD</i>	<i>Allocation</i>	
VWEAX US Equity	VANGUARD HI YLD CORP-ADM	2/7/2019	5.68			-0.35	5.24	2.86	3.34	10.1%
VDIGX US Equity	VANGUARD DIVIDEND GROWTH-INV	2/7/2019	26.14			-0.34	6.87	-1.74	5.10	24.4%
VHDYX US Equity	VANGUARD HI DVD YLD INDX-INV	2/7/2019	32.85			-0.73	6.38	-2.86	1.58	22.8%
VIMAX US Equity	VANGUARD MID CAP INDEX-ADM	2/7/2019	190.57			-0.47	11.42	0.64	-1.41	9.7%
VSMAX US Equity	VANGUARD SML CAP INDX-ADM	2/7/2019	71.34			-0.65	12.83	0.42	-3.46	9.7%
VIHAX US Equity	VANGUARD INTL HI DVD YLD-ADM	2/7/2019	28.92			-1.13	6.05	1.34	-2.31	11.7%
VIAAX US Equity	VANGUARD INTL DVD AP IDX-ADM	2/7/2019	29.83			-0.90	6.42	1.99	-4.67	11.6%
			TOTAL	TOTAL		7.46	(0.29)	0.66		100.0%
PRM - Pool/Pact										
						Tailing Returns %			12/31/2018	
<i>Ticker</i>	<i>Name</i>	<i>Date</i>	<i>Value</i>	<i>1 Day chg %</i>		<i>MTD</i>	<i>QTD</i>	<i>Fiscal YTD</i>	<i>Allocation</i>	
VWEAX US Equity	VANGUARD HI YLD CORP-ADM	2/7/2019	5.68			-0.35	5.24	2.86	3.34	10.1%
VDIGX US Equity	VANGUARD DIVIDEND GROWTH-INV	2/7/2019	26.14			-0.34	6.87	-1.74	5.10	24.4%
VHDYX US Equity	VANGUARD HI DVD YLD INDX-INV	2/7/2019	32.85			-0.73	6.38	-2.86	1.58	22.8%
VIMAX US Equity	VANGUARD MID CAP INDEX-ADM	2/7/2019	190.57			-0.47	11.42	0.64	-1.41	9.7%
VSMAX US Equity	VANGUARD SML CAP INDX-ADM	2/7/2019	71.34			-0.65	12.83	0.42	-3.46	9.7%
VIHAX US Equity	VANGUARD INTL HI DVD YLD-ADM	2/7/2019	28.92			-1.13	6.05	1.34	-2.31	11.7%
VIAAX US Equity	VANGUARD INTL DVD AP IDX-ADM	2/7/2019	29.83			-0.90	6.42	1.99	-4.67	11.6%
			TOTAL	TOTAL		7.46	(0.29)	0.66		100.0%

- PCM Risk Assets to Surplus = 27.5%
- PRM Risk Assets to Surplus = 34.5%
- Using 12/31/2017 Surplus
- Max Limit 50% (Target 40%)

Source: Bloomberg

PRM – Risk Asset Allocation

PRM Trade Tickets for Risk Asset Rebalancing		February 11, 2019									
		Cost figures as of 1/31/2019									
12/31/2017 PCM Surplus =	\$	39,501,434									
Max 50% Risk Assets =	\$	19,750,717		\$5,241,772							
Target 40% Risk Assets =	\$	15,800,574		\$1,291,629							
24131503 Wells Fargo Custody						2/8/2019					
PCM Risk Assets	ETF Name	ETF Ticker	Fund Yield	#Shares	Price	Market Value	Cost	Unrealized G/L	% Allocation	Target Allocation	
MS Ranking											
4	Templeton Global Bond	TGBAX	7.02%	101.900	\$ 11.53	\$ 1,174.91	\$ 1,212.90	\$ (37.99)	0.01%	0.00%	
4	Vanguard High Yield Corporate Bond	VWEAX	5.87%	251,200.567	\$ 5.67	\$ 1,424,307.21	\$ 1,495,169.25	\$ (70,862.04)	9.83%	10.12%	
3	Vanguard Dividend Growth	VDIGX	1.90%	134,320.878	\$ 26.18	\$ 3,516,520.59	\$ 3,188,399.45	\$ 328,121.14	24.27%	20.00%	
4	Vanguard High Dividend Yield	VHDYX	3.12%	99,664.979	\$ 32.89	\$ 3,277,981.16	\$ 2,771,139.15	\$ 506,842.01	22.63%	20.00%	
5	Vanguard Mid Cap	VIMAX	1.64%	7,634.466	\$ 191.01	\$ 1,458,259.35	\$ 1,263,165.52	\$ 195,093.83	10.07%	10.00%	
5	Vanguard Small Cap	VSMAX	1.49%	20,623.766	\$ 71.43	\$ 1,473,155.61	\$ 1,245,352.20	\$ 227,803.41	10.17%	10.00%	
4	Eaton Vance - Floating Rate Loan	EIBLX	4.43%		\$ 8.87	\$ -	\$ -	\$ -	0.00%	10.00%	
NR	Vanguard International Dividend Appreciation Index Fund	VIAAX	1.87%	56,000.522	\$ 29.75	\$ 1,666,015.53	\$ 1,782,449.40	\$ (116,433.87)	11.50%	9.93%	
NR	Vanguard International High Dividend Yield Index Fund	VIHAX	4.00%	57,885.092	\$ 28.84	\$ 1,669,406.05	\$ 1,837,477.27	\$ (168,071.22)	11.52%	9.95%	
Total						\$ 14,486,820.41	\$ 13,584,365.14	\$ 902,455.27	100.00%	100.00%	
								Rebalance Target \$\$\$ =			
								Pre / Post Yield =	2.74%	2.94%	
NEW FUNDS				Uninvested Cash		\$ 22,124.17					
NO NEW INVESTMENT				Total Account Balance		\$ 14,508,944.58					
				Cash Reinvested		\$ 1,291,629	Includes "uninvested cash" above				
				Additional Cash Required		\$ 1,269,505	to target 50% of surplus for risk asset allocation				
				Additional Cash Requested		\$ 1,350,000	<<< to provide adequate cushion during execution				

- Trades to increase diversification, increase yield and target 40% of surplus to risk asset allocation.

**POOL/PACT Grant Provisions, Terms and Conditions for
Nevada Risk Pooling, Inc. Administration Services**

Grant No.: P/P 2019 Administration Services
Effective Date: July 1, 2019

Grantor: Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
201 S. Roop St., Suite 102
Carson City, NV 89701

Grantee: Nevada Risk Pooling, Inc.
201 S. Roop St., Suite 102
Carson City, NV 89701

Total Grant Amount:

GRANT SCHEDULE

1. **Purpose:** The purpose of this Grant is to provide administrating and professional services to manage the day-to-day operations and to carry out those duties required to manage the Nevada Public Agency Insurance Pool (NPAIP), Public Agency Compensation Trust PACT), Public Compensation Mutual (PCM), Public Risk Mutual (PRM), collectively referred to as POOL/PACT, consistent with any Bylaws, and amendments thereto. The Nevada Public Agency Insurance Pool (NPAIP) hereinafter will be referred to as POOL. This effort shall be carried out generally as set forth in the Grantee's proposed services stated in Exhibit A "Services to be Provided" attached to this document.
2. **Requirements:** This Grant is subject to the laws and regulations of the State of Nevada. If any statute expressly prescribes policies or specific requirements that differ from the requirements, standards, provisions, or terms and conditions of this Grant, the provisions of the statute shall govern.
3. **Order of Precedence.** Any inconsistency or conflict in the terms and conditions specified in this Grant shall be resolved according to the following order of precedence:
 - The Grant Schedule
 - These Terms and Conditions
4. **Term:** The term of this Grant commences on July 1, 2019 and continues through Sixty (60) months (June 30, 2024) thereafter unless extended by mutual agreement or terminated as provided in Section 30.
5. **Terms and Conditions:** This Grant is subject to the terms and conditions set forth in this document and any terms stated in Exhibit "A" and any special terms and conditions in this Grant Schedule.
6. The Granting authority will be the Nevada Public Agency Insurance Pool (aka POOL) and the Public Agency Compensation Trust (PACT)

7. **Grants Officer's Representative:** The Grants Officer's Representatives (GOR) representing POOL/PACT under this Grant are the respective Chairs of POOL and PACT.

8. **Administrative Grants Office (AGO):** The Administrative Grants Office for this Grant is the NRP administrative office, 201 S. Roop St., Suite 102, Carson City, NV 89701-4790, Phone: (775) 885-7475.

Grantor Responsibility: The Grantor has responsibility to cooperate with NRP in the establishment and funding of ~~POOL/PACT~~~~POOL, PACT, PCM, and PRM, et al.~~ Grantor has the responsibility to:

a. To consult with and provide direction to NRP administrative staff to establish funds for payment of claims and other obligations of ~~POOL/PACT~~~~POOL, PACT, PCM, and PRM, et al.~~ and to authorize NRP to be manager of the funds and to expend those funds for legal and financial obligations of ~~POOL/PACT~~~~POOL, PACT, PCM, and PRM, et al.~~

b. To establish Bylaws, policies and procedures to govern the operation of ~~POOL/PACT~~~~POOL, PACT, PCM, and PRM, et al.~~

c. To appoint legal counsel to advise ~~POOL/PACT~~~~POOL, PACT, PCM, and PRM, et al.~~ and its Executive Director with respect to matters affecting the operation of the POOL/PACT.

d. To establish ~~POOL/PACT~~~~POOL, PACT, PCM, and PRM, et al.~~ office location from which NRP will conduct ~~POOL/PACT~~~~POOL, PACT, PCM, and PRM, et al.~~ operations and to fund the expenses thereof.

e. To indemnify, defend and hold harmless NRP with respect to any claims asserted as a result of any errors, omissions, torts, intentional torts or other negligence on the part of POOL/PACT and/or its employees unless the complained of actions of POOL/PACT were taken at the specific direction of NRP.

9. **Grantee Responsibility:** The Grantee has full responsibility for the services and activity supported by this Grant, in accordance with the Grantee's proposal (Exhibit A), and the terms and conditions specified in this Grant. Grantees are encouraged to suggest or propose to discontinue or modify unpromising services or to explore alternatives which may appear during the grant. However, they must consult the Grants Officer's Representative (GOR) through the Administrative Grants Office (AGO) before significantly deviating from the objectives or overall program originally proposed. The Grantee shall immediately notify the Grants Officer of developments that have a significant impact on the award-supported activities. Also, notification shall be given in the case of problems, delays, or adverse conditions which materially impair the ability to meet the objectives of the award. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.

10. **Amendment of Grant:** The only method by which this Grant can be amended is by a formal, written amendment signed by either the Grants Officer or the AGO. No other communications, whether oral or in writing, are valid.

11. **Grant Funding:** This Grant is funded equal monthly installments payable at the end of each month following completion of services. Grantor's obligation to make payments to the Grantee is limited to

Commented [AK1]: Consider alternative funding schedule to allow lump-sum payment to allow organization to have immediate funds to operate.

only those funds obligated by this Grant or by modification to this Grant. Subject to availability of funds and continued satisfactory progress on the Grant as determined by Grantor, Grantor agrees to provide funding according to the following schedule:

11.

FY 2019-2020: \$1,500,000 ~~of which \$500,000 will be advanced at startup of NRP for cash flow~~
FY 2020-2021: \$1,553,000
FY 2021-2022: \$1,607,000
FY 2022-2023: \$1,663,000
FY 2023-2024: \$1,721,000

The Grantee shall notify the GOR in writing promptly whenever the total Grant amount is expected to exceed the needs of the Grantee for the project period by more than \$100,000 or 5%, whichever is greater.

12. **Payments:** Advance Payment Method. Upon acceptance of the terms and conditions of this Grant by the Grantee to the AGO, the Grantee shall ~~be entitled to receive an initial advance payment \$500,000 as start-up capital, covering work to be performed during the first six (6) months of the Grant (and any pre-award costs as applicable).~~ Subsequent monthly payments will be made automatically at the end of each month after services are performed based on the annual grant amount.

—**Standards for Financial Management Systems:** The Grantee's financial management system shall comply with Generally Accepted Accounting Principles for non-profit organizations.

13.

14. **Administration and Cost Principles: Applicable to this Grant are the following requirements:**

Prior Approvals:

All prior approvals are waived hereby except for the following:

- a. Extension of the expiration period of this Grant.
- b. The need for additional funding.

Pre-award Costs:

- a. Grantees may incur pre-award costs of up to thirty (30) days prior to the effective date of the Grant award.
- b. Pre-award costs as incurred by the Grantee must be necessary for the effective and economical conduct of the project and the costs must be otherwise allowable in accordance with the appropriate cost principles.
- c. Any pre-award costs are made at the Grantee's risk. The incurring of pre-award costs by the Grantee does not impose any obligation on the Grantor, in the absence of appropriations, if an award is not subsequently made or if an award is made for a lesser amount than the Grantee expected.

Audit and Access to Records: The Grantee and its sub recipients shall be subject to audit requirements for nonprofit organizations per Generally Accepted Accounting Principles.

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Commented [AK2]: Consider timing to payments to establish NRP....As well as building up reserves to allow for transition upon termination of grant similar to PRI...

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The GOR shall have direct access to records and information of the Grantee to ensure full accountability for grant funds.

- 15. Grant Oversight:** The POOL/PACT Executive Committees will oversee compliance with the terms of the grant and will monitor services delivery, scope and quality and recommend any changes to POOL/PACT.
- 16. Audit Requirements:** As a condition of this grant, all funds shall be audited annually by a qualified independent certified public accountant who shall report financial results and management recommendations to Grantor.
- 17. Unexpended Grant Funds:** Any funds not expended for the purposes set forth in this Grant shall be subject to refund to Grantor, unless otherwise directed by Grantor. Grantor may allow retention of unexpended funds for carryover to future grants, expansion or redirection of services or service delivery methods or for any other purpose deemed appropriate by Grantor.
- 18. Relationship of Grantor and Grantee:** Nothing in this grant shall be construed to create an employee-employer relationship between Grantor and Grantee. Grantee shall always be considered an independent contractor. Grantee agrees to keep Grantor informed about the services it provides on a regular basis in the form of reports to Grantor. Considering Grantee's status as an independent contractor, Grantee acknowledges and agrees that Grantor is not responsible for obtaining and maintaining workers compensation insurance. In accordance with the provisions of Chapter 616A through 616D and 617 of the Nevada Revised Statutes and Chapters 616 and 617 of the Nevada Administrative Code, Grantee agrees to provide Grantor a proper certificate certifying that it has obtained workers compensation insurance covering Grantee during the term of this grant. Grantee agrees to pay all premiums necessary to keep said workers' compensation insurance effective through the term of this grant.

