

MINUTES

Special Meeting of the LARM Board of Directors (Duly Elected 3-21-18)

Wednesday, August 1, 2018

12 pm CDT/11 am MDT

Via Telephone Conference Call

Call-In Number: 1-605-472-5216; Access Code: 341924

1335 L Street, Lincoln, NE 68508

A Special Meeting of the League Association of Risk Management (LARM) Board of Directors (Duly Elected 3-21-18) was held on August 1, 2018, at 12 pm CDT via telephone conference call at 12 designated locations identified in the meeting notice (attached).

On July 26, notice of this Special Meeting with the agenda and other materials were sent to all LARM members and the LARM Board of Directors (Duly Elected 3-21-18); notice of this Special Meeting with the agenda and other materials were available for public inspection at 1335 L Street, in Lincoln, Nebraska; it also was posted on the League of Nebraska Municipalities' website relating to LARM – www.lonm.org.

Call to Order: At 3:01 pm CDT, LARM Board Chair Doug Hanson, Mayor of Hickman, called the meeting to order. He stated that in accordance with Section 84-1411(3)(e) of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed was available to the public at this meeting for examination and copying at each designated location. The Open Meetings Act was posted in the meeting room and was accessible to members of the public at each designated location.

After the Pledge of Allegiance to the Flag of the United States of America, the roll call was read with the following Board Members present by phone: **Teresa Bartlett**, Clerk/Treasurer, City of Beaver City, 301 10th Street, Beaver City, NE; **LeAnn Brown**, Clerk/Treasurer, City of Oshkosh, 305 West 1st Street, Oshkosh, NE; **Pam Buethe**, Board Member, Sarpy County SID #29, 204 N McKenna Avenue, Gretna, NE; **Lanette Doane**, Clerk/Treasurer, Village of Ansley, 217 Nile Street, Ansley, NE; **Mayor Doug Hanson**, League Office, 1335 L Street, Lincoln, NE; **Jim Hawks**, City Administrator, City of North Platte, 211 West 3rd Street, North Platte, NE; **Jo Leyland**, Admin./Clerk/Treasurer, City of Imperial, 740 Court Street, Imperial, NE; **Mayor Josh Moenning**, City of Norfolk, 309 N 5th Street, Norfolk, NE; **Tom Ourada**, City Administrator, City of Crete, 243 E 13th Street, Crete, NE; **Sandra Schendt**, Clerk/Treasurer, City of Nelson, 580 S Main Street, Nelson, NE; **Douglas Schultz**, Admin./Clerk/Treasurer, City of Curtis, 201 Garlick Avenue, Curtis, NE; **Mayor Deb VanMatre**, City of Gibbon, 715 Front Street, Gibbon, NE; and ex-officio member (non-voting member) **Lynn Rex**, League Executive Director and "Administrator" of LARM; League Office, 1335 L Street, Lincoln, NE. *12 Board Members present; 3 board members absent (Fremont Mayor Scott Getzschman; Melissa Harrell, Wahoo Administrator/Clerk/Treasurer; and Nathan Johnson, Scottsbluff City Manager). Wendall Gaston, League President and ex-officio board member was not present.*

Guests present by phone: **Jerry Wilcox**, Finance Director/Treasurer of Crete; **Jan Rise**, Administrative Services Director of Fremont; **Silas Clarke**, City Administrator/Economic Development Director of Hickman; **Doug Stack**, City Attorney of North Platte; **John Zimmer** of Cline Williams; **Christy Abraham**, **Lash Chaffin** and **Shirley Riley** of the League; and others unannounced.

Chair Doug Hanson stated that there would be time for public comment for each agenda item.

(AGENDA ITEM #2) **Consider Approval of the Minutes of the July 23, 2018 Meeting of the LARM Board of Directors (Duly Elected 3-21-18)**: Jo Leyland moved, seconded by Pam Buehe to approve the minutes of the July 23, 2018, meeting of the LARM Board of Directors (Duly Elected 3-21-18). Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Buehe, Doane, Hanson, Hawks, Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. **Motion carried: 12 Ayes, 0 nays, 3 absent (Getzschman, Harrell and Johnson).**

(AGENDA ITEM #3) **Request From Douglas Stack, North Platte City Attorney, on behalf of the City of North Platte to Consider Passing a Motion With the Following Recommended Language**: Teresa Bartlett moved (as stated by Doug Stack, City Attorney of North Platte), seconded by Deb VanMatre that the LARM Board (Duly Elected 3-21-18) notify the Nebraska Department of Insurance, "Purported LARM Board", Mike Nolan and others as soon as possible that:

1) the LARM Board (Duly Elected 3-21-18) strongly opposes LARM's proposed increase in North Platte's workers' compensation deductible from \$1,000 per employee to \$100,000 per employee (a 9,900% increase) as stated in the letter from Gerald Solko, Chair of the "Purported LARM Board," to North Platte Mayor Dwight Livingston;

