

MINUTES
MEETING OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
BOARD OF DIRECTORS (ELECTED 3-21-18 & 9-19-18)

Tuesday, Dec. 11, 2018, 12 pm CST
Room F, Holiday Inn, 110 S 2nd Street, Kearney

A Meeting of the League Association of Risk Management (LARM) Board of Directors (Elected 3-21-18 & 9-19-18) was held Dec. 11, 2018, at 12 pm CST in Room F at the Holiday Inn in Kearney, Nebraska.

On Dec. 5, 2018, notice of this meeting with the agenda and other materials were sent to all LARM members and the LARM Board (Elected 3-21-18 & 9-19-18). On Dec. 7, 2018, notice of this meeting with the revised agenda and other materials were sent to all LARM members and the LARM Board (Elected 3-21-18 & 9-19-18). Notice of this meeting with the revised agenda and other materials are available for public inspection at 1335 L Street, in Lincoln, Nebraska, and also is 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 12:06 pm CST, 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. 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: **Teresa Bartlett**, Clerk/Treasurer, City of Beaver City; **LeAnn Brown**, Clerk/Treasurer, City of Oshkosh; **Lanette Doane**, Clerk/Treasurer, Village of Ansley; **Mayor Scott Getzschman**, City of Fremont; **Mayor Doug Hanson**, City of Hickman; **Jim Hawks**, City Administrator, City of North Platte; **Jo Leyland**, Admin./Clerk/Treasurer, City of Imperial; **Tom Ourada**, City Administrator; City of Crete; **Sandra Schendt**, Clerk/Treasurer, City of Nelson; **Douglas Schultz**, Admin./Clerk/Treasurer, City of Curtis; **Mayor Deb VanMatre**, City of Gibbon; 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. *11 voting Board Members present; 4 absent (Pam Buethe, Board Member, Sarpy County SID #29; Melissa Harrell, Admin./Clerk/Treasurer, City of Wahoo; Nathan Johnson, City Manager, City of Scottsbluff, and Mayor Josh Moenning, City of Norfolk).*

Chair Doug Hanson asked the LARM Board Members to introduce themselves and which public entity they represent.

Chair Doug Hanson asked others in attendance to identify themselves, if they chose to do so: **Silas Clarke**, City Administrator/Economic Development Director, City of Hickman; **Doug Stack**, City Attorney, City of North Platte also the Attorney for the Village of Hershey and the Village of Mullen; **Jerry Wilcox**, Finance Director, City of Crete; **Andy Barry** of Cline Williams,

the League's Outside Counsel on LARM-Related Issues; **John Zimmer** of Cline Williams. 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) **Review and recommend changes to the minutes of the September 19, 2018, Annual "Members Meeting of LARM," subject to approval of the minutes by LARM members at the next "Members Meeting of LARM."** Jim Hawks moved, seconded by Sandra Schendt to approve the minutes of the Sept. 19, 2018, Annual "Members Meeting of LARM." Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Doane, Getzschman, Hanson, Hawks, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Harrell, Johnson and Moenning).**

(AGENDA ITEM #3) **Consider approval of the minutes of the September 19, 2018, "Meeting of the LARM Board of Directors (Elected 3-21-18)."** LeaAnn Brown moved, seconded by Mayor Scott Getzschman to approve the minutes of the September 19, 2018, "Meeting of the LARM Board of Directors (Elected 3-21-18)." Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Doane, Getzschman, Hanson, Hawks, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Harrell, Johnson and Moenning).**

(AGENDA ITEM #4) **Briefing by Andy Barry regarding the status of lawsuits; Andy Barry of Cline Williams Law Firm is the League's Outside Legal Counsel on LARM-related issues.**

It was brought to Chair Doug Hanson's attention that the conference call-in number was not working. After several minutes, participants were able to call in to the meeting; the board started the meeting over from the beginning.

(AGENDA ITEM #1) **Call to Order.** At 12:22 pm CST, 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. 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: **Teresa Bartlett**, Clerk/Treasurer, City of Beaver City; **LeAnn Brown**, Clerk/Treasurer, City of Oshkosh; **Lanette Doane**, Clerk/Treasurer, Village of Ansley; **Mayor Scott Getzschman**, City of Fremont; **Mayor Doug Hanson**, City of Hickman; **Jim Hawks**, City Administrator, City of North Platte; **Jo Leyland**, Admin./Clerk/Treasurer, City of Imperial; **Tom Ourada**, City Administrator; City of Crete; **Sandra Schendt**, Clerk/Treasurer, City of Nelson; **Douglas Schultz**, Admin./Clerk/Treasurer, City of Curtis; **Mayor Deb VanMatre**, City of Gibbon; 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. *11 voting Board Members present; 4 absent (Pam Buethe, Board*

Member, Sarpy County SID #29; **Melissa Harrell**, Admin./Clerk/Treasurer, City of Wahoo; **Nathan Johnson**, City Manager, City of Scottsbluff; and **Mayor Josh Moenning**, City of Norfolk).