Grantor shall not be responsible for any of Grantee's payroll, employee benefits, taxes, licenses, attorney's fees or expense for Grantee's activities not related to the services performed pursuant to this grant.

- 19. Insurance Requirements:** Grantee has the option to acquire workers compensation, property and casualty insurance from the POOL/PACT or maintain general liability, auto liability and errors or omissions insurance in an amount of at least \$1,000,000 each claim or occurrence and workers compensation insurance as required by law from a different provider. Certificates evidencing such coverage shall be provided to the [AGO-GOR](#) for each grant year.
- 20. Mutual Indemnification and Hold Harmless:** Grantee agrees to indemnify, defend and hold harmless Grantor with respect to any claims asserted because of any errors, omissions, torts, intentional torts or other negligence unless the complained of actions were taken at the specific direction of Grantor. Grantor agrees to indemnify, defend and hold harmless Grantee with respect to any claims asserted because of any errors, omissions, torts, intentional torts or other negligence unless the complained of actions were taken at the specific direction of Grantee.
- 21. Cooperation with Legal Counsel:** Grantee agrees to cooperate with Grantor's legal counsel for Grantor's members in matters affecting such members.
- 22. Cooperation with Grantor's Executive Committees:** Grantee agrees to cooperate with the Grantor's Executive Committees regarding provision of the services required in the grant or any modifications made to the grant regarding such services. Grantor's Executive Committees agree to cooperate with Grantee.

Commented [AK3]: Consider insurance coverage from POOL.

23. Records: Grantee agrees that all records resulting from services under this grant and held by Grantee on behalf of Grantor shall be maintained and preserved in accordance with the provisions of NRS 239.005 et seq. and shall always remain the property of Grantor and will be surrendered to Grantor upon termination or expiration of this grant. Grantee shall be permitted to copy, at its own expense, such portions of the records as may be necessary.

24. Conflicts of Interest: Grantee shall conform to Nevada laws regarding ethics and conflicts of interest and shall disclose any conflicts of interest.

25. Restrictions on Grantee: Without prior concurrence by Grantor's Executive Committees and its Grants Officers, Grantee may not perform services to individual members of Grantor on a fee for service or grant basis.

26. Reports and Reports Distribution: Reports shall be furnished as specified below:

a. Report Types.

(1) Quarterly Status Report - This report, due 30 days after the reporting period, shall keep the Grantor informed of Grantee activity and progress toward accomplishment of Grant objectives.

(2) Quarterly Financial Report – This report, due 30 days after the reporting period, shall include exhibits showing the financial standing of the Grantee, budget to actual income statements and other income and expense reports as necessary.

(3) Annual Audit – this report due 1520 days after completion of each fiscal year of the Grant, shall be submitted by the independent auditor who shall be a certified public accountant.

~~(4) Final Financial Status Report – This report, due 120 days after completion of the Grant, shall be submitted by the independent auditor who shall be a certified public accountant.~~

29.27. Custody and Disbursements. NRP shall oversee the custody of and disbursement of all assigned funds but may delegate that disbursing authority as may be authorized by the Board, subject to the requirements of below.

~~29.1.27.1.~~ Maintenance and Safekeeping. NRP shall assure the following activities are carried out appropriately:

~~29.1.1.27.1.1.~~ Receive and acknowledge receipt for all funds of POOL/PACT NPAIP and deposit them in the proper treasury;

~~29.1.2.27.1.2.~~ Be responsible for the safekeeping and disbursement of all POOL/PACT NPAIP funds;

~~29.1.3.27.1.3.~~ Pay any sums due from POOL/PACT NPAIP as approved by the Board or by anybody or person to whom the Board has delegated approval authority;

~~29.1.4.27.1.4.~~ Verify and report in writing to the Executive Committee or the Board of POOL/PACT, as of the first day of each quarter of the Fiscal Year, the amount of money held for POOL/PACT NPAIP, the amount of receipts since the last such report, and the amount paid out since that report;

~~29.1.5.27.1.5.~~ Invest monies in accordance with applicable laws and regulations governing public agency non-profit investments.

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30. Funds and Property. All personal property, which includes all technology related items, will remain the property the Nevada Public Agency Insurance Pool. ~~All Funds ownership will be retained by the corresponding agency.~~

~~28.~~

31-29. Risk Management Services. NRP will provide risk management and insurance consulting services to members. These services will include but not limited to loss prevention, review of loss data, promotion and evaluation of loss prevention programs, and reports to members. The details of these services, such as assistance to members in the development and implementation of risk management policies, identification and evaluation of risk and Loss potentials, recommendations as to affirmative steps in order to avoid or reduce risks and losses, development of a system of claims reporting and on the scene investigation by member's personnel; and development and production of risk prevention educational programs for member's personnel will be reviewed and approved by all POOL/PACT Boards of Directors annually.

32-30. Termination and Enforcement:

a. Termination. This Grant may be terminated, in whole or in part, by the Grantor upon 90-day notice if the Grantee materially fails to comply with these terms and conditions or with the consent of the Grantee. The Grantee may terminate the Grant upon sending 180 days written notification to the Grants Officer.

b. Enforcement. If the Grantee fails to materially comply with these terms and conditions, the Grants Officer may impose special or take the appropriate action to initiate termination proceedings by Grantor.

33-31. Disputes, Claims, and Appeals:

a. Disputes and Claims. The Grantee may submit a claim arising out of or relating to the Grant by submitting the claim in writing to the Grants Officer for decision. The written submission must specify the nature and basis for the relief requested and include all data that supports the claim. Within 60 calendar days, the Grants Officer shall either prepare a written decision or notify the Grantee of a specific date when a decision will be rendered. The decision of the Grants Officer shall be final unless the Grantee decides to appeal.

b. Appeals. The Grantee may appeal the Grants Officer decision by filing a written notice of appeal to the Grantor and the Grants Officer within 30 days of receiving the decision. The Grantor shall decide the appeal based solely on the written record unless the Grantor decides to conduct a fact-finding procedure or an oral hearing on the appeal.

34-32. Acknowledgment of Sponsorship: The Grantee agrees that in the release of information relating to this Grant, such release shall include a statement to the effect that the project or effort depicted was or is sponsored by the Grantor. For the purpose of this article, information includes news releases, articles, manuscripts, brochures, advertisements, still and motion pictures, symposia, etc.

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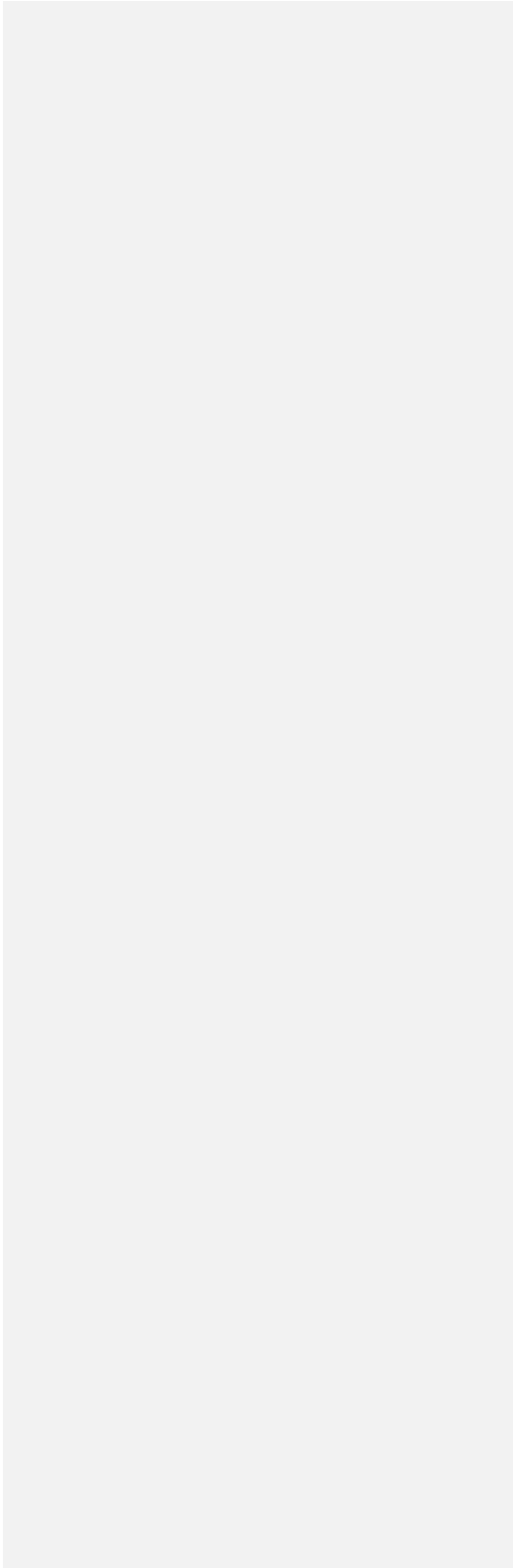
Grantor Acceptance of Grant

Cash Minor
Chair
Nevada Public Agency Insurance Pool

Paul Johnson
Chair
Public Agency Compensation Trust

Grantee Acceptance of Grant

Wayne Carlson
Executive Director
Nevada Risk Pooling, Inc.



Nevada Risk Pooling, Inc
Proposed Budget FY 19/20

Revenue	Budget 7/1/2019-2020		\$	1,500,000	
Sources					
POOL	\$	645,000	43.0%	\$	750,000
PACT	\$	645,000	43.0%	\$	750,000
PRM	\$	105,000	7.0%		
PCM	\$	105,000	7.0%		
PRI HR	\$	25,000			
NACO	\$	12,000			
NLC	\$	12,000			
POOL/PACT Expense reimbursements	\$	100,000			
	\$	1,649,000			
Expenses					
			Allocation		
Salaries	\$	601,000	36.4%	\$	4,499 SUI
SEP	\$	120,200	7.3%	\$	45,982 Fed tax
Payroll tax	\$	50,481	3.1%	\$	50,481 Payroll Taxes
Other tax; licenses	\$	10,265	0.6%	\$	8,865 MBT
Insurance WC,E&O,EPLI,Pkg, bond	\$	40,000	2.4%		
Employee Benefits - Health Insurance	\$	87,000	5.3%		
Travel and other reimbursable expense	\$	100,000	6.1%		
Subscriptions/Dues	\$	10,000	0.6%		
Bank charges	\$	2,000	0.1%		
IT management	\$	48,991	3.0%		
all other	\$	25,000	1.5%		
Rent	\$	74,803	4.5%		
	\$	1,169,739			
Net Income	\$	479,261	29.1%		
PARMS Contract	\$	300,000	18.2%		
Net Income after contract	\$	179,261	10.9%		

NRP Contract Cost Allocations Examples							
NPAIP	35.0%	\$	525,000	NPAIP	35.0%	\$	525,000
PACT	35.0%	\$	525,000	PACT	45.0%	\$	675,000
PRM	15.0%	\$	225,000	PRM	5.0%	\$	75,000
PCM	15.0%	\$	225,000	PCM	15.0%	\$	225,000
Totals	100.0%	\$	1,500,000	Totals	100.0%	\$	1,500,000
		\$	750,000			\$	600,000
		\$	750,000			\$	900,000

Note:

Apportionment of NRP Grant to NPAIP, PACT, PRM, PCM is shown 3 different ways. Apportionment determined by Boards.
Travel Expenses are pass throughs as revenue reimbursements from POOL/PACT.
IT Management are IT charges paid to POOL as a cost reimbursement on proportionate share to various entities.

Entity Apportionment
Investment Values
February. 2019

Entity	NEAM Assets	SAA Risk Assets	Total Investments	% of Totals
NPAIP	24,356,000		24,356,000	12.6%
PACT	54,182,000		54,182,000	28.1%
PRM	27,608,000	13,486,000	41,094,000	21.3%
PCM	54,251,000	19,154,000	73,405,000	38.0%
Totals	<u>160,397,000</u>	<u>32,640,000</u>	<u>193,037,000</u>	<u>100.0%</u>

Notes:

NEAM Investment Values are at MARKET Value at 12-31-2018.

SAA Risk Assets at MARKET Value at 12-31-2018.

Entity Apportionment
Net Position at 6-30-2018
February. 2019

Entity	% Allocation	
NPAIP	26,978,954	15.5%
PACT	39,374,120	22.6%
PRM	38,201,229	21.9%
PCM	69,721,606	40.0%
Totals	<u>174,275,909</u>	<u>100.0%</u>

Notes:

NPAIP and PACT numbers taken from Audited Financial Statements.

PRM and PCM numbers were taken from Interim Financial Statements .

**Grant for Provision for
Administration Services**

Grant No.: P/P 2019 Administration Services
Effective Date: July 1, 2019

Grantee: NEVADA RISK POOLING, INC.
201 S. Roop St., Suite 102
Carson City, NV 89701

Grantor: Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
201 S. Roop St., Suite 102
Carson City, NV 89701

Total Grant Amount: \$1bd

GRANT SCHEDULE

1. Purpose: The purpose of this Grant is to provide services of an Administrative Organization to manage the day-to-day operations and to carry out those duties required of the Executive Director and Risk Manager in accordance with the Interlocal Cooperative Agreements that established Nevada Public Agency Insurance Pool ("POOL") and Public Agency Compensation Trust ("PACT") and any Bylaws and amendments thereto. This effort shall be carried out generally as set forth in the Grantee's proposed services stated in Exhibit A "Services to be Provided" attached to this grant.

2. Term: The term of this Grant commences on July 1, 2019 and continues through Sixty (60) months (June 30, 2024) thereafter unless extended by mutual agreement.

