



**Nevada Public Agency Insurance Pool
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**Minutes of the Joint Meeting of
the Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
Date: June 9, 2006**

1. Roll

Members present: Mike Rebaleati, Alan Kalt, Claudette Springmeyer, Marilou Walling, Lisa Jones, Dan Newell, Mike Pennacchio, Roger Mancebo, Mike Tourin, Toni Inserra, Paul Johnson

Members absent: Cash Minor, Linda Bingaman, Jeff Zander

Others present: Wayne Carlson, Stephen Balkenbush, Debra Connally, Ann Wiswell, Mitch Brust, Michael Brown

Chairman Kalt called the meeting to order at 10:00 a.m.

2. Action Item: Approval of Minutes of meeting of May 18, 2006

On motion and second to approve, the motion carried.

3. Action Item: Negotiations Regarding Contract Provisions Regarding Larry Beller & Associates (LBA) and Decisions on Alternatives

- 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**
- h. Delegation of Authority to Finalize Negotiations**

Chairman Kalt asked Wayne Carlson to highlight elements of his report. Wayne commented that he attempted to outline the various aspects of the negotiations and the issues to be resolved for both sides of the negotiations. He said he modified his original report that contained discussion of strategies had the negotiations taken a negative turn.

He said that the recommendation resulted from recognition of both perspectives and interests and appears to balance them. Both parties have an interest in the lease ending along with the non-compete issues. Both have an interest in the equipment. He said that the Webinars contract had to be treated independently from the other agreements since Larry Beller did not know whether it was cancelable or transferable and he had not seen the agreement yet. Wayne read a portion of a letter from Cash Minor endorsing the recommendation. Wayne then referred the members to a letter regarding resolution of issues between Larry Beller & Associates and NPAIP/PACT. Claudette Springmeyer, Mike Rebaleati, Alan Kalt and others commented that they agreed with the letter's outline of a resolution. In response to a question, Wayne confirmed that the telephone equipment capital outlay was being recouped in the form of a supplemental lease payment from Beller and that that should be included as part of the resolution of issues.

On motion and second to accept the resolution of issues as proposed in the letter, adding that the lease agreement cancellation also would include the telephone equipment, the motion carried.

The committee then moved to Action Item 4, then returned to address Action Item 3.h. On motion and second to delegate to Chairman Rebaleati and Chairman Kalt authority to finalize any negotiations with Beller & Associates and regarding the creation of the nonprofit, the motion carried.

4. Action Item: Status Report and Action on Recommendations regarding Cooperative for Human Resources Management

- a. Creation of Nonprofit Organization**
- b. Adding CHRM Staff as Employees of POOL**
- c. Employee Leasing**
- d. Private Company Contract**
- e. Benefits Plans for CHRM Staff**

Chairman Rebaleati asked Wayne Carlson to review his status report. Wayne said that the committee had his written report showing the considerations for the various options being explored and offered to respond to questions.

Wayne noted that NPAIP has received approval to participate in PERS as a qualifying public employer. He noted that the options considered, except for the nonprofit, were ones mentioned at the May 18, 2006 as contingencies should no contract with Beller be accepted. He thought of the nonprofit subsequently and as a result of research and discussions with legal counsel, found that the nonprofit option appeared to work best at this time. He noted that legal counsel recommended against NPAIP/PACT forming the nonprofit because it could cross into the gray area of a quasi-governmental entity, thus raising the PERS issue and so forth. Steve Balkenbush commented that he recommended that the nonprofit be formed by Wayne Carlson in order to maintain an arms length organization from NPAIP/PACT but that NPAIP/PACT would control via overseeing through a grant or contract process. In this manner, the CHRM staff would focus on service delivery, PARMS would focus on the business operations functions and NPAIP/PACT would maintain budgetary oversight as it does currently through the CHRM Oversight Committee and the Executive Committees. Steve responded to several questions.

Michael Brown suggested that a public agency would provide better ability to control than would the current arrangement via contracts or a nonprofit grant. He stated that it would potential reduce costs and increase oversight and control over this important service. Steve Balkenbush responded that once a public entity hiring is made, the organization would be committed to that model for the future and that since this was a transition time, the board may not want to lock in the public model at this time. Marilou Walling, Mike Tourin, roger Mancebo and Alan Kalt commented that they agreed that the public entity approach would not be best at this time, but possible in the future for consideration.

Discussion ensued as to the means of funding and oversight of the nonprofit option. It was suggested that the organization should be subject to audit and regular reporting to NPAIP/PACT of the budget status. In addition, oversight by the CHRM Oversight Committee and the Executive Committees as has occurred under the private contract should continue. Consideration as to the length of the grant or contract and the amount was discussed. Wayne suggested that either arrangement could have a provision for return or redirecting excess funds as part of the agreement. It was suggested that the details of the relationship be further explored and developed for consideration at the meeting scheduled for June 26, 2006 along with any final agreements and other elements for the nonprofit to begin by July 1, 2006.

On motion and second to approve the creation of the nonprofit organization for provision of CHRM services, the motion carried.

5. Public Comment

Chairman Kalt called for public comment. There was none.

6. Action Item: Adjournment

On motion and second to adjourn, the meeting adjourned at 11:05 a.m.