

MINUTES
MEETING OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
BOARD OF DIRECTORS

Wednesday, September 18, 2019, 4:30 pm CT
Room BC – Cornhusker Marriott Hotel
333 S 13th Street, Lincoln

A Meeting of the League Association of Risk Management (LARM) Board of Directors was held Sept. 18, 2019, at 4:30 pm CT in Room BC at the Cornhusker Marriott Hotel in Lincoln, Nebraska.

On Sept. 12, 2019, notice of this Meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this Meeting with the agenda and other materials were available for public inspection at 1335 L Street in Lincoln, Nebraska, and also were posted on the League of Nebraska Municipalities' Facebook page and its website relating to LARM – <https://www.lonm.org/larm/>.

(AGENDA ITEM #1) **Call to Order.** At 4:30 pm CT, **LARM Board Chair Doug Hanson**, Mayor of Hickman, called the Meeting to order. He stated that in accordance with Chapter 84, Article 14 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. Chair Doug Hanson informed the public about the location of the Open Meetings Act posted in the meeting room and stated that the LARM Board may pass motions to go into closed session on any agenda item pursuant to the requirements of the Open Meetings Act.

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: **LeAnn Brown**, Clerk/Treasurer, City of Oshkosh; **Pam Buehe**, Board Member, Sarpy County SID #29; **Lanette Doane**, Clerk/Treasurer, Village of Ansley; **Mayor Scott Getzschman**, City of Fremont; **Mayor Doug Hanson**, City of Hickman; **Melissa Harrell**, City Administrator/Treasurer, City of Wahoo; **Jim Hawks**, City Administrator, City of North Platte; **Nathan Johnson**, City Manager, City of Scottsbluff; **Jo Leyland**, Admin./Clerk/Treasurer, City of Imperial; **Mayor Josh Moenning**, City of Norfolk; **Tom Ourada**, City Administrator, City of Crete; **Sandra Schendt**, Clerk/Treasurer, City of Nelson; **Doug Schultz**, Admin./Clerk/Treasurer, City of Curtis; **Mayor Deb VanMatre**, City of Gibbon; **Teresa Youngquist**, Clerk/Treasurer, City of Beaver City; ex-officio Board Member (non-voting member) **Mayor Dwight Livingston**, City of North Platte and League President; and ex-officio Board Member (non-voting member) **L. Lynn Rex**, League Executive Director and "Administrator" of LARM. *15 voting Board Members present; 0 absent.*

Chair Doug Hanson asked others in attendance to identify themselves, if they chose to be listed in the minutes: **Jerry Wilcox**, Finance Director, City of Crete; **Andy Barry** of Cline Williams, the League's Outside Legal Counsel on LARM-Related Issues; **John Zimmer** of Cline Williams; and **Jason Grams** of Lamson, Dugan and Murray, the LARM Board's Legal Counsel. **Mark Nestor** of ICRMS and **Embry Nichols** of Guy Carpenter (JLT Re) were on the phone. The following staff members from York Risk Services were in attendance: **John Brockschmidt**, **Chris Cadwell** and **Mark Weaver**. The following staff members and agents of LARM were in attendance: **Diane Becker**, **Elizabeth Becker**, **Dave Bos**, **Tracy Juranek**,

Randy Peters, Fred Wiebelhaus, Nate Fox and Clint Simmons. The following staff members of the League of Nebraska Municipalities also were in attendance: **Christy Abraham, Lash Chaffin, Brenda Henning and Shirley Riley.**

(AGENDA ITEM #2) **Consider approval of the minutes of the Sept. 9, 2019, “Special Meeting of the LARM Board of Directors.”** Nathan Johnson moved, seconded by Scott Getzschman to approve the minutes of the Sept. 9, 2019, “Special Meeting of the LARM Board of Directors”. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Harrell, Hawks, Johnson, Leyland, Moenning, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: Buethe. **Motion carried: 14 ayes, 0 nays, 1 abstention and 0 absent.**

(AGENDA ITEM #3) **Consider approval of the minutes of the Sept. 11, 2019, “Nominating Committee of the LARM Board.”** Nathan Johnson moved, seconded by Melissa Harrell to approve the minutes of the “Nominating Committee of the LARM Board.” Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Johnson, Leyland, Moenning, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. **Motion carried: 15 ayes, 0 nays, 0 abstentions and 0 absent.**

