



**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: Monday, November 5, 2018

Time: 8:30 A.M.

Place: at 201 S. Roop Street, Carson City, NV 89701

Conference Call-In Phone No: 1-800-593-9034; Passcode: 150420

1. Roll

Members present: Cash Minor, Josh Foli, Gerry Eick, Ann Cyr, Mike Giles, Chris Mulkerns, Dan Murphy, Cindy Hixenbaugh

Members absent: Dan Corona, Bev Conley, Paul Johnson, Elizabeth Frances

A quorum being present, Chair Minor called the meeting to order.

2. Public Comment

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

3. For Possible Action:

a. Approval of Minutes of Meeting of August 20, 2018

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

4. For Possible Action: Succession Planning for POOL/PACT

a. Decide whether to include the administrative functions of PARMS into PRI or establish a separate non-profit organization to handle all administrative aspects of POOL/PACT

Chair Minor asked Mike Rebaleati to review this item. Mike commented that the working group had met with General Counsel Stephen Balkenbush to review the legal issues regarding incorporating into PRI vs a new nonprofit organization. He indicated that Steve recommended a separate organization to avoid mixing the more complex issues with the current successful HR program of PRI. Wayne Carlson commented that Steve's opinion did not state that a legal combination could not be done, but a preference to avoid potential legal complications. Wayne highlighted some of the complexities from existing situations as examples. He noted that while it would be simpler to combine organizationally, he had already drafted much of the documentation for a separate organization based upon the original establishment of PRI. The process would not create a significant burden. Chair Minor opened discussion. Various members of the Executive Committee asked questions or made comments.

On motion and second to establish a separate administrative organization, the motion carried.

5. **For Possible Action: Ratification of New England Asset Management (NEAM) as the POOL/PACT investment manager and of Strategic Asset Alliance (SAA) as the POOL/PACT investment advisor**
 - a. **Update from Daniel Smereck of SAA on bank loans and next steps for potential risk asset allocation**

Chair Minor asked Mike Rebaleati to explain. Mike Rebaleati indicated that it had been three years since these contracts were entered into and that the purpose for this item was to ratify continuation of the contracts. In response to a question, Wayne Carlson reviewed the agreements and noted that they are ever-green agreements subject to cancelation upon 30 days' notice. Mike said he would like a ratification of the agreements annually to affirm satisfaction with the services provided.

On motion and second to ratify continuation of the NEAM and SAA agreements.

Chair Minor then asked Dan Smereck of SAA to provide an overview of blank loans as a potential investment option. Dan described them as an option to other investments with some degree of additional risk that is not subject to the same market cycles as other investments. He will provide a more in-depth presentation at a future meeting.

6. **For Possible Action: Acceptance of 2018 Financial Audit of**
 - a. **NPAIP**
 - b. **PACT**

Alan Kalt provided an overview of both organization's financial audits noting that the MD&A had been rewritten and expanded from prior years. He highlighted key financial results and considerations for future planning. He responded to questions. Gerry Eick commented and commended staff for improvements to the internal controls processes.

On motion and second to accept the financial audits for both NPAIP and PACT, the motion carried.

7. **For Possible Action: Approval from Executive Committee to proceed with roof repair/replacement**

Mike Rebaleati provided an overview of the problems with the roof system of the POOL Building noting prior repair attempts that continued. He reviewed the proposal for redesign of the roofing system. In response to questions about cost, he commented that no bids had been sought but he thought the costs would be under \$100,000 overall. Design and bidding would be necessary to obtain final costs. He indicated that it was possible that the engineer may find a way to repair rather than replace once design work was completed.

On motion and second to proceed with the project and obtain quotes, the motion carried.

8. **For Possible Action: Approval from Executive Committee to proceed with the purchase of two scanners and "OnBase" software from Precision Documents Imaging to continue the digitization of accounting system**

Mike Rebaleati said he had been looking into electronic records management and agenda management systems over the last couple of years. He considered several systems and found OnBase to be his preferred system. He noted that the initial focus would be on accounting

records which will create greater efficiencies and access to the records. He said the agenda and minutes features could be added once the accounting portion is implemented. He responded to comments and questions from committee members. He indicated that the program was scalable for multiple additional modules.

On motion and second to obtain OnBase for the accounting function, the motion carried.