3. Terms and Conditions: This Grant is subject to the terms and conditions set forth in the Exhibit B, entitled "POOL/PACT Grant General Terms and Conditions" attached hereto and any special terms and conditions in this Grant Schedule.

4. Grants Officer's Representative: The Grants Officer's Representatives (GOR) representing POOL/PACT under this Grant are the respective Chairs of POOL and PACT.

5. Administrative Grants Office (AGO): The Administrative Grants Office for this Grant is the POOL/PACT administrative office, 201 S. Roop St., Suite 102, Carson City, NV 89701-4790, Phone: (775) 885-7475.

6. Grant Funding: This Grant is funded equal monthly installments payable at the end of each month following completion of services. Grantor's obligation to make payments to the Grantee is limited to only those funds obligated by this Grant or by modification to this Grant. Subject to availability of funds and continued satisfactory progress on the Grant as determined by Grantor, Grantor agrees to provide funding according to the following schedule:

FY 2019-2020: \$1,500,000 of which \$500,000 will be advanced at startup of NRP for cash flow
FY 2020-2021: \$1,553,000
FY 2021-2022: \$1,607,000
FY 2022-2023: \$1,663,000
FY 2023-2024: \$1,721,000

The Grantee shall notify the GOR in writing promptly whenever the total Grant amount is expected to exceed the needs of the Grantee for the project period by more than \$100,000 or 5%, whichever is greater.

7. Grant Oversight: The POOL/PACT Executive Committees will oversee compliance with the terms of the grant and will monitor services delivery, scope and quality and recommend any changes to POOL/PACT.

8. Audit Requirements: As a condition of this grant, all funds shall be audited annually by a qualified independent certified public accountant who shall report financial results and management recommendations to Grantor.

9. Unexpended Grant Funds: Any funds not expended for the purposes set forth in this Grant shall be subject to refund to Grantor, unless otherwise directed by Grantor. Grantor may allow retention of unexpended funds for carryover to future grants, expansion or redirection of services or service delivery methods or for any other purpose deemed appropriate by Grantor.

10. Relationship of Grantor and Grantee: Nothing in this grant shall be construed to create an employee-employer relationship between Grantor and Grantee. Grantee shall always be considered an independent contractor. Grantee agrees to keep Grantor informed about the services it provides on a regular basis in the form of reports to Grantor. Considering Grantee's status as an independent contractor, Grantee acknowledges and agrees that Grantor is not responsible for obtaining and maintaining in effect workers compensation insurance covering Grantee. In accordance with the provisions of Chapter 616A through 616D and 617 of the Nevada Revised Statutes and Chapters 616 and 617 of the Nevada Administrative Code, Grantee agrees to provide Grantor a proper certificate certifying that it has obtained workers compensation insurance covering Grantee during the term of this grant. Grantee agrees to pay all premiums necessary to keep said workers' compensation insurance effective through the term of this grant.

Grantor shall not be responsible for any of Grantee's payroll, employee benefits, taxes, licenses, attorney's fees or expense for Grantee's activities not related to the services performed pursuant to this grant.

11. Insurance Requirements: Grantee shall maintain general liability, auto liability and errors or omissions insurance in an amount of at least \$1,000,000 each claim or occurrence and workers compensation insurance as required by law. Certificates evidencing such coverage shall be provided to the AGO for each grant year.

Commented [AK1]: Consider alternative funding schedule to allow lump-sum payment to allow organization to have immediate funds to operate.

Commented [AK2]: Consider WC coverage through PACT.

Commented [AK3]: Consider insurance coverage from POOL.

12. Mutual Indemnification and Hold Harmless: Grantee agrees to indemnify, defend and hold harmless Grantor with respect to any claims asserted because of any errors, omissions, torts, intentional torts or other negligence unless the complained of actions were taken at the specific direction of Grantor. Grantor agrees to indemnify, defend and hold harmless Grantee with respect to any claims asserted because of any errors, omissions, torts, intentional torts or other negligence unless the complained of actions were taken at the specific direction of Grantee.

13. Cooperation with Legal Counsel: Grantee agrees to cooperate with Grantor's legal counsel for Grantor's members in matters affecting such members.

14. Cooperation with Grantor's Executive Committees: Grantee agrees to cooperate with the Grantor's Executive Committees regarding provision of the services required in the grant or any modifications made to the grant regarding such services. Grantor's Executive Committees agree to cooperate with Grantee.

15. Records: Grantee agrees that all records resulting from services under this grant and held by Grantee on behalf of Grantor shall be maintained and preserved in accordance with the provisions of NRS 239.005 et seq. and shall always remain the property of Grantor and will be surrendered to Grantor upon termination or expiration of this grant. Grantee shall be permitted to copy, at its own expense, such portions of the records as may be necessary.

16. Conflicts of Interest: Grantee shall conform to Nevada laws regarding ethics and conflicts of interest and shall disclose any conflicts of interest.

17. Restrictions on Grantee: Without prior concurrence by Grantor's Executive Committees and its Grants Officers, Grantee may not perform services to individual members of Grantor on a fee for service or grant basis.

Grantor Acceptance of Grant

Cash Minor
Chair
Nevada Public Agency Insurance Pool

Paul Johnson
Chair
Public Agency Compensation Trust

Grantee Acceptance of Grant

Wayne Carlson
Executive Director
NEVADA RISK POOLING, INC.

**NPAIP and PACT Grant Provisions, Terms and Conditions for
Nevada Risk Pooling, Inc. Administration Services**

Exhibit A Scope of Services

NEVADA RISK POOLING, INC., a Nevada nonprofit corporation, hereinafter called "NRP," will manage all administrative and risk management duties for Nevada Public Agency Insurance Pool (NPAIP aka POOL), Public Agency Compensation Trust (PACT), Public Risk Mutual (PRM), Public Compensation Mutual (PCM), and any other agreements and obligations for the respective organizations, collectively known as POOL/PACT:

1. Execute all administrative and risk management functions of POOL, PACT, PCM, and PRM, et al in accordance with the terms of the Interlocal Cooperative Agreement that created the POOL/PACT.
2. Manage the day-to-day operations of POOL/PACT as required to affect the purposes of POOL/PACT and as directed by POOL/PACT's Board of Directors.
3. Conduct its functions for POOL/PACT from the POOL's building located on 201 S. Roop St., Carson City, NV 89701 and to report to and maintain the files and records of POOL/PACT during the term of this Agreement.
5. Consult with and advise the Board of Directors on matters affecting ~~POOL, PACT, PCM, and PRM, et al~~ POOL/PACT operations.
6. Coordinate dealings with POOL/PACT ~~POOL, PACT, PCM, and PRM, et al~~ operations service providers, including its service company and broker, its claims management firm, its attorneys, each member's local insurance agent, and POOL, PACT, PCM, and PRM, et al operations insurers and reinsurers.
7. Secure the statutory bond required by law to cover its functions as association administrator for PACT.

8. Assist POOL/PACT ~~POOL, PACT, PCM, and PRM, et al~~ with compliance with applicable State of Nevada laws and regulations pertaining to POOL/PACT ~~the POOL, PACT, PCM, and PRM, et al~~ operations in the capacity as association administrator.
9. At no time during the term of this Agreement or for a period of one year immediately following the termination of this Agreement will NRP engage in the provision of any of the services set forth in this Agreement in a manner which competes with POOL/PACT ~~POOL, PACT, PCM, and PRM, et al~~ and the services provided to POOL/PACT by its current service providers. NRP further agrees it will not directly or indirectly, solicit or attempt to solicit business or patronage of any public entity in Nevada that is a member of POOL/PACT ~~POOL, PACT, PCM, and PRM, et al~~ for the purpose of selling pooling, association risk sharing of similar insurance products or providing similar services.
10. NRP agrees all records resulting from services under this Grant and held by NRP on behalf of POOL/PACT ~~POOL, PACT, PCM, and PRM, et al~~ shall be maintained and preserved in accordance with the provision of NRS 239.005 et seq. and shall remain the property of POOL/PACT ~~POOL, PACT, PCM, and PRM, et al~~ at all times and will be surrendered to POOL/PACT ~~POOL, PACT, PCM, and PRM, et al~~ upon termination or expiration of this Grant. NRP shall be permitted to copy, at its own expense, such portions of the files as may be necessary.
11. Conflicts of Interest. NRP shall conform to Nevada laws regarding ethics and conflicts of interest and shall disclose any conflicts of interest.
12. NRP will indemnify, defend and hold harmless POOL/PACT ~~POOL, PACT, PCM, and PRM, et al~~ with respect to any claims asserted as a result of any errors, omissions, torts, intentional torts or other negligence on the part of NRP and/or its

employees unless the complained of actions of NRP were taken at the specific
direction of ~~POOL/PACT, POOL, PACT, PCM, and PRM, et al.~~

DRAFT

Status Report on Formation of Nevada Risk Pooling, Inc.

Name: Following polling of some captive board members and staff, a consensus name emerged: Nevada Risk Pooling, Inc. This name was reserved with the Secretary of State.

Meeting of Incorporators: Steve Balkenbush drafted Articles of Incorporation and Bylaws. He named Wayne Carlson, Mike Rebaleati and Alan Kalt as the incorporators. On January 14, 2019, the incorporators held a meeting to adopt the name, articles of incorporation, bylaws, to appoint the initial board of directors and to appoint Steve Balkenbush's firm as corporate counsel.

Board of Directors: Cash Minor, Paul Johnson, Gerry Eick, Chris Mulkerns and Josh Foli were appointed to the board after each indicated willingness to serve.

Secretary of State Filing: The required incorporation documents and fees were mailed to the Secretary of State for approval on January 23, 2019. Once approval is received, NRP can apply for a FEIN.

Articles, Bylaws, Board Policies: These documents were prepared for and approved by the Board at its initial meeting on February 14, 2019.

Next Steps:

- 1) The NRP board approves the budget, grant proposal and other matters for submission to the Joint Executive Committee on February 14, 2019.
- 2) The Joint Executive Committee will need to approve the operating grant based on budget, business plan, agreements and leases.
- 3) Upon approval, these next would be submitted to the POOL and PACT boards for adoption at the annual meeting in April.
- 4) Staff will begin initiating the financial, payroll, tax and other systems with a planned July 1, 2019 effective date of the startup of NRP including transfer of all employees from PARMS to NRP.

Account ID	Account Description	Budget		Budget	Budget	Change
		Amount 2017-2018	Audit 6/30/2018	Amount 2018-2019	Amount 2019-2020	
INCOME						
4000	Grant Income	1,199,000	1,199,000	1,223,000	1,248,000	25,000
4200	Interest Income	-	-	-	-	-
4220	Investment Interest Income	20,000	(2,943)	10,000	15,000	5,000
4500	Other Income	-	-	-	-	-
Income Totals		1,219,000	1,196,057	1,233,000	1,263,000	30,000
EXPENSES						
7010	Salaries	648,123	631,624	648,123	670,596	22,473
7011	FICA & Medicare Expense	49,581	49,344	49,581	52,374	2,793
7013	SEP IRA Contributions	101,256	110,901	101,256	134,119	32,863
7014	Health Insurance	105,358	102,549	105,358	108,519	3,161
7017	ESD Expense	1,819	2,499	1,819	1,874	55
7500	Audit Fees	6,000	5,750	5,750	6,000	250
7600	Bank Charges	1,500	102	600	200	(400)
7700	Casualty Insurance	10,000	9,621	10,000	10,000	-
7750	Committee Meetings	750	391	500	500	-
7760	Contract Services	-	-	-	-	-
7800	Depreciation Expense	-	-	-	-	-
7880	Dues & Subscriptions	6,000	6,343	6,800	6,800	-
7900	Equipment	-	-	-	-	-
7905	Equipment Repairs	-	-	-	-	-
8000	Furniture	-	-	-	-	-
8300	Investment Expense	-	-	-	-	-
8600	Legal & Professional Services	10,000	8,125	10,000	10,000	-
8700	Management Services	23,175	25,106	23,175	25,000	1,825
8720	Member Education & Services	68,000	61,478	68,000	68,000	-
8740	Miscellaneous Expense	-	-	-	-	-
8900	Office Supplies	10,000	9,723	10,000	10,000	-
9000	Payroll Processing Service	2,500	1,941	2,500	2,500	-
9050	Postage	2,000	2,033	2,000	2,000	-
9060	Printing & Copying	12,000	21,032	12,000	15,000	3,000
9065	Professional Development	10,000	8,131	10,000	10,000	-
9200	Rent	93,830	92,916	94,777	76,812	(17,965)
9400	Taxes & Licenses	5,200	5,484	7,800	5,500	(2,300)
9420	Telephone	18,000	188	-	200	200
	Technology Services	77,596	53,967	55,000	65,000	10,000
9490	Travel (Airlines & Cars)	30,000	28,055	29,000	25,000	(4,000)
9495	Travel (Hotels & Meals)	23,000	18,418	22,000	18,000	(4,000)
9700	Workers Comp Insurance	1,200	1,254	1,200	1,300	100
Expense Totals		1,316,888	1,256,975	1,277,239	1,325,293	48,054
NET INCOME		(97,888)	(60,918)	(44,239)	(62,293)	(18,054)

Executive Director's Report to Board February 2019

POOL and PACT Budgets:

PACT ratable exposures are estimated at a 3.5% increase this renewal. It is anticipated that medical inflation will continue, and recent court decisions coupled with regulatory changes will increase costs (see below). Reinsurance rates may decline slightly, offset by the exposure increase for a net no change in costs.

As of June 30, 2018, PACT accumulated \$24,052,539 as reserves for heart-lung claims. The post-employment heart-lung rate for FY2018-2019 was reduced by \$1.00 to \$2.85. We anticipate revenue of \$1,007,000 for fiscal year 2018-2019. Staff proposes to allocate some of the previously unallocated costs of the SpecialtyHealth Cardiac Wellness program. Increasing this rate to \$3.85 for 2019-2020 will cover about half of the anticipated \$500,000 costs.

For POOL, property rates are anticipated to remain flat after the increase of 12.5% in the current year. We will negotiate for a further rate reduction at the London meetings based upon our profitable long-term loss history. Property values may increase about 4% due to appraisals. Liability rates likely will see an increase for renewal of about 10% due to exposure changes and adverse claims results.

