



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

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**Minutes of Joint Meeting of
Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust**

**Date: October 19, 2020
10:00 AM**

1. **Roll** The following Executive Committee members were present: Cash Minor, Paul Johnson, Geof Stark, Josh Foli, Ann Cyr, Mike Giles, Chris Mulkerns, Cindy Hixenbaugh, Dee Carey, Elizabeth Frances, Gina Rackley, and Dan Murphy. Also present were Wayne Carlson, Mike Rebaleati, Alan Kalt, Marshall Smith, Mike Van Houten, Debbie Connally, Stacy Norbeck, Mary Wray, Stephen Romero, Katherine Parks, and Donna Squires.
POOL Chairman Cash Minor called the meeting to order at 10:06 am PST.
2. **Public Comment**
Chair Cash Minor called for public comment. Chief Operations Officer Michael Rebaleati presented to the board a “white paper” concerning the Insurance Coverage changes that were effective 7/1/2020 concerning the COVID-19 pandemic. Mr. Rebaleati also informed the board of a November 5, 2020 Cyber Security Summit. No other public comments were received. Chair Minor closed the comment period.
3. **For Possible Action: Approval of Minutes of Joint Executive Committee Meeting of September 28, 2020.**
On a motion by Paul Johnson and a second by Josh Foli, the minutes of the Joint Executive Committee meeting held on September 28, 2020 were unanimously approved.
4. **Action Item: Acceptance of Auditor’s Report and Recommendations Regarding Public Agency Compensation Trust. This discussion includes an updated actuarial report.**
Chair Cash Minor stated that agenda item 4 and 5 will be addressed together.
Chief Financial Officer Alan Kalt reported to the board that the POOL/PACT audit committee met before this meeting. Independent auditor Michael Bertrand reviewed with the audit committee in detail the results of PACT audit. The POOL/PACT audit committee recommended to the Joint Executive Committee to approve the July 2020 PACT independent audit report. Kalt reviewed the financial results and benchmark analysis of the audit with a PowerPoint presentation to the Committee.
5. **Action Item: Acceptance of Audit: Public Agency Compensation Trust.**
On a motion by Josh Foli and a second by Paul Johnson to accept the Fiscal Year 2020 PACT audit and recommendations, the motion was unanimously approved.

6. Action Item: Acceptance of Auditor’s Report and Recommendations Regarding Nevada Public Agency Insurance Pool. This discussion includes an updated actuarial report.

Chair Cash Minor stated that agenda item 6 and 7 will be addressed together.

Chief Financial Officer Alan Kalt restated that the POOL/PACT audit committee met before this meeting. Independent auditor Michael Bertrand reviewed with the audit committee in detail the results of POOL audit. The POOL/PACT audit committee recommended to the Joint Executive Committee to approve the July 2020 POOL independent audit report. Kalt reviewed the financial operations and benchmarks analysis of the audit with a PowerPoint presentation.

7. Action Item: Acceptance of Audit: Nevada Public Agency Insurance Pool

On a motion by Paul Johnson and a second by Dan Murphy to approve the fiscal year 2020 POOL audit, the motion was unanimously approved.

8. For Possible Action. Workshop to discuss POOL / PACT programs and services to give direction to staff about POOL/PACT Risk Management services for fiscal year 2021-2022 including survey process, budget scorecard, cost-benefit review, scope of services and cost allocation. Discussion may include the flexibility of allocating risk management funds to areas that create high claim expenses.

Chief Operations Officer Michael Rebaleati began the conversation by stressing the importance of a group conversation since this agenda item is designated as a workshop. Mr. Rebaleati pointed out that a “budget scorecard” file created by CFO Alan Kalt was delivered to the committee so a member can print this file. This way a member can keep a record of the workshop discussion if they want. This scorecard reference was previously used during the January 15, 2019 budget meeting.

Chief Financial Officer Alan Kalt began a review with the board of the POOL approved budget for Fiscal Year 2020-2021. Mr. Kalt explained the budgeted expense allocation where “Loss and Loss adjustments expense” is 32.2%, “Excess & Special Insurance” is 40.9 %, “Agent Commissions” is 6.9%, “Pooling & Loss Control Fees” is 2.6%, “Claims Administration is 3.8%, “Member Education & Training” is 8.3%, and “Administrative Expenses is 5.3%.