Chair Doug Hanson asked others in attendance to identify themselves, if they chose to do so: **Silas Clarke**, City Administrator/Economic Development Director, City of Hickman; **Doug Stack**, City Attorney, City of North Platte also the Attorney for the Village of Hershey and the Village of Mullen; **Jerry Wilcox**, Finance Director, City of Crete; **Andy Barry** of Cline Williams, the League's Outside Counsel on LARM-Related Issues; **John Zimmer** of Cline Williams. The following staff members of the League of Nebraska Municipalities also were in attendance: **Christy Abraham**, **Lash Chaffin**, **Brenda Henning** and **Shirley Riley**. *(There were meeting participants on the conference call, but no one identified himself or herself.)*

(AGENDA ITEM #2) **Review and recommend changes to the minutes (attached) of the September 19, 2018, Annual "Members Meeting of LARM," subject to approval of the minutes by LARM members at the next "Members Meeting of LARM."** Jim Hawks moved, seconded by Sandra Schendt to approve the minutes of the Sept. 19, 2018, Annual "Members Meeting of LARM." Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Doane, Getzschman, Hanson, Hawks, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Harrell, Johnson and Moenning).**

(AGENDA ITEM #3) **Consider approval of the minutes (attached) of the September 19, 2018, "Meeting of the LARM Board of Directors (Elected 3-21-18)."** Lanette Doane moved, seconded by Mayor Scott Getzschman to approve the minutes of the Aug. 26, 2018, "Nominating Committee of the LARM Board (Elected 3-21-18)." Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Doane, Getzschman, Hanson, Hawks, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Harrell, Johnson and Moenning).**

(AGENDA ITEM #4) **Briefing by Andy Barry regarding the status of lawsuits; Andy Barry of Cline Williams Law Firm is the League's Outside Legal Counsel on LARM-related issues.** Andy Barry updated the board on the lawsuits. No action was needed on this agenda item.

(AGENDA ITEM #5) **Consider approval of a Litigation Subcommittee to provide input to the following litigants in pending lawsuits: Village of Ansley, City of Hickman, City of North Platte and Lynn Rex as League Executive Director and LARM's Administrator pursuant to the Interlocal Agreement.** At 12:42 pm, Teresa Bartlett moved, seconded by Jim Hawks to go into closed session to protect the public interest to discuss litigation strategy and lawsuits and to include in closed session Lash Chaffin, Doug Stack, Jerry Wilcox, Silas Clarke, Andy Barry, John Zimmer, Shirley Riley, Christy Abraham and Brenda Henning. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Doane, Getzschman, Hanson, Hawks, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Harrell, Johnson and Moenning).** At 12:48 pm, Chair Doug Hanson repeated the motion to go into closed session in its entirety immediately prior to the closed session.

After returning to open session at 1:34 p.m., Chair Doug Hanson emphasized that there was no action taken during the closed session and discussion was limited to the motion as stated.

Andy Barry noted that he received a call from Stephen Bruckner, the "Purported LARM Board's" Legal Counsel, on Dec. 10. Mr. Bruckner asked Andy Barry to cancel the meeting; Andy said he didn't have the authority to do so. Mr. Bruckner then requested that the LARM Board (Elected 3-21-18 & 9-19-18) table agenda items 6-10.

(AGENDA ITEM #6) Update by the City of North Platte regarding actions by the "Purported LARM Board" relating to North Platte's workers' compensation coverage, resulting in an increased premium of over \$218,000 to keep its current \$1,000 deductible per incident per employee pursuant to North Platte's contract with LARM (about a 30% increase). The board considered Mr. Bruckner's request to table Agenda Item #6, but since no action is necessary, Doug Stack gave a brief update. He stated that they received and paid an invoice for an extra premium of \$218,000 with the \$1,000 deductible and so North Platte is paid up for the year. No action was needed on this agenda item.