Amortization of contributions to the captives continues to reduce results from operating income, although that is a planned conservative strategy to grow the captives. The captives have more investment flexibility and opportunities for gains that inure to the benefit of the overall pool and captives long term strategies. Both POOL and PACT have accumulated substantial reserves from positive years, so overall financial standing remains sufficient.

Both program budgets rely on a 70% actuarial funding confidence level to generate sufficient margin. The draft budget will need further revision following receipt of quotes prior to and at the annual board meeting after renewal decisions are reached.

Renewal Strategies:

POOL:

The property coverage program is placed by Willis Re in various syndicates at Lloyds of London. We have scheduled our renewal negotiations in London the week of March 10th, 2019. Wayne Carlson, Mike Rebaleati, Alan Kalt and Marshall Smith of PARMS and Mary Wray and Stephen Romero of Willis Pooling will be meeting with the various syndicates. The reinsurance markets were hit hard by the Named Storms, Earthquakes and Fire catastrophes around the US and the world and POOL Members were hit with a 12.5% increase. We'll negotiate for flat rates or somewhat reduced based upon our long-term positive claims experience and relationships. We will negotiate to retain our current \$500,000 retention (and consider even higher retentions) and the \$150 million of earthquake and flood aggregates.

Public Risk Mutual will offer a liability renewal at current terms in which it takes a 25% quota share of \$7,000,000 excess of \$3,000,000 POOL retention as well as 30% (other

than schools) of the \$2,500,000 liability limit above POOL's retention of \$500,000 and 25% (schools only). Due to large settlements, we anticipate liability rate increases.

County Reinsurance, Ltd. (CRL), a member owned captive insurance company in which NPAIP placed a substantial capital contribution, reinsures the liability layer of \$2,500,000 above the POOL retention of \$500,000 on an 70% quota share basis with PRM bearing 30%. CRL preliminary indications are for a rate increase possibly of 20% due to the large losses in our experience base.

United Educators writes a liability limit of \$2,500,000 excess of the POOL's \$500,000 retention. UE bears 75% and PRM bears 25% of this layer. Given recent large settlements, we anticipate a rate increase although indications have not yet been received.

Government Entities Mutual (GEM), a member owned captive insurance company in which NPAIP placed a substantial capital contribution, reinsures 35% quota share of the layer of \$7,000,000 above the POOL retention of \$3,000,000. Mike Rebaleati was elected to the GEM governing board in 2017 and will provide insights on GEM. GEM expressed interest is quoting varying options that may help mitigate some of the retentions and/or pricing increases. POOL has not had losses in the GEM layer.

Brit provides 40% quota share of liability limits of \$7,000,000 excess of POOL's \$3,000,000 retention. POOL has not had losses in the Brit layer. We will evaluate this along with other layers.

Our equipment breakdown reinsurer is Travelers Boiler Re which provides a \$100,000,000 limit with various sub-limits. Since their limits and pricing have been stable for several years now, we anticipate renewal with them as our best option. We have received a profit sharing distribution in recent years which we apply toward our loss control programs.

NOTICES OF INTENT TO WITHDRAW:

We received notices of intent to withdraw from: (none as of)

PACT:

Public Compensation Mutual (PCM) bears \$700,000 excess of PACT's \$300,000 retention plus a quota share of 25% of the next \$2,000,000 excess of \$1,000,000. CRL bears 75%. PCM is beginning to see some loss activity due to its attachment at a lower PACT retention level, thus a rate increase is expected.

Safety National now attaches at \$3,000,000 and covers to statutory limits. Both PCM and Safety National provide 50% quota-share of the \$3,000,000 aggregate limit that attaches above a high aggregate retention along with PCM.

NOTICES OF INTENT TO WITHDRAW:

We received notices of intent to withdraw from: (none as of

PACT Legislative and Regulatory Issues

From the 2017 Legislative Session we reported some changes to the public safety presumptive benefits provisions in a couple of key areas:

- SB 267 made claims handling and payments different for public safety from other employees and restricted access to physical examinations which may affect the Cardiac Wellness Program. Of note is that there no longer is a 5-day waiting period for disablement for presumptive benefit claims, thus raising potential issues regarding whether this law still is within the scope of workers compensation. Case law in the future may interpret this provision.
- AB458 changed required regulatory revisions to the actuarial annuity tables used to calculate lump sum payments for awards for permanent partial disability. Depending upon the age of the claimant, benefits may be increased up to 30%. This will adversely increase PACT claims costs in the future.

Now the 2019 Legislative Session is underway, and we anticipate more activity on workers compensation, but it is too soon to tell as BDRs are listed, but no Bills have come out.

Further, a court case determined that the wage basis for injured volunteers now must combine the deemed wage with the actual wage, regardless whether there was any impairment of the actual wage job, in determining the amount of wage loss and disability settlement.

NPAIP/PACT Service Provider Agreements FY 2019-20:

Public Agency Risk Management Services, Inc.: The lease agreement expires June 30, 2019. Action is recommended to extend it to expire concurrently with the PARMS management contract effective July 1, 2019.

Nevada Risk Pooling, Inc.: A new grant and a lease agreement effective July 1, 2019 is needed for this organization that will be the new administrative organization for POOL and PACT.

School Safety Solutions: A new contract is under development.

Gridsmart: A new contract is under development.

**POOL/PACT Joint Executive Committee
Chief Financial Officer Report
February 2019**

POOL Financial Statements: Updated Financial Statements for Period Ending November 30, 2018 are attached. Items of note include the following:

Cash and Investments at 11-30-2018 \$26,162,253

Net Income for the 5 month period adjusted for amortization/depreciation is \$133,259.

PACT Financial Statements: Updated Financial Statements for the Period Ending December 31, 2018 are attached. Items of note include the following:

Cash and Investments at 12-31-2018 \$55,860,992.64

Net Income for the 6 month period adjusted for amortization is \$133,701

PRM and PCM Financial Statements for the year ending December 31, 2018 are being audited. We anticipate that they will be completed by the end of February.

POOL/PACT/PRM/PCM Budget Development: Working with management team to prepare a balanced and responsible budget for the Executive Committee and Board's consideration.

CRL Investment Committee: Serving on the CRL Investment Committee. Participated in two conference call committee meetings. Their investment program/results are similar to ours.

CRL Underwriting Committee: Serving on the CRL Underwriting Committee. Participated in conference call committee meeting regarding upcoming renewals. Rates are projected to go up due to claims. Their property book is going to experience significant property rate increases.

Risk Management Services Road Show Concept: Developed a conceptual plan for bringing a Risk Management Services Fair to the members. The format would be similar to a health fair where there would be service providers in attendance, educational sessions, listening lunch session and on-site support in the afternoon. See the attached Conceptual Plan and Draft Sample Outline on the day's activities. Seeking feedback to see if this would be beneficial to the members. Would you be willing to Test Pilot this at your entity?

POOL/PACT HR STRATEGIC PLAN FY 18/19

<i>Objective/Action Plan</i>	<i>Due Date</i>	<i>% Complete</i>
<u>Develop two new instructor-led courses annually</u>		
Performance Management – From Start to Finish (Workshop)	6/28/2019	0%
So You Want to be a Supervisor?	6/28/2019	50%
<u>Develop on-line course</u>		
Workplace Violence	12/31/2018	75%
<u>Update and revise three instructor-led training courses annually</u>		
Bullying in the Workplace	6/28/2019	100%
Advanced Essential Management Skills Certificate Program	6/28/2019	100%
Customer Service in the Public Sector	6/28/2019	100%
<u>Offer six regional training courses throughout the state</u>		
Essential Management Skills Certificate Program (Carson City)	7/26/2018	100%
Session 1 - The Foundation of Effective Management	7/11/2008	100%
Session 2 - Be Part of Organizational Effectiveness: Legal Compliance, Management Challenges, & Resources	7/12/2018	100%
Session 3 - Preparing to Effectively Manage Others	7/25/2018	100%
Session 4 - Managing and Leading Others to Success	7/26/2018	100%
Essential Management Skills Certificate Program (Nye County)	8/01/2018	100%
Session 1 - The Foundation of Effective Management	7/18/2018	100%
Session 2 - Be Part of Organizational Effectiveness: Legal Compliance, Management Challenges, & Resources	7/19/2018	100%
Session 3 - Preparing to Effectively Manage Others	7/31/2018	100%
Session 4 - Managing and Leading Others to Success	8/01/2018	100%
The Good, The Bad, & The Ugly: Lessons Learned	8/29/2018	100%
Essential Management Skills Certificate Program (Carson City)	10/11/2018	100%
Session 1 - The Foundation of Effective Management	9/26/2018	100%
Session 2 - Be Part of Organizational Effectiveness: Legal Compliance, Management Challenges, & Resources	9/27/2018	100%
Session 3 - Preparing to Effectively Manage Others	10/10/2018	100%
Session 4 - Managing and Leading Others to Success	10/11/2018	100%
Advanced Human Resources Representative Certificate Program (Carson City)	10/24/2018	100%
Day 1	10/23/2018	100%
Day 2	10/24/2018	100%
Advanced Essential Management Skills Certificate Program (Carson City)	11/08/2018	100%
Day 1	11/07/2018	100%
Day 2	11/08/2018	100%

POOL/PACT HR STRATEGIC PLAN FY 18/19

<i>Objective/Action Plan</i>	<i>Due Date</i>	<i>% Complete</i>
Human Resources Representative Certificate Program (Carson City)	2/20/2019	0%
Session 1- Fundamentals of HR	2/05/2019	100%
Session 2 - People are People	2/06/2019	100%
Session 3 - It's About Time, Off and Paid	2/07/2019	100%
Session 4 - Band-Aids and Welcome Mats	2/20/2019	0%
Session 5 - Working with People	2/21/2019	0%
Essential Management Skills Certificate Program (Carson City)	3/28/2019	0%
Session 1 - The Foundation of Effective Management	3/13/2019	0%
Session 2 - Be Part of Organizational Effectiveness: Legal Compliance, Management Challenges, & Resources	3/14/2019	0%
Session 3 - Preparing to Effectively Manage Others	3/27/2019	0%
Session 4 - Managing and Leading Others to Success	3/28/2019	0%
Performance Management: From Start to Finish - Part I	4/10/2019	0%
Advanced Essential Management Skills Certificate Program (Carson City)	4/18/2019	0%
Day 1	4/17/2019	0%
Day 2	4/18/2019	0%
So You Think You Want to be a Supervisor	6/06/2019	0%
<u>Provide Regional Training Workshops Utilizing Outside Resources</u>		
ADA Interactive Process/Service Animals (Erickson, Thorpe, & Swainston) - Ely	9/25/2018	100%
ADA Interactive Process/Service Animals (Erickson, Thorpe, & Swainston) - Elko	10/09/2018	100%
ADA Interactive Process/Service Animals (Erickson, Thorpe, & Swainston) - Carson City	10/17/2018	100%
ADA Interactive Process/Service Animals (Erickson, Thorpe, & Swainston) - Boulder City (canceled)	10/30/2018	0%
Peer Support Team Awareness Training - Carson City	3/05/2019	0%
Peer Support Team Awareness Training - South (canceled)	2/26/2019	0%
Peer Support Team Awareness Training - West (canceled)	2/17/2019	0%
<u>HR Webinars</u>		
EEOC 101 & Beyond - Becky Burch (Erickson, Thorpe, & Swainston)	10/18/2018	100%
Emotional Survival (Temple Fletcher)	11/27/2018	100%
ADA: The Interactive Process and Service/Emotional Support Animals	12/06/2018	100%
POOL/PACT 101 for Board Members	1/09/2019	100%
<u>Statewide Webinars</u>		
Social Media Etiquette	9/05/2018	100%
Change Mastery	12/05/2018	100%
Communication Skills	3/06/2019	0%
Brain Health	6/05/2019	0%

POOL/PACT HR STRATEGIC PLAN FY 18/19

<i>Objective/Action Plan</i>	<i>Due Date</i>	<i>% Complete</i>
<u>Develop Three New Briefings</u>		
Buddy to Boss	6/28/2019	100%
Pregnant Workers' Fairness Act	9/20/2018	100%
Workplace Rights of Domestic Violence Victims	9/20/2018	100%
<u>Review/Update Ten Briefings Annually</u>		
Bring Your Own Device	6/28/2019	0%
Conducting Internal Investigations	6/28/2019	50%
Due Process	6/28/2019	50%
Employee Furlough	6/28/2019	0%
Employee Recognition	6/28/2019	0%
Employee or Independent Contractor	12/13/2018	100%
Employee Retention Strategies	6/28/2019	0%
Fair Labor Standards Act	6/28/2019	0%
Family and Medical Leave Act (FMLA)	6/28/2019	0%
Genetic Information Nondiscrimination Act	6/28/2019	0%
Happy at Work	6/28/2019	0%
HIPPA	6/28/2019	0%
Hiring Retirees into Critical Labor Shortage Positions	7/28/2016	0%
Implementing a 4-Day Work Week	1/09/2019	100%
Personnel Records Maintenance	12/18/2018	100%
Recruitment of Public-Sector Positions (includes Open Meeting Law Compliance)	9/21/2018	100%
Social Media	6/28/2019	0%
Stay Interviews	6/28/2019	0%
Strategic Planning	9/21/2018	100%
Telecommuting	6/28/2019	0%
<u>Post Member Pay Plan/Scale on Website</u>	6/28/2019	50%
<u>Sample Personnel Policy Annual Update</u>		
CDL Policies	6/30/2019	0%
Large Organization Sample Personnel Policies	6/30/2019	0%
School District Sample Personnel Policies and Administrative Regulations	6/30/2019	0%
Small Organization Sample Personnel Policies (15 or more employees)	6/30/2019	0%
Small Organization Sample Personnel Policies (Less than 15 employees)	6/30/2019	0%