2) the LARM Board (Duly Elected 3-21-18) also strongly opposes LARM's proposed "North Platte 2018-2019 Workers' Compensation Deductible Program" which can be read to essentially require North Platte to "self-insure" on workers' compensation claims since it provides, in part, that LARM "seeks reimbursement from the City of North Platte for losses above the deductible amount..."; and

3) in passing this motion, the LARM Board (Duly Elected 3-21-18) recognizes its fiduciary obligation to LARM and is aware of the information sent by Gerald Solko (Chair of the "Purported LARM Board") to the City of North Platte, as well as the information provided to the "Purported LARM Board" at its June 8, 2018 meeting in the "Staff Memorandum" and the "LARM Excess Workers Compensation Renewal" memo from Mark Nestor of ICRMS dated June 4, 2018, including:

a) the statement by Mark Nestor of ICRMS that "MidWest (LARM's excess workers' compensation carrier) developed the LARM 2018/19 excess insurance renewal with a 3.5% increase on the base rate per \$100 of payroll, changing from .4701 to .4782.

MidWest informed me (*Mark Nestor*) that **3 Pts of the 3.5 Pts base increase were directly related to the retention loss in 2017 that cost MidWest in excess of 750K after the LARM retention was penetrated. The estimated renewal premium has reduced slightly from the 2017 estimated premium of \$384,922 to \$376,934 due to a slight decrease in projected LARM payroll....** The LARM retention of 750K per accident has remained the same as the other terms and conditions of the policy.”;

b) the “**Staff Memorandum**” has as an agenda item referenced as “D. CURRENT BUSINESS, #2.” This relates to the proposal from MidWest Employers regarding a “3.5 per cent workers’ compensation reinsurance increase, 3 per cent of which is attributable to the recent loss that exceeded the \$750,000 retention. Staff recommended Board approval of the increase. However, the Board should assign to the Coverage Committee responsibility for calculating what combination of member deductible and special rate should be considered to avoid the allocation of the entire loss impact to members at large...”;

c) the City of North Platte has consistently been working to lower its workers’ comp mod which is now .72, lower than several other LARM members; and

d) as noted in the materials, **Jim Hawks**, City Administrator of North Platte, has met and is fully cooperating with LARM’s Loss Control Staff (Dave Bos and Fred Wiebelhaus) and Chris Caldwell of York (LARM’s third party administrator) to implement enhanced training which is in addition to the weekly training that North Platte has been providing to employees for about two years; the materials sent to North Platte in the “Loss Control and Risk Management Activities Undertaken with LARM” state, in part: **“For the period 2014 through 2017, it has been noted that City employees have actively engaged in LARM training opportunities via the pool’s on-line training program, ‘Local GovU Training.’ During this period, over 1,500 on-line class sessions across 119 diverse topics have been viewed by City employees. Note: this would not include any other on-line training that City employees may have participated in via the excess Workers’ Compensation carriers training programs, etc.”**

Jo Leyland moved, seconded by LeAnn Brown to amend the motion to insert, “Chair of ‘Purported LARM Board’” after Gerald Solko’s name in 3) and present the motion in its entirety in a more readable fashion. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Buethe, Doane, Hanson, Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstention: Hawks. **Motion carried: 11 Ayes, 0 nays, 1 abstention (Hawks), 3 absent (Getzschman, Harrell and Johnson).**

Teresa Bartlett moved (as stated by Doug Stack, City Attorney of North Platte), seconded by Deb VanMatre with an amendment that was adopted to insert the words “Chair of ‘Purported LARM Board’” after Gerald Solko’s name in 3) and present the motion in its entirety in a more readable fashion. Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Buethe, Doane, Hanson, Leyland,

Moening, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstention: Hawks. **Motion carried: 11 Ayes, 0 nays, 1 abstention (Hawks), 3 absent (Getzschman, Harrell and Johnson).**

Chair Doug Hanson reminded the board of the on-site meeting in Kearney on Sept. 19, 2018. Doug Stack and Jim Hawks thanked the board for its support.

(AGENDA ITEM #4) **Motion to Adjourn:** Sandra Schendt moved, seconded by Jo Leyland to adjourn. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Buethe, Doane, Hanson, Hawks, Leyland, Moening, Ourada, Schendt, Schultz and VanMatre. Nays: None. **Motion carried: 12 Ayes, 0 nays, 3 absent (Getzschman, Harrell and Johnson).**

Approved on: September 19, 2018

ATTEST:



Brenda Henning
Membership Services Assistant
League of Nebraska Municipalities



L. Lynn Rex
Ex-Officio, Non-Voting, Board Member and "Administrator" of LARM
Executive Director of the League of Nebraska Municipalities