(AGENDA ITEM #4) **Legal Update:**

- **a. “Joint Motion, Stipulation and Consent Order” in Case No. CI 18-1989 which was approved by the LARM Board at its meeting by telephone conference call on Sept. 9, 2019.** (Report presented by Andy Barry of Cline Williams Law Firm, representing L. Lynn Rex as LARM’s Administrator, the Village of Ansley, the City of Hickman and the City of North Platte; and Jason W. Grams of Lamson, Dugan and Murray, LLC, who entered an appearance on behalf of LARM to effectuate the “Joint Motion, Stipulation and Consent Order”)
- b. The hearing requested by Mike Nolan (LARM’s Executive Director) relating to the recommendation of L. Lynn Rex (LARM’s Administrator and League Executive Director) to the LARM Board to dismiss him is scheduled for Oct. 3, 2019, at 9 a.m. at the Cornhusker Hotel in the Office Plaza 202.** (Report presented by Jason W. Grams representing the LARM Board)
- c. Response to the email sent to the LARM Board on Aug. 26, 2019, by James Charlesworth and Peter Simonsen.** (Report presented by Andy Barry representing L. Lynn Rex as LARM’s Administrator)

Teresa Youngquist moved, seconded by Sandra Schendt to accept the legal reports. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Johnson, Leyland, Moenning, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. **Motion carried: 15 ayes, 0 nays, 0 abstentions and 0 absent.**

(AGENDA ITEM #5) **Review of LARM’s Audit for FY 17-18.** (Audit presented by Jeremy Fox, CPA, Partner, Thomas, Kunc & Black, LLP) Pam Buethe moved, seconded by Lanette Doane to approve LARM’s Audit for FY 17-18. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Johnson, Leyland, Moenning, Ourada, Schendt, Schultz, VanMatre and Youngquist.

Nays: None. Abstentions: None. **Motion carried: 15 ayes, 0 nays, 0 abstentions and 0 absent.**

(AGENDA ITEM #6) **Independent Accountant's Compilation Report; LARM's Financial Statements – Statutory Basis June 30, 2019 and 2018; and September 30, 2018.** (Report presented by Jeremy Fox) Jim Hawks moved, seconded by Doug Schultz to approve the Independent Accountant's Compilation Report; LARM's Financial Statements – Statutory Basis June 30, 2019 and 2018; and September 30, 2018. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Johnson, Leyland, Moenning, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. **Motion carried: 15 ayes, 0 nays, 0 abstentions and 0 absent.**

(AGENDA ITEM #7) **Update on LARM's current financial position.** (Report presented by Mark Weaver, CPA, Director of Finance, York Risk Services, Inc.) LeAnn Brown moved, seconded by Deb VanMatre to accept the report. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Johnson, Leyland, Moenning, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. **Motion carried: 15 ayes, 0 nays, 0 abstentions and 0 absent.**

(AGENDA ITEM #8) **Overview of York Risk Services, Inc.** and (AGENDA ITEM #9) **Overview of Accounting, Underwriting and Claims Processing by York Risk Services, Inc.** (Report presented by John Brockschmidt, CPCU, ARM, Senior Vice President Pooling, York Risk Services, Inc.; Chris Cadwell, Director of Pool Administration, York Risk Services, Inc.; and Mark Weaver) Josh Moenning moved, seconded by Scott Getzschman to accept the report of Agenda Items #8 and #9. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Johnson, Leyland, Moenning, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. **Motion carried: 15 ayes, 0 nays, 0 abstentions and 0 absent.**

(AGENDA ITEM #10) **Consider approval of LARM's Budget for FY 2019-20.** (Report presented by Mark Weaver) Lynn Rex reported that there were several proposed expenditures highlighted in red (page 209). Lynn said the \$38,000 in the proposed budget for "Brokerage Services" is part of the proposed compensation for Mark Nestor of ICRMS for FY 19-20; the rest of his compensation is embedded in the "Ceded Premiums." Lynn stated that Mark Nestor's role in LARM and other state League pools has been to ensure that the TPA meets its responsibilities under the contract and the pool staff performs their jobs efficiently. Lynn noted that Mark has provided a valuable service for LARM, especially when LARM first started out as a pool. Notwithstanding, Lynn said that with Mike Nolan being on paid administrative leave and LARM's transition, there currently is no role for Mark Nestor. However, there may be a need to hire Mark or someone with his skill set in the future. Scott Getzschman moved, seconded by Nathan Johnson to approve the proposed LARM Budget for FY 2019-20 of \$6,201,000 but move the \$48,000 from "Lobbying Services" to "Salary & Wages" or "Employee Benefits." Chair Doug Hanson asked if there was any discussion; Doug Schultz said he would be voting no because he doesn't believe LARM should be paying somebody else's lease, lobbying fees or the legal fees. Chair Doug Hanson asked if there was any other discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Johnson,