POOL/PACT HR STRATEGIC PLAN FY 18/19

<i>Objective/Action Plan</i>	<i>Due Date</i>	<i>% Complete</i>
<u>Coaching and Problem Solving</u>	6/28/2019	60%
<u>Issue Alerts as Needed</u>		
9th Circuit Ruling Restricts Acquisition of Salary History to Set Starting Pay	8/09/2018	100%
New FMLA Forms	9/11/2018	100%
Disclosure Notice for Background Checks	9/11/2018	100%
OSHA Reverses Guidance on Post-Accident Testing	10/25/2018	100%
Release Time to Vote	11/06/2018	100%
IRS Standard Mileage Rate Effective 1/1/19	1/10/2019	100%
<u>Develop Member Service Plans to Include Trainings Briefings & Policy Development (Year-to-Date)</u>		
Trainings - Completed: 102; Participants: 2,553; Course Content Evaluation Average: 4.49; Instructor Evaluation Average: 4.8		
FRISK Training - Completed: 11; Participants: 108		
HR Briefings - Completed: 10; Participants: 167		
<u>FRISK</u>		
Carson City School District	4/08/2019	0%
Churchill County School District	12/03/2018	100%
Douglas County (China Springs)	8/8/2018	100%
East Fork Swimming Pool District (Invited; no participation)	8/08/2018	0%
Elko County	6/28/2019	0%
Elko, City of	6/28/2019	0%
Eureka County	6/28/2019	0%
Humboldt County	11/07/2018	100%
Humboldt County School District	11/06/2018	100%
Indian Hills GID (invited; no participation) (new)	8/08/2018	0%
Kingsbury GID (new)	6/28/2019	0%
Lander County School District	11/06/2018	100%
Lyon County	6/28/2019	0%
Lyon County School District	10/24/2018	100%
North Lake Tahoe Fire Protection District (Date TBD)	6/28/2019	0%
Nevada Rural Housing Authority (new)	12/06/2018	100%
Nye County School District	8/29/2018	100%
Nye County School District	9/28/2018	100%
Pershing County School District	6/28/2019	0%
Storey County	10/05/2018	100%
Storey County School District	10/23/2018	100%

POOL/PACT HR STRATEGIC PLAN FY 18/19

<i>Objective/Action Plan</i>	<i>Due Date</i>	<i>% Complete</i>
<u>FRISK (continued)</u>		
Winnemucca, City of (Invited; no participation)	11/07/2018	0%
<u>2018 POOL/PACT HR MEMBER SURVEY</u>		
	12/01/2018	100%
<u>Phase I HR Compliance Assessment Program 10/11</u>		
Esmeralda County School District (On-site assessment 6/10/11)	8/21/2018	100%
<u>Phase I HR Compliance Assessment Program 11/12</u>		
Nye County (On-site assessment 10/30/12)	6/29/2018	75%
<u>Phase I HR Compliance Assessment Program 13/14</u>		
Pershing General Hospital (On-site assessment 10/2/13)	9/7/2018	100%
<u>Phase I HR Compliance Assessment Program 14/15</u>		
CC Communications (On-site assessment 12/10/14)	6/29/2018	75%
Incline Village GID (On-site assessment 9/4/14)	6/29/2018	75%
<u>Phase I HR Compliance Assessment Program 15/16</u>		
Douglas County Sewer District (On-site assessment 2/23/16)	6/29/2018	75%
Pershing County School District (On-site assessment 3/1/16)	9/07/2018	100%
<u>Phase I HR Compliance Assessment Program 16/17</u>		
Lovelock (On-site assessment 11/1/16)	6/29/2018	75%
Mineral County (On-site assessment 10/18/16)	6/29/2018	75%
North Lyon County Fire Protection District (On-site assessment 10/25/16)	6/29/2018	75%
<u>Phase I HR Compliance Assessment Program 16/17 (continued)</u>		
NRHA Reassessment (On-site assessment 3/13/17)	6/29/2018	75%
Pershing County (On-site assessment 12/12/16)	6/29/2018	50%
Round Mountain, Town of (On-site assessment 2/6/17)	6/29/2018	100%
Walker River Irrigation District (On-site assessment 3/27/17)	6/29/2018	75%
Southern Nevada Health District (On-site assessment 4/4/17)	6/29/2018	75%
<u>Phase I HR Compliance Assessment Program 17/18</u>		
Central Lyon County Fire Protection District (On-site assessment 3/20/18)	6/29/2018	75%
Eureka County (On-site assessment 10/25/17)	1/09/2019	100%

POOL/PACT HR STRATEGIC PLAN FY 18/19

<i>Objective/Action Plan</i>	<i>Due Date</i>	<i>% Complete</i>
<u>Phase I HR Compliance Assessment Program 17/18 (continued)</u>		
Lincoln County School District (On-site assessment 1/23/18)	12/13/2018	100%
Minden-Gardnerville Sanitation District (On-site assessment 2/14/18)	6/29/2018	75%
Pahrump Library District (On-site assessment 9/6/17)	6/29/2018	75%
Regional Transportation Commission (On-site assessment 2/28/18)	6/29/2018	75%
<u>Tentative Phase I HR Compliance Assessment Program 18/19 (Offer to Ten Members Annually)</u>		
East Fork Fire Protection District (On-site assessment 1/31/19)	6/28/2019	25%
Esmeralda County (On-site assessment TBD)	6/28/2019	0%
Fernley Swimming Pool District (On-site assessment TBD)	6/28/2019	0%
Lander County Sheriff's Office (On-site assessment 1/16/19)	6/28/2019	25%
Nevada Tahoe Conservation District (On-site assessment TBD)	6/28/2019	0%
Pahrump, Town of (On-site assessment TBD)	6/28/2019	0%
Stagecoach GID (On-site assessment TBD)	6/28/2019	0%
Storey County School District (On-site assessment 2/27/19)	6/28/2019	0%
Sun Valley GID Reassessment (On-site assessment TBD)	6/28/2019	0%
Tahoe Transportation District (On-site assessment TBD)	6/28/2019	0%
Walker Basin Conservancy (On-site assessment 10/22/18)	6/28/2019	100%
Western Nevada Regional Youth Centre (On-site assessment TBD)	6/28/2019	0%
<u>Phase II HR Compliance Assessment Program 13/14</u>		
Lyon County (On-site assessment 8/22/13)	6/29/2018	75%
<u>Phase II HR Compliance Assessment Program 15/16</u>		
City of Yerington (On-site assessment 9/18/15)	6/29/2018	75%
<u>Phase II HR Compliance Assessment Program 16/17</u>		
Winnemucca (On-site assessment 1/18/17)	6/29/2018	75%
<u>Tentative Phase II HR Compliance Assessment Program 17/18</u>		
Humboldt County (On-site assessment 9/12/17)	6/29/2018	75%
Nye County (On-site assessment 8/16/17)	6/29/2018	75%
Nye County School District (On-site assessment 3/22/18)	6/29/2018	75%
Pahrump, Town of (On-site assessment 8/16/17)	6/29/2018	75%

POOL/PACT HR STRATEGIC PLAN FY 18/19

<i>Objective/Action Plan</i>	<i>Due Date</i>	<i>% Complete</i>
<u>Tentative Phase II HR Compliance Assessment Program 18/19 (Offer to Three Members Annually)</u>		
Churchill County (Member canceled)	6/28/2019	0%
East Fork Swimming Pool (On-site assessment 1/29/19)	6/28/2019	25%
Lander County Sheriff's Office	6/28/2019	0%
North Lyon County Fire Protection District (schedule when completed Phase I)	6/28/2019	0%

Budget Highlight Narrative Notes

February 19, 2019

The following are highlight items included in the budgets presented to the Executive Committee.

NPAIP / POOL Budget:

Rent Revenue: NPAIP owns the 201 S. Roop Street Property. The reduction in rent income is to adjust the rents to FMV. The reason rents became over market is the automatic increases built into the lease agreements since inception. There were no rent reductions to Pool organizations during the great recession. State Office space continues as existing FMV rents.

PRM Payment for Risk Management Services: This is proposed to be a flat dollar amount to be collected from PRM to support Risk Management Services to mitigate against claims. Actual amount will be recommended by Executive Committee and approved by the full Board.

Special Insurance Programs: These are the unallocated costs for the Student Accident Insurance and the Pollution coverage. Payment of services from Equity/Investment earnings.

Loss Control Grants: Board Policy up to \$500,000 paid from Equity/Investment Earnings. Managed by the Loss Control Committee. Amount reduced by \$100,000 to invest in Jail Audits.

Member Education and Training: Spreadsheet indicates the programs and services provided by POOL. POOL to directly pay for all services and PRM will provide a flat dollar amount to support the Six Levels of Risk Management services.

Management Services: This is the allocation of the NRP contract. Actual allocation percentages to all the entities will be established by the Executive Committee and approved by the Board. Budgets provided to Executive Committee in Option 2 reflects: POOL 35%, PRM 5%, PACT 45% and PCM 15%. Final allocation may be different.

Building Maintenance & Utilities: The budget reflects the addition of \$200,000 to repair the leaks in the roof. Lumos & Associates are managing project. To be completed by 12-31-2019. These costs are not allocated into the rate.

Depreciation and Amortization: Non-cash items required for accounting purposes.

Insurance Premiums, Excess Insurance, Loss and loss adjustments will be determined by the markets and our independent actuary. Striving to have final numbers by end of March.

Non-operating net Investment Income: Amount reflects projected book income from NEAM fixed investment portfolio. Actual results may vary.

Public Risk Mutual (PRM) Budget:

Insurance Premiums, Excess Insurance, Loss and loss adjustments will be determined by the markets and our independent actuary. Striving to have final numbers by end of March.

PRM Payment for Risk Management Services: This is proposed to be a flat dollar amount to be collected from PRM to support Risk Management Services to mitigate against claims. Actual amount will be recommended by Executive Committee and approved by the full Board.

Member Education and Training: Spreadsheet indicates the programs and services provided by POOL. POOL to directly pay for all services and PRM will provide a flat dollar amount to support the Six Levels of Risk Management services.

Management Services: This is the allocation of the NRP contract. Actual allocation percentages to all the entities will be established by the Executive Committee and approved by the Board. Budgets provided to Executive Committee in Option 2 reflects: POOL 35%, PRM 5%, PACT 45% and PCM 15%. Final allocation may be different.

Non-operating net Investment Income: Amount reflects projected book income from NEAM fixed investment portfolio. Actual results may vary.

PACT Budget:

Assessments: Determined by Actuary. Rate times capped payroll. Impacted by entity's payroll costs. Entities have experience mod factors that increase or decrease the standard rates.

Heart Lung Fund: Rate to fund heart lung claims for actives and retirees based on statutes. Rate has been reduced over the past 5 years. Budget proposes to add a portion of the Cardiac Wellness program into the HL classification rate.

PCM payment for Risk Management Services: This is proposed to be a flat dollar amount to be collected from PCM to support Risk Management Services to mitigate against claims. Actual amount will be recommended by Executive Committee and approved by the full Board.

Assessments, Excess Insurance, PCM Reinsurance premiums, Claims and adjustment expenses, Heart Lung Loss reserves expenses will be determined by the markets and our independent actuary. Striving to have final numbers by end of March.

Member Education and Training: Spreadsheet indicates the programs and services provided by PACT. PACT to directly pay for all services and PRM will provide a flat dollar amount to support the Six Levels of Risk Management services.

Management Services: This is the allocation of the NRP contract. Actual allocation percentages to all the entities will be established by the Executive Committee and approved by the Board. Budgets provided to Executive Committee in Option 2 reflects: POOL 35%, PRM 5%, PACT 45% and PCM 15%. Final allocation may be different.

Non-operating net Investment Income: Amount reflects projected book income from NEAM fixed investment portfolio. Actual results may vary.

Public Compensation Mutual (PCM) Budget:

Insurance Premiums, Excess Insurance, Loss and loss adjustments will be determined by the markets and our independent actuary. Striving to have final numbers by end of March.

PCM Payment for Risk Management Services: This is proposed to be a flat dollar amount to be collected from PCM to support Risk Management Services to mitigate against claims. Actual amount will be recommended by Executive Committee and approved by the full Board.

Member Education and Training: Spreadsheet indicates the programs and services provided by PACT. PACT to directly pay for all services and PCM will provide a flat dollar amount to support the Six Levels of Risk Management services.

Management Services: This is the allocation of the NRP contract. Actual allocation percentages to all the entities will be established by the Executive Committee and approved by the Board.

Budgets provided to Executive Committee in Option 2 reflects: POOL 35%, PRM 5%, PACT 45% and PCM 15%. Final allocation may be different.

Non-operating net Investment Income: Amount reflects projected book income from NEAM fixed investment portfolio. Actual results may vary.

Nevada Risk Pooling (NRP) Budget:

Start Up Funding: Proposed Capital Investments of \$500,000 to establish NRP. Allocation from various entities determined by Executive Committee ratified by Board in Budget Adoption.

Budget Development: Similar expense classifications and allocations to PARMS. A very personnel intensive operation.

Revenues: Allocation of cost from the POOL, PRM, PACT, PCM. Grant funding provides 1/12th of the annual grant amount at the end of the month. Additional accounting contract with Nevada Association of Counties (NACO) and Nevada League of Cities (NLC).

Travel Cost: Expensed and revenue reimbursement by respective Pool. Net Zero for NRP. Same accounting treatment as with PARMS.

IT Management Expense: Payment to NPAIP for IT support. NPAIP owns all computers, software, and networks. NPAIP receives reimbursements from NRP, PARMS, PRI for use of software, services and equipment.

Rent: Based on FMV and amount of lease space. Payment to NPAIP as they own the building.

PARMS Contract: NRP will have contract with PARMS for CEO professional services to be provided by Wayne Carlson.

Net Income: Projected Net Income will build up the reserves and provide financial protection for any unanticipated program cost. Goal is to build up Net Position to allow for investments and earnings to benefit the Pool program.

Summary Budget Comments:

Rates: Anticipate rates to increase within a 10%-20% rate for the year for POOL and 5% to 15% for PACT. Increase projected due to increase in claims, exposures, and program costs.

See Executive Director's Report for market and rate updates and commentary.

Budgets are developed to minimize the rate increases while maintaining the financial strength of the programs and maintaining the actuarial confidence level approved by the Board.