Mr. Kalt explained how the POOL’s captive PRM is transferring \$475,000 to POOL to pay for Risk Management Services and PACT’s captive PCM is transferring \$575,000 to PACT. These transfers are in-lieu of direct payment of Risk Management Services by the Captives. FYI: PRM 12-31-2019 Net Investment income was \$1,249,305 and PCM was \$2,218,272. These transfers represent 38.0% and 25.9% of PRM and PCM net investment income respectively.

The POOL has budgeted \$1,584,148 (8.3%) of the total budget for member education & training. This represents an increase of \$39,948 (2.6%) from Fiscal Year 2019-20. PACT has budgeted \$699,272 or a slight decrease of \$5,028 in FY 20-21 for member education. A chart showing the breakdown of the member education and training provided by the POOL indicating the vendor name, cost allocation within POOL and PACT, the contract amount, and notes associated with the services.

Pooling Resource Inc. Mr. Kalt began the workshop discussion concerning the risk management services provided by Pooling Resources, Inc. (PRI). PRI’s funding is based on a grant from POOL/PACT on an allocation of 65% to POOL and 35% to PACT. The HR Oversight Committee monitors services delivery, scope and quality and recommends any changes to PRI Board directors who then make recommendations to the POOL/PACT board of directors. PRI is a stand-alone, non-profit organization and any financial savings stays within PRI. It is audited annually by Michael Bertrand & Associates independent auditors. Board discussion covered

the importance of the HR specific risk management services provided by PRI. Member Geof Stark asked about the 65/35 percentage allocation methodology indicating it would appear that POOL should be paying more than 65%. Executive Director Wayne Carlson explained the rationale in the allocation and indicated this could be re-evaluated and changed by the Board if necessary. Member Josh Foli expressed the importance of saving money by trimming the staffing levels to enable savings on annual premiums. Member Dee Carey and Cindy Hixenbaugh expressed the importance of PRI's services to their entities and their desire to maintain the current level of support. Member Josh Foli stressed the emphasis on maintaining the existing services close to the current level and use the advancement of the POOL/PACT ELearning services to aid in providing the high-level service but with more expense efficiency. Member Paul Johnson noted the importance of keeping essential services that have a positive impact on reducing/preventing claims. He suggested looking at the utilization of those services and increasing participation and accountability of those essential services to reduce claims which in turn should reduce our insurance cost. Mr. Foli agreed with Paul Johnson's comment that by addressing cost savings on insurance product expenses, more premium savings will be realized. PRI General Manager Stacy Norbeck added that PRI is down one staff member and currently assessing the situation. She explained that replacing this one staff position is not being pursued at this time. Member Ann Cyr was concerned about the cost increase of this program over the years. Wayne Carlson noted that the costs for PRI were around \$1.1 million in 2006 and there have been members added since then. Member Paul Johnson expressed the importance of continuing to right size programs and expenses. He also expressed the importance of making the entity's board to enforce overall usage of POOL/PACT programs in each entity. Member Dee Carey stressed the importance of the value of the availability of the service and the difficulty of putting a true value on a service when you cannot measure the value of a claim that was not filed because the entity did the right thing.

ELearning. Chief Operations Officer Michael Rebaleati reported to the committee the different aspects of the current ELearning management system. This contract is split 50/50 between POOL and PACT. Member support includes on-boarding, administrative support, system integration, and storage. Mike Van Houten is the ELearning Administrator and member contact support. Mr. Rebaleati reported that thousands of POOL/PACT covered employees have been enrolled in Absorb eLearning platform. CFO Alan Kalt added how important it is to continue to grow the number of members who use the Absorb eLearning platform. He also stressed that the importance of this program will continue to grow. Member Ann Cyr stated that she would like to see more funding for the ELearning to enhance the support. Member Elizabeth Frances expressed the importance of elected official board support to put enforcement mechanisms in place to ensure the usage of these trainings by their employees.

Cyber Security. COO Michael Rebaleati reported to the board the current state of the cyber security program. This program encompasses cyber security, cyber security training, KnowBe4 support, "dark web" scanning, and triage/response for incidents as they occur. POOL has been hosting an annual Cyber Summit since 2019 to educate and support members' IT and Cyber efforts. The POOL cyber security consultant Tony Rucci remains the main service provider and Gunderson Law Firm attorney John Funk remains the main legal counsel for cyber related issues. Although Passive Network Assessments are not being performed as much due to cost, these reports are still being used for benchmarks for improvements throughout the POOL membership. Member Elizabeth Frances stressed the importance of this process. Mr. Rebaleati completed his report by updating the board that \$138,059 has been paid for cyber related claims as of 10/8/2020. Member Dee Carey added how important it was to have expert recommendations from Mr. Rucci when dealing with IT personnel issues as well.

