



**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
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**Minutes of the Joint Meeting of
the Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
Place: Via Conference Call and at
201 S. Roop St., Conference Room 1,
Carson City, NV
Date: June 26, 2006 Time: 10:00 a.m.**

1. Roll

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

Members Absent: Linda Bingaman

Others Present: Curtis Calder, Mitch Brust, Michael Brown, Wayne Carlson, Ann Wiswell, Debra Connally

2. Action Item: Approval of Minutes of meeting of June 9, 2006

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

3. Action Item: Status Report and Action Regarding Larry Beller & Associates (LBA) Resolution of Issues and Settlement Agreement regarding the following items:

- a. Lease Agreement Release from Remaining 18 Months Obligation**
- b. Telephone Equipment Lease Release from Remaining 18 Months Obligation**
- c. Non-compete Provisions in CHRM Services Contract**
 - (1) LBA Not to Create Competing CHRM**
 - (2) POOL/PACT Not to Hire LBA Staff for Six Months Post Employment**
- d. Non-compete Agreements between LBA and LBA Consultants**
- e. Transfer of Records from LBA to POOL/PACT**
- f. Acquisition of LBA Assets**
- g. Takeover of LBA Webinars Service Contract**

Wayne Carlson reviewed the status of items 3.a. through 3.e., noting that Larry Beller had signed the Resolution of Issues letter, but that the final agreement settling the lease still was being worked on by the attorneys who have had conflicting schedules. Wayne

responded to questions by reviewing the status of each item. Wayne indicated that he had received several disc copies of records today and that the computer systems transfers would be occurring over the next couple of days. He said that Larry Beller was preparing releases for his staff from the non-compete agreements.

On motion and second to accept the status report regarding items 3.a through 3.e., the motion carried.

Regarding item 3.f., Wayne reviewed the tradeoffs being made regarding the binding machine and training videos. Larry Beller's email was on an exchange server and he agreed to cooperate with temporary email forwarding. Larry Beller is taking the current phone numbers, so new numbers were being worked on with AT&T including a toll free number. Larry Beller will place a forwarding tree on the phone numbers for those who call the current number for CHRM so that they will be redirected. He said that a comprehensive mailing to all member contacts would announce the new numbers and include new email addresses.

On motion and second to accept the transfer of the binding machine in exchange for the training materials and email assistance, the motion carried.

Regarding 3.g., Wayne commented that the Webinars contract was transferable; however, CHRM staff believed they would not be ready to fully utilize it until later this year. They were checking to determine whether a suspension of payments was possible until they were ready to use the technology. Mitch Brust commented about utilization problems internally and concerns about usability to the members. He said that if the company would not suspend the monthly payments, he recommended that the contract not be taken over and that a new agreement should be worked out in the future. Wayne commented that Larry Beller was aware that he was at risk for signing this agreement prior to the annual board meeting and that CHRM may or may not be interested in taking it over. He explained the cost structure of the contract.

On motion and second that if the deferral of the contract is offered, proceed with takeover of the contract in the fall; if not, no action would be taken on this contract. Claudette clarified the motion under discussion that this is an option only. Wayne added that no reimbursement of Beller for expenditures to date would be required. The motion carried.

4. Action Item: Recommendations regarding Nonprofit Organization to provide Cooperative for Human Resources Management Services

a. Approval of Grant Scope

b. Approval of Grant Funding

c. Authorize Executive Director to Administer Grant

- a. Wayne clarified the typographical errors in the grant totals, stating that the two year total should be \$2,367,000 and that the Year 2 figure should read \$1,140,000. Claudette made several comments about the scope of the grant. Alan Kalt added comments regarding the focus group input and whether the proposed grant scope fulfilled their requests. He expressed concerns about the Exhibit A Scope of Services as perhaps being too much for this year and noted the provision in the grant allowing for modification of the scope in cooperation with the CHRM Oversight Committee.

Claudette emphasized the need for flexibility especially in the first year. Alan Kalt concurred noting that the service plans and the CHRM Oversight Committee review may lead to alterations. Mitch Brust commented that the focus groups and service plans would drive the services and that further discussions with the CHRM Oversight Committee would refine the scope. Curtis Calder concurred with the comments and the need for flexibility. Wayne added that the further review was important to finalizing the scope. Curtis stated that he fully intended to continue to chair the committee to forge a cooperative relationship going forward.