POOL

	FY 2016 Audit	FY 2017 Audit	FY 2018 Audit	FY 19 Approved Budget	FY 2020 Budget Option 1	FY 2020 Budget Option 2	FY 2020 Budget Option 3	\$ Change	% Change	Notes/Comments
REVENUES										
Premiums written	13,938,226	13,832,378	14,390,787	15,434,178	16,977,596	17,565,867	2,131,689	13.8%	Deriv rate + allocated cost for rates	
Phase out of Unallocated Costs										
Rental Income	257,937	258,326	261,643	265,104	231,815	231,815	(33,289)	(12.6%)	Reduced Amounts Adj to NRP, PM, PARMS	
PRM Payment for Risk Management Services	181,366	68,324	50,174	87,800	75,000	75,000	(12,800)	(14.6%)		
Other Income										
Total Revenues	14,377,529	14,159,028	14,702,604	15,787,082	17,284,411	18,047,682	2,085,400	13.2%		
Loss Fund and Insurance Expenses										
Losses and loss adjustment expenses	3,629,644	4,549,021	6,461,215	5,455,000	6,268,000	6,268,000	813,000	14.9%	75% CL Actuarial Number	
Excess Insurance Premiums	5,044,561	5,633,992	5,309,446	5,482,843	6,380,791	6,380,791	898,950	16.4%	See Excess Grid below: Pandora Market	
Special Insurance programs			48,154	480,000	493,476	493,476	13,476	2.8%	Student Accident, Pollution Coverage	
Agent Commissions	911,271	900,483	955,653	910,000	1,120,521	1,109,347	210,521	23.1%	Commission Rate Remain the Same	
Taxes written	8,258	2,365	18,451	18,000	18,000	18,000	-	0.0%		
Total Loss Fund and Insurance Costs	9,583,724	11,090,662	13,229,911	12,344,843	14,280,699	14,319,525	1,936,856	15.7%		
Program Expenses	505,000	505,000	505,000	505,000	505,000	505,000	-	0.0%	Wells	
Third party administrator fees	653,721	659,418	710,055	710,000	710,000	710,000	1,567	0.2%	ASC	
Loss Control awards and grants	185,900	330,627	240,525	500,000	500,000	400,000	(100,000)	-20%	Out 2 covered by SIOUX Jail Audit Costs	
Member education and training	1,067,492	1,740,709	1,177,997	1,100,000	1,400,000	1,500,000	300,000	27%	See detailed list below	
Total Program Expenses	2,411,004	2,795,812	2,634,157	2,899,999	3,204,200	3,104,200	304,200	10.5%		
ADMINISTRATION EXPENSES										
Management Services	475,800	490,136	513,174	563,912	645,000	525,000	81,088	14.4%	New NRP Contract	
Building maintenance and utilities	80,948	124,239	181,200	95,000	300,000	300,000	205,000	215.8%	Revol Finance's 201 S. Ross Street	
Depreciation	44,593	44,564	49,319	50,000	50,000	50,000	-	0.0%	Building Depreciation 201 S. Ross Street	
Amortization	1,739,165	1,946,893	2,473,560	2,473,560	2,190,318	2,190,318	(283,202)	(11.5%)	Recalculated Amortization Contributions to PRM	
Travel	64,711	64,861	64,861	64,861	50,000	50,000	(14,861)	(22.9%)	Revol Staff Travel Training	
Casualty Insurance	40,767	11,553	11,075	32,000	32,000	32,000	-	0.0%	Pool Coverage	
Operating expenses	232,046	113,484	189,273	187,000	150,000	150,000	(37,000)	(19.8%)		
Legal Expenses	40,911	85,109	45,788	80,000	80,000	80,000	-	0.0%	Coverage Determination, Admin Legal Support	
Consultant approach	114,850	87,500	85,700	80,000	80,000	80,000	-	0.0%	AssetWorks Property Assessments	
Environmental consultation	18,972	23,665	-	-	-	-	-	-	-	
Technology services	11,967	12,481	13,000	13,000	15,000	15,000	2,000	15.4%	Cost Allocation: Pandora MR Cost Summary	
Total pool administration expenses	2,882,861	3,092,794	3,568,991	3,429,172	3,407,368	3,477,368	76,488	2.2%		
Decrease in operating Net Position	(510,082)	(2,824,698)	(4,710,457)	(3,027,926)	(3,797,846)	(2,553,401)	(1,179,649)	(5.9%)		
Non-operating net investment income	1,298,345	(297,011)	(53,267)	500,000	650,000	650,000	150,000	23%	Kell's Book Income @ 97.5% Loss Fees	
Increase/Decrease in Net Position	689,268	(9,121,708)	(6,264,788)	(7,527,936)	(9,167,666)	(7,991,401)	(799,666)	(8.7%)		
Net Position, beginning of year	34,163,124	34,862,387	31,740,678	26,978,954	24,451,028	24,451,028	24,451,028			
Net Position, end of year	34,852,392	31,740,678	26,978,954	21,303,182	22,547,627	24,451,028				

	FY 2020 Budget Option 1	FY 2020 Budget Option 2	FY 2020 Budget Option 3
Amortization/Depreciation expenses (Non-cash items)	2,463,258	2,463,258	2,463,258
Net Change in Operating NP before Investment Income	(1,157,438)	(1,113,013)	(1,113,013)
Net Change in Operating NP after Investment Income	160,000	186,967	186,967
% of Operating Net Position Change from Operations	-3.9%	-4.4%	-6.0%

	FY 2016 Audit	FY 2017 Audit	FY 2018 Audit	FY 19 Approved Budget	FY 2020 Budget Option 1	FY 2020 Budget Option 2	FY 2020 Budget Option 3
Allocated Program Costs	3,213,520	3,459,427	3,344,969	3,389,495	3,385,724	3,105,174	
Percent Change	7.3%	-3.3%	6.1%	-2.4%	-6.1%	-100.0%	
Overhead Costs	37.8%	34.0%	28.4%	30.8%	28.0%	25.0%	0.0%

	Priority	Liability	Notes
Actuary Final 7/26/20 2019-20	2,703,000	3,056,000	2,428,000
	2,372,649	3,066,229	3,469,171

	18-19	2019-2020	\$ Change	%
Insurance Estimates 2019-2020				
GEM	\$ 227,940	\$ 246,410	\$ 18,464	8.10%
Bld (40% O/S)	\$ 223,719	\$ 230,431	\$ 6,712	3.00%
UE	\$ 241,298	\$ 313,087	\$ 71,789	30.00%
CRL	\$ 453,403	\$ 612,094	\$ 158,691	35.00%
PRM Liability	\$ 483,997	\$ 551,711	\$ 67,714	14.00%
PRM Property	\$ 689,460	\$ 751,511	\$ 62,051	9.00%
Livoids Property	\$ 3,028,101	\$ 3,361,192	\$ 333,091	11.00%
Livoids Terrorism Property	\$ 135,960	\$ 138,940	\$ 2,980	2.20%
Livoids Terrorism Liability	\$ 42,651	\$ 43,717	\$ 1,066	2.50%
Subtotal	\$ 130,960	\$ 130,999	\$ 39	0.03%
TOTAL	\$ 6,487,084	\$ 6,386,791	\$ -100,293	(1.54%)
Liability total	\$ 1,630,323	\$ 1,954,333	\$ 30,000	1.8%
Property total	\$ 4,826,771	\$ 4,426,369	\$ -400,402	(8.3%)
Special Insurance				
Student Accident	\$ 180,652	\$ 180,652	\$ 0.0%	0.0%
Environmental Liability	\$ 312,651	\$ 312,651	\$ 0.0%	0.0%
Totals	\$ 493,303	\$ 493,303	\$ 0.0%	0.0%

	Pool	Notes
PRM Contract	811,200	
IT Passive Assessments Tonyucci	225,000	FY19 Paid from PRM
Target Solutions	39,996	FY19 Paid from PCM
Youth Learning	17,500	
ID Communications	18,000	
Jail Inspections	528 Each	100,000 New Program for FY 20
School Safety, PMA, Jeff Kaye Training	10,000	
Physical Safety	10,000	
Legal and Liability Risk Management Institute Training	10,000	
Loss Control Awards / Recognition	20,000	
Gap	50%	
Other/Discretionary	25,000	
Total	4,400,200	
Loss Control Awards / Recognition	200,200	3,569,200

	FY 2016 Audit	FY 2017 Audit	FY 2018 Audit	FY 19 Approved Budget	FY 2020 Budget Option 1	FY 2020 Budget Option 2	FY 2020 Budget Option 3
Total Revenues	14,377,529	14,159,028	14,702,604	15,787,082	17,284,411	18,047,682	
Total Loss Fund and Insurance Costs	9,583,724	11,090,662	13,229,911	12,344,843	14,280,699	14,319,525	
Total Program Expenses	2,411,004	2,795,812	2,634,157	2,899,999	3,204,200	3,104,200	
Total Admin Expenses w/o Amortization/Deprec/Building	476,113	489,075	493,524	493,524	493,524	493,524	
Total Expenses w/o Amortization	12,481,205	14,866,539	16,767,592	16,139,466	18,141,899	18,169,725	
Net Increase (Decrease) in Operating Net Position- Adjusted	1,896,324	(707,511)	(2,064,988)	(2,064,988)	(2,064,988)	(13,431)	
Expense Allocation							
Loss Fund & Insurance Costs	73.9%	74.4%	78.8%	74.2%	77.0%	78.0%	ADW/DF
Program Expenses	18.4%	18.8%	18.8%	15.7%	17.9%	16.7%	ADW/DF
Admin Costs w/o Amortization & Building Costs	7.0%	6.8%	6.5%	6.3%	5.3%	5.3%	ADW/DF

	FY 18 A	FY 19 Est	FY 20 Budget
Rental Income	261,643	265,104	231,815
Building maintenance and utilities	83,190	95,000	300,000
Depreciation	87,343	50,000	50,000
Total Expenses	150,523	150,000	350,000
Net Increase (Decrease)	111,120	115,104	(118,185)
FY 2020 Roof Repair			

PRM Budget	2016	2017	2018	2019	2019	Notes
				<i>Option 1 As Current</i>	<i>Option 2 Board Priority</i>	
	Audit	Audit	Estimate	Budget	Budget	
REVENUES						
Premiums earned	\$ 972,750	\$ 1,086,250	\$ 1,172,000	#REF!	#REF!	Derek to provide number
Net Investment Income	640,095	1,137,542	1,200,000	817,045	817,045	Kelly's Est-investment income
Total Revenues	1,612,845	2,223,792	2,372,000	#REF!	#REF!	
EXPENSES						
Administration expenses						
NRP Contract	37,091	40,234	89,393	105,000	75,000	NRP Budget Amount
Actuary	12,710	12,960	15,000	15,000	15,000	Consistent with Prior Year
Audit	16,500	17,000	17,500	18,000	18,000	Increase consistent with Prior Years
Insurance Division Audit/Fees	5,800	5,800	5,800	5,800	5,800	Same as last year
Board and Committee Meetings	1,139	238	18,500	1,000	1,000	
Technology Fee to NPAIP			5,000	-	-	
Total Administration expenses	73,240	76,232	151,193	144,800	114,800	
Program / Member Services						
Cyber Assessments/RM Services POOL		266,471	475,000	225,000	225,000	Based on projected number of assessments/Payment To POOL
Payment to POOL for Risk Management Svcs				-	250,000	Fixed Dollar Amount Approved by Boards
Legal (Cyber: Gunderson Law)			5,000	5,000	-	Cyber Legal Support : To be paid by POOL in incurred
Total Program/Member Services	-	266,471	480,000	230,000	475,000	
Total Combined Expenses	73,240	342,703	631,193	374,800	589,800	
Total Loss and Loss Adjustment Expenses	553,389	1,861,698	1,950,000	2,125,000	2,125,000	Amounts to be determined by Derek: Compare to Premium Rate
TOTAL Expenses	626,629	2,204,401	2,581,193	2,499,800	2,714,800	
Revenues over total expenses	\$ 986,216	\$ 19,391	\$ (209,193)	#REF!	#REF!	
Surplus Balance: Beginning of Year	\$ 26,457,036	\$ 28,129,092	\$ 38,148,484	\$ 37,939,291	\$ 37,939,291	
Surplus Balance: End of Year	\$ 28,129,092	\$ 38,148,484	\$ 37,939,291	#REF!	#REF!	

New Items for PRM Administration expenses

Budgetary Issues for Consideration

- 1 Payment of Program Services by Captive: Payment to NPAIP/POOL as Risk Management Services.
- 2 Transfer a portion of Investment Earnings to Parent to support Operations, Services, Administration.
- 3 Underwriting: Actuarial Work: Confidence Level, Program cost apportionment into rate making
- 4 Budgetary impact of investment income: Use to support Surplus? Operations? Rate Stability?

