



Nevada Public Agency Insurance Pool
Public Agency Compensation Trust
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**Minutes of Joint Meeting of the Executive Committees of
Nevada Public Agency Insurance Pool and for Public Agency Compensation Trust
Date: August 18, 2008
Time: 2:00 P.M.
Place: Conference Call and
201 S. Roop St., Conference Room 1
Carson City, Nevada 89701**

1. Roll

A roll call was taken and a quorum was present.

Members Present: Alan Kalt, Marilou Walling, Roger Mancebo, Mike Rebaleati, Dan Newell, Mike Tourin, Cash Minor, Mike Pennacchio, Claudette Springmeyer, Toni Inserra, Steve West, Paul Johnson, Jeff Zander

Members Absent: Lisa Jones

**2. Action Item: Approval of Minutes of Meetings:
a. Joint Executive Committee of April 21, 2008**

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

3. Action Item: Approval of Changes to POOL Form Editions 2006-2007 and 2007-2008 and Approval of POOL Form Edition 2008-2009

Wayne Carlson explained that the proposed changes to the form would be addressed today by Jack Angaran and Justin Pfrehm, coverage counsel to NPAIP. Jack began with his explanatory memo and reviewed each proposed change noting how it clarified and confirmed current claims practices. He reviewed each proposed change and responded to questions from the committee members. He noted that the only change to the 2006-2007 and the 2007-2008 editions was to correct an inadvertent omission of the appraisal provision that previously had been in each policy form. The changes for the 2008-2009 edition were new and clarifying language. Under discussion, it was requested that consideration be given in the future to develop a way to assist members who have a claim and want to rebuild at a different site with a funding source for the non-covered additional costs.

On motion and second to approve the changes as proposed, the motion carried.

4. Action Item: Decision Regarding Problems with Lease Agreement with State of Nevada Risk Management

Wayne Carlson explained that the State of Nevada had redrafted their lease documents and in the process also asked for reduced lease costs. In the process of negotiating the renewal lease provisions, Wayne had rejected the requested reduction in lease rates (no change for the first two years, then 3%) because the lease rate had been set by the board at a 3% increase for all tenants each year. In the rush to get the lease agreement approved by the Board of Examiners, the State Buildings and Grounds Department inserted the proposed reduction rates that had previously been rejected into the final lease. In getting it signed, Wayne said that he did not notice the wrong lease costs had been inserted and the lease was finalized at the lower rate. He said that in subsequent discussion with the State, they indicated that due to their budget cuts, they would have to move if we tried to challenge the lease rates. The difference in costs would be about \$3,000 per year for the initial two years. The committee discussed whether to seek to have the lease changed to the original intended rates.

On motion and second to let the lease stand as written, the motion carried.

5. Action Item: Review of Draft Retreat Agenda and Topics

Wayne Carlson commented on the draft agenda and asked if the committee wanted any changes. In discussion, the committee suggested adding the topic raised about creating a funding source for assisting with additional site costs in the event of a property loss as discussed previously. In response to a request from ASC to do a presentation about their services, particularly about home office support, the committee indicated that they did not want to take the time for a

formal presentation, but suggested that they provide a written handout. They expressed concern about having to offer presentation time to other service providers which would take too long. Overall, the committee thought the outline was acceptable. No action was deemed needed.

6. Action Item: **Approval of Prospective Members
 a. POOL – White Pine County Fire District
 b. PACT – White Pine County Fire District**

Wayne Carlson commented that he had anticipated that additional information would be ready prior to this meeting, but that no decision by the county had been made yet as to the merits of forming this fire district by taking over State functions and combining them with local functions. The committee discussed their knowledge of the situation and recommended that no action be taken until it was finalized and reviewed again.

On motion and second to table this item, the motion carried.

7. Action Item: **Consider Using a Lobbyist for 2009 Legislative Session**

Wayne Carlson discussed the need for a lobbyist, particularly due to workers compensation issues and the difficulty of tracking the numerous bills without being there full time. In response to questions, he indicated that he had a couple of lobbyist names for consideration, but no pricing. On motion and second to direct staff to obtain costs and names for a lobbyist and to bring the issue back to the committee, the motion carried.

8. Action Item: **Collateralization of POOL/PACT Funds in Sweep Accounts**

Wayne Carlson explained that the pools had been using a sweep account with Wells Fargo and had joined the Nevada Pooled Collateral Program. However, recently as a result of an auditor's confirmation, it was learned that the amounts in the accounts during business hours were collateralized by the Nevada Pooled Collateral Program, but the amounts swept after hours daily were in the name of Wells Fargo and thus not collateralized. Wells Fargo invested these funds in repurchase agreements, which is an allowable investment for local governments, but which must be held in the name of the local government and by an independent holder of securities, both of which were not done for the sweeps. As a result, staff met with Wells Fargo last week and agreed to convert the accounts to interest bearing checking accounts, eliminating the sweep feature, but still using the Nevada Pooled Collateral Program for all balances so all funds in excess of FDIC limits were collateralized properly. Collateral would be held in the name of the Nevada Pooled Collateral Program, thus complying with statutory requirements. On motion and second to approve this change in the pool accounts, the motion carried.

9. Action Item: **Consider Options to Increase Employee Dishonesty Limits**

Wayne Carlson explained that on the heels of the significant embezzlement at Washoe County recently, one agent asked about an option to increase the NPAIP employee dishonesty limit from the current \$500,000 to a higher amount either for all members or for those who desired to purchase the option. Wayne said he had received a preliminary indication of pricing at \$5.50 per employee for \$500,000 excess of \$500,000 and \$7.00 per employee for \$1,500,000 excess of \$500,000. He asked whether the committee wanted to consider absorbing the cost to increase the limit for all members at this time, offer the option for all members at renewal or offer the option on an individual entity basis. The committee expressed interest in looking at both the all member and the individual entity options at a subsequent meeting and at renewal and directed staff to look into it further.

10. Public Comment

Wayne Carlson asked whether there were any volunteers interested in assisting Paul Johnson with the Policy Review Task Force. Claudette Springmeyer, Mike Rebaleati, Marilou Walling and Toni Inserra offered to assist.

11. Action Item: **Adjournment**

On motion and second to adjourn, the meeting adjourned at 3:30 p.m.

The Agenda was posted at the following locations:

**N.P.A.I.P.; P.A.C.T.
201 S. Roop Street, Suite 102
Carson City, NV 89701**

**Eureka County Courthouse
10 S. Main Street
Eureka, NV 89316**

**Carson City Courthouse
885 E. Musser Street
Carson City, NV 89701**

**Churchill County Administrative Complex
155 North Taylor Street
Fallon, NV 89406**