9. **For Possible Action: Acceptance of Reports:**

- a. **Operations Manager Report (Retreat Summary)**
- b. **NEAM and SAA Investment Update**
- c. **Willis Pooling**
- d. **Human Resources**
- e. **ASC – Claim status**
- f. **Executive Director’s**
- g. **E-Learning/Web Master on the POOL/PACT LMS programs**

Operations manager report: Mike Rebaleati summarized the retreat results and continuing work with Daniel Burrus toward implementation. A summary spreadsheet was included in the packet for reference. He indicated that Dr. Burrus would be available for a video conference call at the February meeting. Mike then reviewed his meetings as a Board Member of GEM and the new ideas that have arisen from those meetings. He noted that Wayne Carlson and Alan Kalt had attended the CRL annual meeting. Investment advisor and manager reports from those meetings were included in the packet. Mike also noted that he and Marshall Smith had attended the school safety conference along with representatives of seven of our school districts. He said the conference was very successful and gave an opportunity to meet staff of members other than board members.

NEAM and SAA Investment Update: Alan Kalt reviewed the highlights of the reports and investment performance results. He noted that there not only were the reports of POOL/PACT/PRM/PCM, but also GEM and CRL in the packets.

Willis Pooling report: Stephen Romero reviewed the acceleration of the timeline that occurred in 2018 would be further accelerated in 2019. Beginning in mid-November 2018, appraisal results are due and Willis staff is updating the applications in preparation for distribution to the Members’ agents at that time. The due date for applications is being moved up to mid-January to enable preparation and submission to markets in February. The Lloyds meeting likewise has been moved to mid-March to enable timely receipt of quotes in advance of the annual meeting. There will be a pre-renewal meeting with POOL/PACT staff in December to plan strategies for quotations. He commented on the Willis Pooling loss control team efforts.

Human Resources report: Stacy Norbeck reviewed the expanded participation in the programs and services so far this year. Additional classes were being offered due to demand. She also noted that they are updating and refreshing their HR policies this year keeping in mind the upcoming Legislative session in 2019.

ASC report: Donna Squires distributed and reviewed the property and liability claims activity report since July 1, 2018 noting 146 claims reported with reserves of \$1,391,241. She commented on some of the more severe claims. Mike Livermore distributed and reviewed the workers compensation claims activity in two reports: 1) open claims over \$200,000 and 2) claims since 4/1/2018. He noted that the larger open claims largely were related to presumptive benefits although there were some fatalities and other severe injury cases as well. The report showed current total open claims count as 407 with reserves of \$43,511,924 of which \$21,758,006 has been paid. For the most recent claims, he discussed a brain trauma

injury case as a result of a deputy being hit by a vehicle while directing traffic and which is the largest reserve so far in this period with more reserve development likely. There have been 179 cases filed since 4/1/2018 with reserves of \$2,397,485 thus far.

Executive Director report: Wayne Carlson commented on the succession planning progress and future steps to be undertaken. Regarding the POOL and PACT renewal budgets, he highlighted the key areas of focus where an increase may likely occur. He discussed optional renewal coverage and limits strategies and potential incentives for good loss prevention outcomes. He reviewed possible changes in coverage including increasing monies and securities limit from \$500,000 to \$1,000,000, amending the vehicle replacement cost, increasing flood zone A sublimit and option for a property retention increase.

E-Learning/Web Master on the POOL/PACT LMS programs: Mike Van Houten reviewed the substantial increase in trained Member administrators and course utilization. He mentioned the increased number and variety of courses. He also noted the new website refresh soon to be launched.

On motion and second to accept all reports, the motion carried.

10. For Possible Action: Risk Management and Loss Control

- a. Risk Manager Report**
- b. Stryker Grant Program to get direction from the Joint Executive Committee on the overall process of conducting Stryker equipment grants as requested from the Loss Control Committee**
- c. Report on cyber protocol and introduction of John Funk of the Gunderson law firm as cyber counsel**

Risk Manager report: Marshall Smith commented on a course just completed for Cops and Prosecutors on Investigating Child Sexual Abuse cases, Road Operations and Jail Operations which was well attended. School District hazard vulnerability assessments and emergency response plans also are being updated. He was seeking a proposal for jail audits, training and follow-up for all our members with jails. Swimming pool audits are continuing.