Expense Allocation	2016	2017	2018	19B Option 1	19B Option 2
Administration	\$ 73,240	\$ 76,232	\$ 151,193	\$ 144,800	\$ 114,800
Program/Member Services	-	266,471	480,000	230,000	475,000
Loss & Loss Adjustment	553,389	1,861,698	1,950,000	2,125,000	2,125,000
Total Expenses	\$ 626,629	\$ 2,204,401	\$ 2,581,193	\$ 2,499,800	\$ 2,714,800
Expense Allocation					
Administration	11.7%	3.5%	5.9%	5.8%	4.2%
Program/Member Services	0.0%	12.1%	18.6%	9.2%	17.5%
Loss & Loss Adjustment	88.3%	84.5%	75.5%	85.0%	78.3%

PACT

	FY 2016 Audit	FY 2017 Audit	FY 2018 Audit	FY 19 Approved Budget	FY 2020 Proposed Budget	FY 2020 Proposed Budget	FY 2020 Proposed Budget	\$ Change	% Change	Notes
					Option 1	Option 2	Option 3			
					As Current	Board Direction	Board Direction			
					Unallocated Costs	Based on Score Card	Other			
REVENUES										
Assessments	13,655,893	13,036,187	10,083,799	14,346,881	15,064,225	15,064,225		717,344	5.0%	Increase 5% (wages & rate) Derek to finalize
PCM Investment in Risk Mitigation Services						575,000		-		Establish Policy on Investment Earnings Transfers??
Phase out of Unallocated Costs										Loss Control Grants / Cardiac Wellness / Target Solutions
Heart Lung Fund	2,682,092	2,113,595	1,104,106	1,784,475	1,104,106	1,604,106		(680,369)	-38.1%	Same as 2018 audit + Cardiac Wellness Cost \$500,000
Total Revenues	16,337,985	15,149,782	11,187,905	16,131,356	16,168,331	17,243,331		36,975	0.2%	
Loss Fund and Insurance Expense										
Claims and Adjustment Expenses	5,843,507	6,257,686	6,431,493	6,579,000	6,825,000	6,825,000		246,000	3.7%	70% CL / .921 discount factor approx 80% CL w/discounting
Heart Lung Loss Reserves Expenses	2,784,477	2,305,819	1,450,372	1,784,475	1,104,106	1,104,106		(680,369)	-38.1%	HL Collections less C. Welles paid from Member Services
Excess Insurance Premiums	414,360	524,612	526,516	271,442	526,516	526,516		255,074	94.0%	Projected as FLAT Renewal
Reinsurance Premium (PCM)	1,207,000	1,246,065	1,931,416	1,607,000	1,931,416	1,931,416		324,416	20.2%	FY 18A levels (Derek to finalize)
Total Loss Fund and Insurance Expenses	10,249,344	10,334,182	10,339,797	10,241,917	10,387,038	10,387,038		145,121		
Program Expenses										
Member Education and services	729,656	578,476	629,804	613,025	1,204,300	1,204,300		591,275	96.5%	PACT to paid for all expenses directly; PCM reimburse Flat Rate Includes \$500K for Cardiac Wellness
Loss control expenses	406,000	406,000	406,000	406,000	406,000	406,000		-	0.0%	Willis Agreement
Risk Management grants	117,460	657,230	186,174	500,000	500,000	500,000		-	0.0%	Board Policy / LCC Monitor Amounts
Underwriting and claims processing	745,539	846,380	863,769	846,175	885,363	885,363		39,188	4.6%	ASC, SH, Willis (FY 18A + 2.5%)
Total Program Expenses	1,998,655	2,488,086	2,085,747	2,365,200	2,995,663	2,995,663		630,463	26.7%	
Administration Expenses										
Management Services	475,860	490,136	513,174	504,840	645,000	675,000		140,160	27.8%	Executive Committee Recommended Rate
Professional Fees	95,181	110,534	110,407	130,855	136,743	136,743		5,888	4.5%	FY 19 B + 4.5%
Administrative and Overhead	470,045	597,859	659,562	481,500	689,242	689,242		207,742	43.1%	FY 18A + 4.5%
Insurance Division Fees	303,645	453,233	484,186	650,000	515,658	515,658		(134,342)	-20.7%	Includes Regulatory Assessments & DOI Fees
Nevada Insolvency Fund and related expenses	16,754	19,500	19,000	20,000	19,855	19,855		(145)	-0.7%	FY 19 + 4.5%
Amortization expenses	2,769,879	3,212,594	4,473,428	4,321,752	3,835,096	3,835,096		(486,656)	-11.3%	Re-computed Amortization off Insvmt Schedule
Total Administration Expenses	4,131,364	4,883,856	6,259,757	6,108,947	5,841,595	5,871,595		(267,352)	-4%	
Total Loss Fund, Insurance, Program and Administration	16,379,363	17,706,124	18,685,301	18,716,064	19,224,296	19,254,296		508,232	2.7%	
Decrease in operating Net Position	(41,378)	(2,556,342)	(7,497,396)	(2,584,708)	(3,055,965)	(2,010,965)		(471,257)	18.2%	
Non-operating net investment income	2,170,922	(574,816)	82,922	1,001,000	1,369,121	1,369,121	1,369,121	368,121		Kelly's Book Income @ 97.5% Does not reflect unrealized G/L
Increase (Decrease) in Net Position	2,129,544	(3,131,158)	(7,414,464)	(1,583,708)	(1,686,844)	(641,844)	1,369,121	(103,136)	6.5%	
Net Position, beginning of year	47,790,198	49,919,742	46,788,584	39,374,120	37,790,412	37,790,412		(1,583,708)		
Net Position, end of year	49,919,742	46,788,584	39,374,120	37,790,412	36,103,568	37,148,568	39,159,533	(1,686,844)		

Adjustments:									
Amortization expenses (Non-cash item)	2,769,879	3,212,594	4,473,428	4,321,752	3,835,096	3,835,096	-		
Net Change in Operating NP before Investment Income	2,728,501	656,252	(3,023,968)	1,737,044	778,131	1,824,131	-		
Net Change in Operating NP after Investment Income	4,899,423	81,436	(2,941,036)	2,738,044	2,148,252	3,193,252	1,369,121		

Budgetary Issues to Consider:

- Heart Lung Cardiac Wellness Cost (Specialty Health) blend cost into HL Contribution/Rate
- PACT pays all Members Services Cost: PCM paid PACT flat rate for Risk Management Services as approved by Boards.
- Underwriting : Actuarial Work: Confidence Level, Rate Making to include all program costs

PACT	FY 2016 Audit	FY 2017 Audit	FY 2018 Audit	FY 19 Budget	FY 20 B Opt 1	FY 20 B Opt 2	FY 20 B Opt 3
Total Revenues	16,337,985	15,149,782	11,187,905	16,131,356	16,168,331	17,243,331	-
Total Loss Fund and Insurance Expenses	10,249,344	10,334,182	10,339,797	10,241,917	10,387,038	10,387,038	-
Total Program Expenses	1,998,655	2,488,086	2,085,747	2,365,200	2,995,663	2,995,663	-
Total Administration Expenses w/o Amortization	1,361,485	1,671,262	1,786,329	1,787,195	2,006,499	2,036,499	-
Total Expenses w/o Amortization	13,609,484	14,493,530	14,211,873	14,394,312	15,389,200	15,419,200	-
Net Increase (Decrease) in Operating Net Position	2,728,501	656,252	(3,023,968)	1,737,044	778,131	1,824,131	-
Expense Allocation							
Loss Fund and Insurance Cost	75.3%	71.3%	72.8%	71.2%	67.5%	67.4%	#DIV/0!
Program Expenses	14.7%	17.2%	14.7%	16.4%	19.5%	19.4%	#DIV/0!
Administration Expenses	10.0%	11.5%	12.6%	12.4%	13.0%	13.2%	#DIV/0!

PACT

Member Education & Services	PACT	Notes
PRI Contract	35%	436,800
Target Solutions	50%	37,500
Torch e-Learning	50%	37,500
LD Communications	50%	18,000
24-7-365		35,000
MSDS Online		14,500
Loss Control Awards / Reconciliation		20,000
Cardiac Wellness		500,000
EAP	50%	80,000
Other/Discretionary		25,000
Total		1,204,300

PCM	2016	2017	2018	2019	2019	Notes
				<i>Option 1 As Current</i>	<i>Option 2 Board Priority</i>	
	<i>Audit</i>	<i>Audit</i>	<i>Estimate</i>	<i>Budget</i>	<i>Budget</i>	
REVENUES						
Premiums earned	\$ 1,226,532	\$ 1,588,740	\$ 1,607,000	\$ 1,928,400	\$ 1,928,400	20% Rate Increase: Guesstimate
Net Investment Income	821,284	1,826,118	1,922,000	1,520,536	1,520,536	Kelly's est - investment fees
Total Revenues	2,047,816	3,414,858	3,529,000	3,448,936	3,448,936	
EXPENSES						
Administration expenses						
NRP Contract	37,089	37,688	89,393	105,000	225,000	NRP Budget Amount
Actuary	7,070	7,207	7,400	7,400	7,400	Consistent with Prior Year
Audit	16,500	17,000	17,500	18,000	18,000	Increase consistent with Prior Years
Insurance Division Audit/Fees	5,800	5,800	5,800	5,800	5,800	Same as last year
Technology Agreement				-	-	Paid through NRP
Meeting and Training	1,082	209	18,387	1,000	1,000	Guestimate
Total Administration expenses	67,541	67,904	143,480	137,200	257,200	
Program/Member Services expenses						
Target Solutions/RM Payment to PACT	0	0	50,884	75,000	75,000	Contract base of \$66,750 + add'l users: Paid by PACT
Risk Management Services Payment to PACT					500,000	Transfer to pay for member services
Associations, Conferences, Training & Education			10,000	-	-	Cost Sharing Meetings/Trainings CRL, GEM, UE, ect
Total Program/ Member Services	0	0	60,884	75,000	575,000	
Total Combined expenses	67,541	67,904	204,364	212,200	832,200	
Loss and Loss Adjustment Expenses	510,000	123,001	450,000	750,000	750,000	Amounts determined by Derek
Total Expenses	\$ 577,541	\$ 190,905	\$ 654,364	\$ 962,200	\$ 1,582,200	
Revenues over Expenses	\$ 1,470,275	\$ 3,223,953	\$ 2,874,636	\$ 2,486,736	\$ 1,866,736	

New Items for PCM Administration expenses

Budgetary Issues for Consideration

- 1 Payment of Program Services by Captive: Vendor Directly Paid by PACT... Budget Amount Paid by PCM to PACT for Services Provided
- 2 NRP Management Fee allocation as recommended by Executive Committee
- 3 Underwriting: Actuarial Work: Confidence Level, Program cost apportionment into rate making
- 4 PCM Risk Management Services Payment to PACT: Fixed Dollar amount as recommended by Executive Committee

Expense Allocation	2016A	2017A	2018 est	2019 B Opt 1	2019 B Opt 2
Administration	\$ 67,541	\$ 67,904	\$ 143,480	\$ 137,200	\$ 257,200
Program/Member Services	0	0	60,884	75,000	575,000
Loss & Loss Adjustment	510,000	123,001	450,000	750,000	750,000
Total Expenses	\$ 577,541	\$ 190,905	\$ 654,364	\$ 962,200	\$ 1,582,200
Expense Allocation					
Administration	11.7%	35.6%	21.9%	14.3%	16.3%
Program/Member Services	0.0%	0.0%	9.3%	7.8%	36.3%
Loss & Loss Adjustment	88.3%	64.4%	68.8%	77.9%	47.4%

Nevada Risk Pooling, Inc
Proposed Budget FY 19/20

Revenue	Budget 7/1/2019- 2020		\$ 1,500,000
Sources			
POOL	\$ 645,000	43.0%	\$ 750,000
PACT	\$ 645,000	43.0%	\$ 750,000
PRM	\$ 105,000	7.0%	
PCM	\$ 105,000	7.0%	
PRI HR	\$ 25,000		
NACO	\$ 12,000		
NLC	\$ 12,000		
POOL/PACT Expense reimbursements	\$ 100,000		
	\$ 1,649,000		
Expenses			
Salaries	\$ 601,000	36.4%	
SEP	\$ 120,200	7.3%	
Payroll tax	\$ 50,481	3.1%	
Other tax; licenses	\$ 10,265	0.6%	
Insurance WC,E&O,EPLI,Pkg, bond	\$ 40,000	2.4%	
Employee Benefits - Health Insurance	\$ 87,000	5.3%	
Travel and other reimbursable expense	\$ 100,000	6.1%	
Subscriptions/Dues	\$ 10,000	0.6%	
Bank charges	\$ 2,000	0.1%	
IT management	\$ 48,991	3.0%	
all other	\$ 25,000	1.5%	
Rent	\$ 74,803	4.5%	
	\$ 1,169,739		
Net Income	\$ 479,261	29.1%	
PARMS Contract	\$ 300,000	18.2%	
Net Income after contract	\$ 179,261	10.9%	

Allocation

\$ 4,499	SUI
\$ 45,982	Fed tax
\$ 50,481	Payroll Taxes
\$ 8,865	MBT

NRP Contract Cost Allocations Examples					
NPAIP	35.0%	\$ 525,000	NPAIP	35.0%	\$ 525,000
PACT	35.0%	\$ 525,000	PACT	45.0%	\$ 675,000
PRM	15.0%	\$ 225,000	PRM	5.0%	\$ 75,000
PCM	15.0%	\$ 225,000	PCM	15.0%	\$ 225,000
Totals	100.0%	\$ 1,500,000	Totals	100.0%	\$ 1,500,000
		\$ 750,000			\$ 600,000
		\$ 750,000			\$ 900,000

Note:

Apportionment of NRP Grant to NPAIP, PACT, PRM, PCM is shown 3 different ways. Apportionment determined by Boards.

Travel Expenses are pass throughs as revenue reimbursements from POOL/PACT.

IT Management are IT charges paid to POOL as a cost reimbursement on proportionate share to various entities.