Target Solutions. COO Michael Rebaleati reported on the Target Solutions web based learning management system specifically for fire/EMS services. This contract is cost-shared 50/50 between POOL and PACT. Currently, there are 689 registered users from 24 different members. 398 courses and 1,111 custom activities were completed during 2019. Our Top 3 Members by usage are North Lake Tahoe Fire, Elko County Fire Department, and Central Lyon County Fire Protection District.

Risk Manager Marshall Smith reported on the following programs.

School Safety Operations Inc. Jeff Kaye provides the Hazard Vulnerability Assessments, updates Emergency Operations Plans, and related services for our 15 school districts, recently completing DCSD and planning on updates for Storey and Lyon Counties.

Jeff also works assists POOL/PACT staff with coordination of statutorily required school safety systems (School Development Committee, School Safety Specialist, and SafeVoice). Jeff has provided significant assistance with forming the *Nevada Rural School District Collaborative*, which works together to obtain member Bureau of Justice Administration school safety grants and member wide training.

Aquatics Safety Research Group, Tom and Rachel Griffiths, perform comprehensive swimming facilities assessments of member facilities. These services are continuing a virtual basis. Explained the virtual assessment process. There are 26 aquatic facilities in the Pool divided into 4 quadrants with assessments every 4 years. Tom and Rachel assess each of these facilities every four years, followed by a comprehensive report with recommendations. The 2020 assessments were conducted virtually. Tom and Rachel also presented several webinars to our facilities directors, including *Continuity of Operations Plans* and the annual *Aquatics Risk Management Seminar* (this year conducted virtually).

LLRMI - Detention Facilities Assessments

Reviewed the history and status of the program. Steve Campbell: Steve is the primary author of all POOL/PACT Road and Jail Operations policies. Steve also personally conducts the detention facility assessments. His focus is on fifteen high risk/liability topics present in all detention facilities, including:

- Use of Force / Response to Resistance
- Classification of Prisoners
- Medical Screening and Care / Medications / Dental Needs
- Restraint Equipment, and
- Mail Correspondence

The assessments include an initial 2-day on-site visit, which includes 4 hours of Nevada POST training for detention facility staff. The initial visit is followed by (2) follow up visits to assess compliance with recommendations. We were on-track to have completed all jails by 2020, when the pandemic hit. We are continuing the assessments and follow-ups virtually and will complete all on-site assessments when cleared to do so.

EAP: Kepro

The new EAP provider, Kepro, is in place and providing information to our members at a reduced cost. The program covers 12,000 employees and 12 hours allocated to Critical Incident Stress Debriefings, and 24-hour access to on-line services. A concern was raised about Members paying for additional separate coverage at their own entity.

SpecialtyHealth:

24-7-365 Nurse Triage Program. This is a program which provides guidance and assistance to member managers and supervisors when faced with employee occupational injuries. If utilized, this program could significantly reduce WC claims by directing employees to seek first aid when appropriate, or when necessary, direct employees to contracted MCOs. Member Geof Stark encourage people to use this program. It appears this program is significantly underutilized at this time and perhaps we are not seeing the claim savings that this program was intended to provide. A review of this program is underway to evaluate the value, utilization, future of this program.

MSDS online

Explained status. OSHA required compliance program. Program has two programs, PPI (umbrella program for smaller entities) and HQ accounts (for larger entities). Provided review of renewal discussion for each HQ member. Trying to increase utilization.

SpecialtyHealth Wellness program.

Explained the *Fit for Retirement Program* addressing PP's heart lung liability claims. Still encountering resistance for full participation but once an entity understands the value, there is more utilization. The cost of this program was added into the Heart Lung Police Fire Classification rate in the current year. Previously this program has been paid from equity. Wayne Carlson indicated that the Actuary is looking at our classifications and rate relativity to determine if combining classifications in the future would be appropriate. The Actuary is looking at combining the Police/Fire rate with the Heart Lung rate. It was noted that only Members with these classifications are paying for this program.

No formal action was taken on these items.

9. For Possible Action: Set the date and time of the next Joint Executive Committee meeting.

December 7 was the determined to be the date of the next Joint Executive Committee meeting from 10 am to 12 pm.

10. Public Comment

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

11. Adjournment

Chair Cash Minor adjourned the meeting at 12:25 pm.