



**Nevada Public Agency Insurance Pool  
Public Agency Compensation Trust**

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**Minutes of Second Amended Agenda Meeting of  
Executive Committees of  
Nevada Public Agency Insurance Pool and  
Public Agency Compensation Trust**

**Date: December 7, 2020**

**10:00 AM**

**Online meeting only via ZOOM**

**Join Zoom Meeting**

**<https://us02web.zoom.us/j/81317712675?pwd=ZzlvZHZoOUdXeGZwSkxvd0tmZXhWQT09>**

**Meeting ID: 813 1771 2675**

**Passcode: 948827**

**1. Roll**

Members Present: Cash Minor, Paul Johnson, Mike Giles, Josh Foli, Chris Mulkerns, Cindy Hixenbaugh, Elizabeth Frances, Geof Stark, Dan Murphy, Gina Rackley, Ann Cyr

Members Absent: Dee Carey

Others Present: Wayne Carlson, Mike Rebaleati, Alan Kalt, Marshall Smith, Debbie Connally, Dan Smereck, Kelly Sullivan, Stephen Romero, Mary Wray, Stacy Norbeck, Donna Squires, Margaret Malzahn and Kathy Parks.

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

**2. Public Comment**

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

**3. For Possible Action: Approval of Minutes of Joint Executive Committee Meeting of October 19, 2020.**

On motion to approve the minutes by Cash Minor , second by Dan Murphy, the motion carried.

**4. For Possible Action: Investment and Financial Updates.**

**a. Investment Updates.**

**b. Financial Report as of October 31, 2020.**

Alan Kalt provided a brief overview of the investment reports included in the packet. He notified the committee of the staff approval of an exception to the investment guidelines for maintaining a POOL/PACT position in a Disney bond that had been downgraded. Alan responded to a question about the policy regarding notification and confirmed it was required per board policy. He then highlighted the financial reports for POOL and PACT. Alan also mentioned that

the captives had a position with First Energy (FE) that was liquidated due to its ongoing fraud investigation and subsequent downgrades. Kelly Sullivan and Dan Smereck commented on the FE Energy situation and confirmed that the position had been sold this morning and would be reinvested shortly.

No action was taken.

5. **Action Item: Approval of Two-year Extension of Lease with State of Nevada Sagebrush Ecosystem POOL Building Tenant.**

Wayne Carlson provided highlights of his written report regarding this lease noting that monthly rate has remained the same since 2012. He noted that while the state sought a reduction in amount without tenant improvements, the POOL was planning improvements and he recommended no change in the lease amount.

On motion by Dan Murphy and second by Geof Stark to extend the lease for two years at the current lease amount, the motion carried.

6. **Action Item: Consider Merging Certain PACT Classifications.**

Wayne Carlson reviewed his report about the rate relativities study conducted by the PACT actuary. During the study it was apparent that several class codes could be combined. The most significant potential combination under consideration was the merging of Code 9999 with the respective Codes 7720 and 7710. Code 9999 was established to develop funding for post-employment heart lung benefits following as court decision that led to lifetime benefits. The initial funding was accelerated, then slowed down once PACT had accumulated the minimum actuarial target funding level. It was possible the Legislature might amend the law to constrain the potential, but over time that has not happened except with respect to limiting benefits to medical only for retirees. During the last session, they expanded the coverage to include current and postemployment cancer benefits thus affecting both classifications. Given this, and the likelihood that future restrictive modifications would not occur, merging these codes makes sense. Currently code 9999 is not subject to experience rating while the other codes are. If merged, experience rating would apply. The effect of merging the code may be a reduction in the base rates given the limited losses so far post-employment depending upon the implementation period. Experience rating would impact members with high mods negatively while others could see a moderate change downward. Alan Kalt commented that the current code 9999 assessments were assumed for financial statement purposes to be 100% reserved for losses. He discussed the fiscal impact on certain high experience mod members. The report contained other classifications codes recommendations to be merged or eliminate due to limited assessments for those classifications. Most of the mergers were to the 9410 Government Employees classification. Alan recommended implementation of all of the proposed code mergers. Staff responded to questions regarding the impacts and benefits of the proposed merging.

On motion to authorize staff to proceed with having the actuary develop the final merged codes and rates by Josh Foli, second by Elizabeth Frances, the motion carried.

7. **Action Item: Approval of POOL building improvements/maintenance (lighting, flooring, painting).**

Mike Rebaleati reviewed the highlights of this summary of proposed building improvements and costs. The total estimated costs were \$72,109. These proposed improvements included \$15,013 in carpeting to common corridors and hallways, new flooring in the atrium area at an estimated amount of \$10,000, painting the main corridors for \$10,000, building lighting at \$30,396 and cleaning and color sealant to the tile in the bathrooms and main hallways for \$6,700. He responded to questions.

On motion to approve the proposal by Dan Murphy, second by Ann Cyr, the motion carried.

**8. Action Item: Approval of Prospective PACT Member Gardnerville Ranchos GID**

Wayne Carlson noted that Gardnerville Ranchos GID presently is a POOL Member. He reviewed their PACT application and loss experience. He commented on the credits given by their current insurer. He indicated that he had used a .95 experience mod for estimation purposes but would have the actuary prepare a final version. The estimated assessments would be about \$13,400.

On motion to approve for membership by Cash Minor, second by Josh Foli, the motion carried.

**9. Public Comment**

Mike Rebaleati discussed potential future date of the annual meeting and it was suggested for the week of April 19<sup>th</sup> 2021. No other public comment was received.

**10. Adjournment**

Chair Johnson adjourned the meeting at about 10:55 a.m.

**The 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 Admin Complex  
155 North Taylor Street  
Fallon, NV 89406**