(AGENDA ITEM #7) Consider approval of a motion requiring LARM to honor the remaining two years of its contract with the City of North Platte. The board considered Mr. Bruckner's request to table Agenda Item #7. Jo Leyland moved, seconded by Teresa Bartlett, to act in good faith and table Agenda Item #7 until the next board meeting since the board has already made its position clear on the North Platte issue. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Doane, Getzschman, Hanson, Hawks, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. ***Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Harrell, Johnson and Moenning).***

(AGENDA ITEM #8) Consider approval of a motion to oppose recent actions by the "Purported LARM Board" to extend its lease agreement at a location other than the League building at 1335 L Street, Lincoln, Nebraska, as required by LARM's Interlocal Agreement. The board considered Mr. Bruckner's request to table Agenda Item #8. Lanette Doane moved, seconded by Deb VanMatre, to act in good faith and table Agenda Item #8 until the next board meeting since the board has already made its position clear that LARM's current lease is in violation of the Interlocal Agreement. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Doane, Getzschman, Hanson, Hawks, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. ***Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Harrell, Johnson and Moenning).***

(AGENDA ITEM #9) Consider approval of a motion that LARM Board Chair Doug Hanson, Mayor of Hickman, send a letter to again request that the remaining members of the "Purported LARM Board" resign since: 1) none were elected at a "Members Meeting" as required by the Interlocal Agreement; and 2) their respective terms of office have expired even pursuant to their flawed "appointment process." The board considered Mr. Bruckner's request to table Agenda Item #9. Jim Hawks moved, seconded by LeAnn Brown, to act in good faith and table Agenda Item #9 until the next board meeting since the board has already asked the members of the "Purported LARM Board" to resign. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Doane, Getzschman, Hanson, Hawks, Leyland, Ourada, Schendt, Schultz

and VanMatre. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Harrell, Johnson and Moenning)**. Doug Schultz stated that he would like to have records of the legal bills LARM has incurred since the LARM Board (Elected 3-21-18 & 9-19-18) sent a letter requesting that the members of the "Purported LARM Board" resign.


(AGENDA ITEM #10) **Consider approval of a motion that LARM Board Chair Doug Hanson, Mayor of Hickman, send a letter to the Nebraska Department of Insurance (NDOI): 1) to inform NDOI of amendments to the By-laws of the National League of Cities Mutual Insurance Company (NLC Mutual) that were approved by the NLC Mutual Board of Directors on Dec. 5, 2018, regarding treatment of the balance of LARM's capital account at NLC Mutual as an "admitted asset"; and 2) to respectfully request that, subject to approval of these amendments to the By-laws by the Vermont Department of Insurance (which is expected no later than Dec. 31, 2018), that NDOI would allow the balance of LARM's capital account at NLC Mutual to be treated as an "admitted asset" as soon as possible, with the understanding that NDOI will not permit any distribution of LARM dividends until the litigation relating to LARM is resolved.** The board considered Mr. Bruckner's request to table Agenda Item #10. Since this agenda item is in response to recent action taken by NLC Mutual and clearly is in the best interest of all LARM members, the board decided not to table this agenda item. Lynn Rex gave a brief summary of the admitted asset issue. (At the next Members Meeting of NLC Mutual, the amendments to the Bylaws will be on the agenda for final approval.) Lynn Rex said that the NDOI decides whether dividends are distributed so there is no need to keep the last phrase in the suggested motion. Lanette Doane moved, seconded by Jo Leyland that LARM Board Chair Doug Hanson, Mayor of Hickman, send a letter to the Nebraska Department of Insurance (NDOI): 1) to inform NDOI of amendments to the By-laws of the National League of Cities Mutual Insurance Company (NLC Mutual) that were approved by the NLC Mutual Board of Directors on Dec. 5, 2018, regarding treatment of the balance of LARM's capital account at NLC Mutual as an "admitted asset"; and 2) to respectfully request that, subject to approval of these amendments to the By-laws by the Vermont Department of Insurance (which is expected no later than Dec. 31, 2018), that NDOI would allow the balance of LARM's capital account at NLC Mutual to be treated as an "admitted asset" as soon as possible. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Doane, Getzschman, Hanson, Hawks, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Harrell, Johnson and Moenning)**. A letter will be sent to NLC Mutual to thank them for their work on this issue which has been of longstanding importance to LARM.

(AGENDA ITEM #11) **Discussion of upcoming meeting dates of the LARM Board (Elected 3-21-18 & 9-19-18) and possible agenda items.** The next face-to-face meeting will be held in conjunction with the League's Midwinter Conference scheduled for Feb. 25-26. There may be one or two conference calls before the face-to-face meeting. Agenda Items #7, 8 and 9 will be on the next meeting's agenda. Doug Schultz requested that two items be included on the next agenda: 1) an evaluation of LARM's Executive Director and 2) a motion to go into closed session to discuss a plan of action after the court ruling. Chair Doug Hanson asked board members to email him any other suggested agenda items. No action was needed on this agenda item.

(AGENDA ITEM #12) **Motion to adjourn.** At 3:41 pm, Teresa Bartlett moved, seconded by Sandra Schendt to adjourn. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Doane, Getzschman, Hanson, Hawks, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Harrell, Johnson and Moenning).**

Approved on: February 26, 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