Wayne noted that Alan Kalt asked for an insertion into the Grant Schedule 1. Purpose first sentence, a phrase stating that the purpose was to reduce liability. Claudette compared two provisions regarding funds remaining in the grant and what to do with them. After further discussion, it was agreed to remove the paragraph under Exhibit B.7 “Unexpended Balances: In the absence of any specific notice to the contrary. Grantees are authorized to carry forward unexpended balances to subsequent funding periods.” Claudette preferred to rely on the grant provision 9 Unexpended Grant Funds as sufficient.

Wayne commented that Alan Kalt suggested that grant provision 8 Audit Requirements be changed from shall to may to allow discretion by the pools regarding whether an audit is needed in any given year. Discussion ensued regarding when to have an audit. Several members commented that an audit after the first year would be appropriate due to the startup. It was agreed to change the language to may in lieu of shall, but to direct that an audit be done for the first year. Discussion regarding who should be the auditor and the consensus was to use Michael Bertrand.

Alan Kalt raised the issue of interest earnings and property, citing Exhibit B.8, suggesting that proceeds from the sale of any property should be retained by the nonprofit as should interest earnings in order to further the services. Mike Tourin suggested a provision should be included as did Mike Rebaleati. Alan asked for an amendment to B.8 to state that any disposal of property during the grant period that results in net proceeds to Grantee will be retained by Grantee to further the purposes of the grant.

Alan noted that under federal grants the single audit act requires certain provisions regarding B.8 and other cash management issues. Cash minor cited provisions of the single audit act. Paul Johnson noted that state grants have less stringent provisions and that this grant is not either federal or state. Wayne restated the changes Alan Kalt requested to B.8 and asked whether a statement on interest earnings should be added. Alan said no and that there was no need to require the single audit standards as there were adequate provisions elsewhere in the grant documents.

Wayne commented that Alan Kalt had suggested an additional provision 17 to the grant provisions be added as follows: “Without prior concurrence by the CHRM Oversight Committee and Grants Officers, Grantee may not perform services to individual members on a fee for service or grant basis.”

On motion and second to approve the grant scope including the changes noted, the motion carried.

- b. Regarding the grant funding, Wayne commented on the budget process he used with some inputs from Larry Beller and some from experience in POOL and PACT in order to back into the budget since the details were not known. He reviewed the summary budget figures, commenting on payroll, retirement plans, health insurance plans and the major general expense items. Regarding the outsourced services, he noted that this enabled flexibility to use independent firms in order to fulfill the requests of large agencies, special projects or to add staff should the type and scope of work make that a more viable option. Wayne detailed the number of staff and their roles. He commented that the Webinars may or may not be done, although that is a goal, and noted various operational problems with Webinars that may affect usability. Mitch added his staff's internal problems with testing the system and expressed a need to take a hard look at it and if alternatives are appropriate, consider those in lieu. Claudette expressed interest in saving money on the cost of CHRM services in the future.

On motion and second to approve the grant funding, discussion ensued regarding savings potential over the two year period of the grant. Alan Kalt expressed that regular reports will help the board know how things are progressing and whether long term savings will be realized. Other members expressed concurrence. The motion carried.

Wayne commented that in his role as Executive Director on behalf of the pools, he would administer the grant; however, since he formed the nonprofit, there was an inherent conflict. He listed Mike Rebaleati and Alan Kalt as the Grant Officers in order to assure controls by the pools were in place. On motion and second to approve the Executive Director to administer the grant, the motion carried.

5. Public Comment

Alan Kalt expressed that this was an exciting day and that under the leadership of Curtis Calder and the CHRM Oversight Committee, the CHRM staff has the necessary funding support to provide good services and make this a bright future. Paul Johnson said that the pools have come into a unique solution to providing these services and saw this as a positive step forward. Curtis Calder expressed agreement as did Mike Rebaleati.

Alan Kalt commented about giving a plaque to Larry Beller expressing appreciation for his services to the pools. Wayne indicated that the shop had made a spelling error on it and that it had to be redone. Claudette said she would be presenting a paper version of the plaque to Larry on behalf of the committees and Wayne would provide the plaque as soon as it was prepared.

6. Action Item: Adjournment

On motion and second to adjourn, the meeting adjourned at about 11:15 a.m.