NPAIP/PACT/PRM/PCM
Budget Discussions 2019/2020
Scorecard Ranking
Executive Committee Meeting January 15, 2019

Description	Vendor	Estimated Amount	Notes from Board Meeting	Phase In Period	Priority
Unallocated Costs					
			Move to Allocated/By Whom	# Years	
PRM	IT Passive Assessments: Rucci	\$ 150,000	Finish PA's: Next Phase 50 allocated/50 unallocated: Evaluate every 2 years		
PRM	Cyber Legal: Gunderson Law	\$ 5,000	Move into NPAIP Budget: Allocated cost	FY 19-20 Budget	
PCM	Target Solutions	\$ 75,000	Move to PACT. Allocated cost to all members.	FY 19-20 Budget	
NPAIP	Student Accident	\$ 200,000	Evaluate C/B of Program: Pro-forma Allocation to School Districts		
NPAIP	Pollution Coverage	\$ 315,000	Consider Lower Limits, Coverage Placement in NPAIP, Menu charge to members		
NPAIP	Loss Control Grants / Training	\$ 500,000	Unallocated: Loss Control Committee monitor/suspend grants if financial issue.		
PACT	Cardiac Wellness	\$ 350,000	Allocate the Cost within the heart/lung rate.	FY 19-20 Budget	
PACT	Loss Control Grants / Training	\$ 500,000	Unallocated: Loss Control Committee monitor/suspend grants if financial issue.		
Totals		\$ 2,095,000			\$ 865,000
Member Education & Services: ALLOCATED					
		Pool	Notes from Board Meeting		Priority
PRI Contract	65%	811,200	Successful Flagship Program: No Changes recommended		
IT Passive Assessments Tony Rucci		150,000	See comments above. Paid by POOL.		
Cyber Legal: Gunderson Law		5,000	See comments above. Paid by POOL. Allocated		
Torch e-Learning	50%	37,500	Successful program. Continue to develop on-line learning program		
LD Communications	50%	18,000	Administration/Public/Member Outreach: Continue		
Jail Inspections	\$25K Each	100,000	New Program for FY 2020: Fund from POOL. Consider Contract with PRM for LC Services		
School Safety, HVAs, Jeff Kaye Training	100%	50,000	Contract Allocated cost for basis services. Entities pay for specific entity work by JK		
Aquatics Safety	100%	15,000	Successful Program. Continue		
Legal and Liability Risk Management Institute Training		50,000	Law Enforcement Contract. Successful Program. Continue		
Loss Control Awards / Recognition	50%	10,000	Continue Successful Program		
EAP	50%	80,000	Evaluate C/B of Program. Can we get services al carte? Member contract direct Costco Pricing		
Other/Discretionary	50%	25,000	Loss Control Committee/POOL PACT Staff Recommendations		
		Total NPAIP	\$ 1,351,700		
PRI Contract	35%	\$ 436,800	Successful Flagship Program: No Changes recommended		
Target Solutions	100%	75,000	PACT to pay. Continue Program. Allocate Cost		
Torch e-Learning	50%	37,500	Successful program. Continue to develop on-line learning program		
LD Communications	50%	18,000	Administration/Public/Member Outreach: Continue		
24-7-365	100%	35,000	Continue Program. Evaluate by June 2020 to determine effectiveness.		
MSDS Online	100%	14,500	Successful Program. Continue		
Loss Control Awards / Recognition	50%	10,000	Continue Successful Program		
EAP	50%	80,000	Evaluate C/B of Program. Can we get services al carte? Member contract direct Costco Pricing		
Other/Discretionary	50%	25,000	Loss Control Committee/POOL PACT Staff Recommendations		
		Total PACT	\$ 731,800	2,083,500	Grand Total Member Services
Risk Management Grants					
			Adjust Amount?		Priority
Risk Management Grants: NPAIP		500,000	Unallocated: Loss Control Committee monitor/suspend grants if financial issue.		
Risk Management Grants: POOL		500,000	Encourage grants to address items within IT or HVA Assessments + Other LC Efforts		
		Total Risk Management Grants	1,000,000		
Investment Book Income/Policy Allocation					
		% Allocation	Notes from Board Meeting		Priority
Payment for Unallocated Costs / Programs		Fixed \$ Not %	Program Cost paid by NPAIP/PACT not Captive. Captive retains book income.		
Building up Reserves/Surplus			Captive consider fixed \$ amount for Loss Prevention to reduce Captive losses. Set annually		
Rate Stabilization			Evaluate needed rates, loss reserves, and financial position before setting amount for LC.		
Other Use:					
		Total Percentage Allocations		All-In Costs	\$ 3,948,500

NEVADA PUBLIC AGENCY INSURANCE POOL

PROSPECTIVE MEMBERS UNDERWRITING REVIEW

Name of Entity: Nevada Risk Pooling, Inc.
Related Entities to be Included: none
Insurance Agent: Carol Ingalls, A & H Insurance
Estimated Annual Premium: \$ 40,000
Date: 2/10/19

Criteria	Considered	Required	Comments
Cooperative Attitude Toward Loss Control		X	<u>Excellent</u>
Exposures Acceptable		X	<u>pool administrative services</u>
Policies/Procedures Exist For Critical Operations		X	<u>Yes</u>
Loss Experience Acceptable		X	<u>New venture</u>
Well-Maintained Facilities and Equipment	X		<u>Yes</u>
Sound Financial Condition	X		<u>Yes</u>
Quality of Management/Stability of Board	X		<u>Excellent</u>
Employee Procedures Manual	X		<u>Yes</u>
Training Programs for Employees	X		<u>Yes</u>
Urban vs. Rural Location	X		<u>Urban and rural</u>
Established Risk Management and Safety Program	X		<u>Yes</u>
Unusual Operations	X		<u>No</u>
Deductible Size	X		<u>\$ 5,000</u>

Attachment: None No Losses

Policy History Recap (Premium and Losses)

Other: _____

PUBLIC AGENCY COMPENSATION TRUST
PROSPECTIVE MEMBERS UNDERWRITING REVIEW

Name of Entity: Nevada Risk Pooling, Inc .

Related Entities to be Included: none

Insurance Agent: Carol Ingalls, A & H Insurance

Experience Modification Factor: 1.00

Estimated Annual Premium: \$ 9,248

Date: 2/10/2019

<u>Criteria</u>	<u>Considered</u>	<u>Required</u>	<u>Comments</u>
Cooperative Attitude Toward Loss Control		X	Excellent
Exposures Acceptable		X	Risk pool administration
Policies/Procedures Exist For Critical Operations		X	Yes
Loss Experience Acceptable		X	No losses
Well-Maintained Facilities and Equipment	X		Yes
Sound Financial Condition	X		Yes
Quality of Management/Stability of Board	X		Excellent
Employee Procedures Manual	X		Yes
Training Programs for Employees	X		Yes
Urban vs. Rural Location	X		Urban and rural
Established Risk Management and Safety Program	X		Yes
Unusual Operations	X		No

Attachment: None No losses

Policy History Recap (Premium and Losses)

Other: _____

NEVADA PUBLIC AGENCY INSURANCE POOL

PROSPECTIVE MEMBERS UNDERWRITING REVIEW

Name of Entity: Pooling Resources, Inc.

Related Entities to be Included: none

Insurance Agent: Carol Ingalls, A & H Insurance

Estimated Annual Premium: \$ 10,000

Date: 2/10/19

<u>Criteria</u>	<u>Considered</u>	<u>Required</u>	<u>Comments</u>
Cooperative Attitude Toward Loss Control		X	<u>Excellent</u>
Exposures Acceptable		X	<u>HR training and consultation</u>
Policies/Procedures Exist For Critical Operations		X	<u>Yes</u>
Loss Experience Acceptable		X	<u>No losses</u>
Well-Maintained Facilities and Equipment	X		<u>Yes</u>
Sound Financial Condition	X		<u>Yes</u>
Quality of Management/Stability of Board	X		<u>Excellent</u>
Employee Procedures Manual	X		<u>Yes</u>
Training Programs for Employees	X		<u>Yes</u>
Urban vs. Rural Location	X		<u>Urban and rural</u>
Established Risk Management and Safety Program	X		<u>Yes</u>
Unusual Operations	X		<u>No</u>
Deductible Size	X		<u>\$ 1,000</u>

Attachment: None No Losses

Policy History Recap (Premium and Losses)

Other: _____

PUBLIC AGENCY COMPENSATION TRUST
PROSPECTIVE MEMBERS UNDERWRITING REVIEW

Name of Entity: Pooling Resources, Inc.

Related Entities to be Included: none

Insurance Agent: Carol Ingalls, A & H Insurance

Experience Modification Factor: 1.00

Estimated Annual Premium: \$ 20,000

Date: 2/10/2019

<u>Criteria</u>	<u>Considered</u>	<u>Required</u>	<u>Comments</u>
Cooperative Attitude Toward Loss Control		X	<u>Excellent</u>
Exposures Acceptable		X	<u>HR training and consulting</u>
Policies/Procedures Exist For Critical Operations		X	<u>Yes</u>
Loss Experience Acceptable		X	<u>No losses</u>
Well-Maintained Facilities and Equipment	X		<u>Yes</u>
Sound Financial Condition	X		<u>Yes</u>
Quality of Management/Stability of Board	X		<u>Excellent</u>
Employee Procedures Manual	X		<u>Yes</u>
Training Programs for Employees	X		<u>Yes</u>
Urban vs. Rural Location	X		<u>Urban and rural</u>
Established Risk Management and Safety Program	X		<u>Yes</u>
Unusual Operations	X		<u>No</u>

Attachment: None No losses

Policy History Recap (Premium and Losses)

Other: _____



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

**Notice of Meetings and Agendas for 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: Whitney Peak Hotel
Reno, Nevada**

Date: April 16, 2019 Time: 1:00 p.m.

Date: April 17, 2019 Time: 8:00 a.m.

JOINT BOARDS and EXECUTIVE COMMITTEES' AGENDA

April 16, 2019

Notices:

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

- 1. Introductions and Roll**
- 2. Public Comment**
- 3. Risk Management, Loss Control, Wellness: Watch This!!! **Marshall/Willis/SH****
- 4. Human Resources: From the Trenches - They Did What?? **Stacy****
- 5. Claims Management: This Is Us?!? **Donna****
- 6. Cyber Challenge & The Reinsurance Quilt: It's Puzzling – Can You Solve It? **Mary/Mike R****
- 7. Dumb and Dumber – The Learning Challenge! **Mike VH****
- 8. Agent Best Practices: What? They Didn't Tell Me About That! **Stephen****

9. For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda

a. Approval of Minutes of Board:

Joint Board Meeting April 19, 2018 – April 20, 2018

b. Acceptance of Minutes of Committee Meetings

Joint Executive Committee Meeting of August 20, 2018

Joint Executive Committee Meeting of November 5, 2018

Joint Executive Committee Meeting of February 19, 2019

Audit Committee Meeting of October 30, 2018

Human Resources Oversight Committee Meeting of September 28, 2018

Human Resources Oversight Committee Meeting of December 7, 2018

Human Resources Oversight Committee Meeting of March 1, 2019

Loss Control Committee Meeting of September 18, 2018

Loss Control Committee Meeting of December 17, 2018

Loss Control Committee Meeting of March 1, 2019

c. Acceptance of Reports

- Executive Director**
- Public Risk Mutual**
- Public Compensation Mutual**
- HR Oversight Committee**
- PRI Financial Audit**
- EAP Program**
- Peer Counseling Program**
- Loss Control Committee**
- Alternative Service Concepts Claims**
- SpecialtyHealth Cardiac Wellness Program**
- 24/7/365 Workers Compensation Injury Call Service**

10. Public Comment

11. For Possible Action: Recess Until April 17, 2019 at 8:00 a.m.

5:30 p.m. – 6:30 p.m. Board Attitude Assessment

6:30 p.m. – 9:00 p.m. Dinner and Entertainment: 2 Blokes & A Squeeze Box

JOINT BOARDS and EXECUTIVE COMMITTEES' AGENDA

April 17, 2019

Notices:

1. Items on the agenda may be taken out of order;
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4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken.
5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.

1. Reconvene Meeting of April 16th and Roll
2. Public Comment
3. **For Possible Action:** Acceptance of Investment Reports and Action on Recommendations:
 - a. NEAM Management Investment Manager
 - b. Strategic Asset Alliance Investment Advisor
4. **For Possible Action:** Review and Approval of Investment Guidelines
 - a. PACT Investment Guidelines
 - b. POOL Investment Guidelines
5. **For Possible Action:** POOL/PACT Board Retreat Report
6. Public Comment
7. **For Possible Action:** Adjournment

This Agenda was posted at the following locations and on the State's Website notice.nv.gov:

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 Administration
155 North Taylor Street
Fallon, NV 89406

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Nevada Public Agency Insurance Pool or Public Agency Compensation Trust in writing at 201 S. Roop Street, Suite 102, Carson City, NV 89701, or by calling (775) 885-7475 at least three working days prior to the meeting.



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

**Notice of Meetings and Agendas for the Meeting of
the Board of Directors and of the Executive Committee of
Nevada Public Agency Insurance Pool
Place: Atlantis, Reno, Nevada
Time: 10:30 a.m. or
Upon adjournment of PACT Board Meeting
Date: April 17, 2019**

AGENDA

April 17, 2019

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5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.

1. **Introductions and Roll**
2. **Public Comment**
3. **For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda**
 - a. **Approval of Minutes of Board and Committee Meetings:**
 - Board Meeting April 20, 2018
 - b. **Acceptance of Interim Financial Statements**
4. **For Possible Action: Acceptance of Audit for June 30, 2018 **Alan****
5. **For Possible Action: Acceptance of Reports **Wayne****
 - a. **Large Loss Report**
 - b. **Actuarial Update**
6. **For Possible Action: Acceptance of Renewal Reinsurance and Insurance Proposals and Options **Mary/Mike R****
7. **For Possible Action: Acceptance of Budget for 2019-2020 **Alan****

8. **For Possible Action:** Action regarding these topics:
- 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 - Claims Experience Report Summary
 - c. Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition

9. **For Possible Action:**

10. **For Possible Action:** Approval of Changes to POOL Form

11. **For Possible Action:** Election of Executive Committee for Two Year Terms from 2019-2021
- a. Two Representatives from Counties and/or Cities with 35,000 or more Population
 - b. One Representative from Counties and/or Cities with less than 35,000 Population
 - c. One Representative of School Districts

12. **For Possible Action:** Election of Chair and Vice Chair

13. **Public Comment**

14. **For Possible Action:** Adjournment

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**Notice of Meetings and Agendas for the Meeting of
the Board of Directors and of the Executive Committee of
Public Agency Compensation Trust
Place: Atlantis, Reno, Nevada
Time: 9:00 a.m. or
Upon adjournment of Joint Board Meeting
Date: April 17, 2019**

AGENDA

April 17, 2019

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- 1. Introductions and Roll**
- 2. Public Comment**
- 3. For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda**
 - a. Approval of Minutes of Board Meetings:**
 - 1) Board Meeting April 20, 2018**
 - b. Acceptance of Interim Financial Statements**
- 4. For Possible Action: Acceptance of Audit for June 30, 2017 **Alan****
- 5. For Possible Action: Acceptance of Reports **Wayne****
 - a. Large Loss Report**
 - b. Actuarial Update**
- 6. For Possible Action: Acceptance of PACT Retention Options and Renewal Reinsurance Proposals and Options **Mary/Mike R****
- 7. For Possible Action: Acceptance of Budget for 2019-2020 **Alan****

8. **For Possible Action:** 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 - Claims Experience Report Summary
 - c. Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition

9. **For Possible Action:** Election of Executive Committee for Two Year Terms 2019-2021
- a. Two Representatives from Counties and/or Cities with 35,000 or more Population
 - b. One Representative from Counties and/or Cities with less than 35,000 Population
 - c. One Representative of School Districts
 - d. One Representative of Special Districts/Towns

10. **For Possible Action:** Election of Chair and Vice Chair

11. Public Comment

12. **For Possible Action:** Adjournment

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