Stryker Grant Program report: Marshall Smith reviewed his memo on the history of the program from 2012 through 2018 and its evolution from a one-time grant program with a 50% match to being merged into the regular risk management grants program with a 75% match from the pools. He commented that the Loss Control Committee in September 2018 requested direction from the Executive Committees. He noted two pending applications from Boulder City and Lander County under the existing 75% match program which had been tabled by the Loss Control Committee pending further direction from the Executive Committee. He noted four options in his report: 1) continue as current, 2) establish special criteria for eligibility and change to a 50% match subject to LCC approval extended for the next two years, 3) delegate the same criteria under 2 to staff to administer, and 4) Executive Committee determined option. Cash Minor commented that he thought the program had run its course and members now should plan and purchase these themselves. He generally agreed with option 2) then to end the program. Gerry Eick commented regarding it being a one-time program that became extended and should be limited in the future like option 2) and tied to risk reduction efforts. Josh Foli and Ann Cyr expressed similar views. Cash Minor expressed that the two pending applications should be addressed under the current program by the Loss Control Committee. Mike Rebaleati commented about he revisions starting July 1, 2019 should be announced to the members. Wayne Carlson commented that the Executive Committee by policy delegated to the Loss Control Committee authority to administer the Risk Management

Grant program with a limit of \$500,000 each pool. The policy provides some broad considerations that were not specific directives. The Loss Control Committee changed the original program to the current program within its discretion. He noted that, in effect, the Loss Control Committee was asking the Executive Committee to decide for the Loss Control Committee. Cash Minor chairs both committees. Gerry Eick expressed concerns that Stryker was using a substantial portion of the risk management grant budget and consideration should be made to change to match to 50%. Cash Minor suggested that the Executive Committee should provide general guidelines but leave the administrative decision to the Loss Control Committee in its discretion up to the maximum dollars available for the grants. Alan Kalt mentioned an idea he was working on to develop a separate revolving grant program with payback provision as a tool to provide financing for members who needed funds to initiate risk reduction efforts. He expressed that it could be an investment diversification tool for the pools/captives. Josh Foli expressed concerns about this competing with private funding sources available to lend funds for this purpose.

The Stryker grant item then was referred to the Loss Control Committee for action consistent with its policy authority in line with the general discussion.

11. For Possible Action: Approval of POOL Form Amendments/Endorsements for Fiscal Year 2019-2020

Wayne Carlson indicated that an option to eliminate the privacy response sublimit under the data security coverage was possible under CRL's reinsurance. If this is done, then the full liability limit is available for liability and privacy response without any sublimit. He also said consideration to increase the monies and securities limit from \$500,000 to \$1,000,000.

12. For Possible Action: Ratify the appointment of Small Schools Representative on NPAIP Executive Committee to Replace Lisa Jones

Wayne Carlson commented that the Chair has authority to appoint a replacement for a resigning member and that Chair Minor had appointed Dan Murphy of Pershing County School District to fill that vacancy for the remaining term.

On motion and second to ratify Dan Murphy as a member of the NPAIP Executive Committee, the motion carried.

13. For Possible Action: Approval of Resolution recognizing the service of Lisa Jones as Executive Committee Member on NPAIP

On motion and second to approve a resolution recognizing the service of Lisa Jones, the motion carried.

14. For Possible Action: Approval of the next Joint Executive Committee meeting being scheduled for February 19, 2019 and the Annual Meeting to be held on April 16-17 (Tuesday and Wednesday), 2019 at the Atlantis

Wayne Carlson commented that a proposal was received from the Whitney Peak Hotel and was comparable to the Atlantis from last year.

On motion and second to approve the meetings as presented, the motion carried.

15. Public Comment

Keith Westengard as about the Lander County risk management grant. He was advised that it would be decided by the Loss Control Committee at its December 17, 2018 meeting.

16. For Possible Action: Adjournment

On motion and second to adjourn, the meeting adjourned.

The Agenda was posted at the following locations and linked to the Official State Website <https://notice.nv.gov>:

N.P.A.I.P.
201 S. Roop
Carson City, NV 89701

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

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

Churchill County Courthouse
155 North Taylor Street
Fallon, NV 89406