Leyland, Moenning, Ourada, Schendt, VanMatre and Youngquist. Nays: Schultz. Abstentions: None. **Motion carried: 14 ayes, 1 nay, 0 abstentions and 0 absent.**

(AGENDA ITEM #11) **Reinsurance Update:**

- a. **LARM's "Management Professional Liability Policy"; Liability Policy; and Cyber Policy.** (Report presented by Embry Nichols of Guy Carpenter (JLT Re)) On Aug. 23, 2019, Allied acknowledged receipt and full coverage for this board, the LARM Board elected 3-21-18, 9-19-18 and 9-18-19.
- b. **Workers' Compensation Policy (Midwest Employers) Effective 10-1-19; Property Policy Effective 7-1-19.** (Report presented by Tracy Juranek, Customer Service Specialist, LARM Staff; and Embry Nichols)

Doug Schultz moved, seconded by Teresa Youngquist to accept the coverages as presented. Chair Doug Hanson asked if there was any discussion. Andy Barry stated that Embry needed a motion to "approve" the coverages. Doug Schultz amended his motion to "approve" the coverages as presented. Doug Schultz withdrew his motion. Melissa Harrell moved to amend the motion to approve the coverages except the quote for liability. Melissa Harrell withdrew her motion. Deb VanMatre moved, seconded by Teresa Youngquist to approve all coverages as presented except the general liability reinsurance. Chair Doug Hanson asked if there was any discussion; there as none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Johnson, Leyland, Moenning, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. **Motion carried: 15 ayes, 0 nays, 0 abstentions and 0 absent.** Deb VanMatre moved, seconded by Sandra Schendt to accept the lowest bid for general liability reinsurance (from Great American and NLC Mutual) as long as the coverage is the same or broader. Chair Doug Hanson asked if there was any discussion; there as none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Johnson, Leyland, Moenning, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. **Motion carried: 15 ayes, 0 nays, 0 abstentions and 0 absent.**

(AGENDA ITEM #12) **Upcoming Dates for Meetings of the LARM Board: Oct. 3, 2019 (Hearing Requested by Mike Nolan); February 2020 in conjunction with the League's Midwinter Conference on Feb. 24-25 (date and time to be determined).** *This was not an action item.*

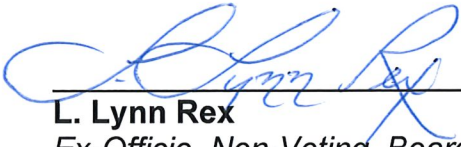
(AGENDA ITEM #13) **Motion to adjourn.** At 7:19 pm, Pam Buethe moved, seconded by Jo Leyland to adjourn. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Johnson, Leyland, Moenning, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. **Motion carried: 15 ayes, 0 nays, 0 abstentions and 0 absent.**

Approved on: October 11, 2019.

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

APPROVED

**NOTICE OF MEETING
ON WEDNESDAY, SEPTEMBER 18, 2019, AT 4:30 P.M. CT
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
BOARD OF DIRECTORS**

PLEASE TAKE NOTICE that on **Wednesday, Sept. 18, 2019, at 4:30 p.m. CT**, the League Association of Risk Management (LARM) will hold a meeting of the LARM Board of Directors in Room BC at the Cornhusker Marriott Hotel, 333 S 13th Street, Lincoln, Nebraska. An agenda of subjects known at this time is included with this notice, but the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at 1335 L Street, Lincoln, Nebraska. On Sept. 12, 2019, notice of this meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials are available for public inspection at 1335 L Street, in Lincoln, Nebraska, and also are posted on the League of Nebraska Municipalities' Facebook page and its website relating to LARM – <https://www.lonm.org/larm/>.