



**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: October 23, 2015

Time: 9:00 A.M.

Place: Alpine Conference Room

Whitney Peak Hotel

255 N. Virginia St.

Reno, NV 89501

Conference Call: 1-800-593-9034 Passcode: Wayne C.

1. Roll

Members present: Cash Minor, Josh Foli, Lisa Jones, Bev Conley, Holly Luna, Gerry Eick, Alan Kalt, Roger Mancebo, Pat Irwin

Members absent: Steve West, Paul Johnson, Pat Whitten

Others present: Dan Smerek, Mike Rebaleati, Doug Smith, Wayne Carlson

A quorum was determined to be present and Chair Minor called the meeting to order.

2. Public Comment

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

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

a. Approval of Minutes of Meeting of Joint Executive Committee August 31, 2015

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

4. Presentations by and Interviews of Fixed Income Investment Managers

Pursuant to a request for proposal process facilitated by Dan Smerek of Strategic Asset Alliance, investment advisor to the pools and captives, two finalists had been selected for oral presentations and interviews at this meeting. Dan Smerek described the process for the presentations and the evaluation guidelines he suggested. He then brought in representatives of the first presenter: GR-NEAM. The proposed GR-NEAM team included Calvin "Chip" Clark, Jr., President, Patrick Scully, Senior Client Strategist and Marie Callahan, New Business Development Professional.

The GR-NEAM team reviewed key elements of its written proposal including its investment philosophy and enterprise based asset allocation approach. They discussed their investment

strategy and process generally. Then they reviewed their analysis of the NPAIP, PACT, PRM and PCM portfolio using various iterations for each organization separately and grouped by line of business to show an overall approach for all entities estimating the potential investment gains from the various approaches. They discussed their enterprise based asset allocation process which looks at the balance sheet risks, economic risks, underwriting risks and investment risks as influencers of investment strategies. They showed a potential asset allocation strategy. They also described their investment accounting and reporting services which are included in their fees. Throughout the presentation, they responded to questions from the committee members about their services and strategies. The committee thanked them for their presentation and excused them from the meeting.

Dan Smerek then brought in representatives from AAM: John Schaefer, President, Daniel Byrnes, Vice President and Senior Portfolio Manager and Neelm Pradham, Vice President of Business Development.

The AAM team reviewed their involvement with similar small insurers and risk sharing pools, noting their growth in assets under management in this space. They showed a timeline of their interactions with various board and staff members of the Nevada pools over the last five years. They described their investment process and knowledge of the varying needs of the pools and captives. They described their use of an enterprise risk management framework in analyzing the approach for investment strategy. They showed an overview of their analysis of NPAIP, PACT, PRM and PCM as separate entities and a combinations by line of coverage relating such things a duration to net position. Included in the materials was a portfolio assessment and recommendations. They responded to questions from various committee members. In response to a question about whether their investment accounting and reporting services were included in their fees, they indicated they would get back to us on that question. (Note: subsequently, they advised the service was included). The committee thanked them for their presentation and excused them from the meeting.

5. For Possible Action: Selection of Fixed Income Investment Manager

Chair Minor opened discussion on this agenda topic. Each member of the committee made comments and asked questions about each firm and the qualities they brought. Both firms were considered high quality, offering similar valuable services although the approaches differed. Discussion of the similarities and differences continued for some time in order to assure a thorough vetting.

On motion and second to select GR-NEAM to be the fixed income investment manager for NPAIP and PACT with a transition process to occur as soon as practicable, the motion carried.

6. Public Comment

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

7. For Possible Action: Adjournment

On motion and second to adjourn, the meeting adjourned.

The Agenda was posted at the following locations and to the notice.nv.gov Website:

**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**