

MINUTES
MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
Tuesday, Feb. 25, 2020, 1:30 pm CT
Hawthorne Room (lower level), Cornhusker Marriott Hotel
333 S 13th Street, Lincoln

A Meeting of the Board of Directors of the League Association of Risk Management (LARM) was held Feb. 25, 2020, at 1:30 pm CT in the Hawthorne Room at the Cornhusker Marriott Hotel at 333 S 13th Street in Lincoln, Nebraska.

On Feb. 14, 2020, notice of this Meeting with the agenda was sent to all LARM members and the LARM Board. Notice of this Meeting was available for public inspection at 1335 L Street, in Lincoln, Nebraska, and posted on the League of Nebraska Municipalities' Facebook page and its website relating to LARM – <https://www.lonm.org/larm/>.

(AGENDA ITEM #1) **Call Meeting to Order.** At 1:30 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 (*left at 4:44 pm*); **Mayor Doug Hanson**, City of Hickman; **Melissa Harrell**, City Administrator/Treasurer, City of Wahoo; **Jim Hawks**, City Administrator, City of North Platte; **Jo Leyland**, Admin./Clerk/Treasurer, City of Imperial; **Mayor Josh Moenning**, City of Norfolk (*left at 3:31 pm*); **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; ex-officio (non-voting) Board Member **Mayor Dwight Livingston**, City of North Platte and League President; and ex-officio (non-voting) Board Member **L. Lynn Rex**, League Executive Director and "Administrator" of LARM/LARM Acting Executive Director. *13 voting Board Members present; 2 absent (Nathan Johnson, City Manager, City of Scottsbluff/Mayor Tony Kaufman, City of Gering; and Teresa Youngquist, Clerk/Treasurer, City of Beaver City).*

Doug Hanson asked individuals to introduce themselves: **Sedgwick (LARM's third party administrator)** - Mark Weaver, Chris Cadwell, Michelle Chandler, John Brockschmidt, Rebecca Atkinson, Chris Dondzila and John Baum; **Guy Carpenter/JLT Re** – Embry Nichols and Sean Cragle; **NLC Mutual Insurance Company** – Jill Eaton; **League Staff** – Shirley Riley and Brenda Henning; **LARM** – Dave Bos; and **Lyndee Black**.

Chair Doug Hanson asked others in attendance and those on the phone if anyone wanted to identify themselves for purposes of the minutes; Chair Doug Hanson said no one was required to identify themselves. No one identified themselves.

(AGENDA ITEM #2) **Consider approval of a recommendation by LARM Administrator Lynn Rex to accept the resignation of Nathan Johnson, Scottsbluff City Manager, and approve Gering Mayor Tony Kaufman to fill the vacancy for the remainder of Nathan Johnson's term of office, ending Dec. 31, 2022.** (*Lynn Rex consulted with LARM Chair Doug Hanson and LARM Vice Chair Jim Hawks during a Nominating Committee Meeting on Feb. 11, 2020.*) Josh Moenning moved, seconded by Jo Leyland to approve the recommendation by LARM Administrator Lynn Rex to accept the resignation of Nathan Johnson, Scottsbluff City Manager, and approve Gering Mayor Tony Kaufman to fill the vacancy for the remainder of Nathan Johnson's term of office, ending Dec. 31, 2022. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Johnson and Youngquist).**

(AGENDA ITEM #3) **Overview of services and reinsurance coverage provided by NLC Mutual Insurance Company; Consider motion to accept the report.** (*Presented by Jill Eaton, President & CEO, NLC Mutual Insurance Company*) Scott Getzschman moved, seconded by Lanette Doane, 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, Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Kaufman and Youngquist).**

(AGENDA ITEM #4) **State of the property reinsurance market and update on availability of additional cyber coverage; Consider motion to accept the report and approve additional cyber coverage.** (*Presented by Embry Nichols, Senior Broker and Vice President, Guy Carpenter/JLT Re; and Sean Cragle, Associate Broker, Guy Carpenter/JLT Re*) Jo Leyland moved, seconded by Pam Buethe 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, Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Kaufman and Youngquist).**

Embry Nichols and Dave Bos explained the importance of providing this additional coverage. Melissa Harrell moved, seconded by Scott Getzschman to approve the additional cyber coverage as outlined on page 18 of Embry's handout. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Kaufman and Youngquist).**

(AGENDA ITEM #5) **Consider approval of the minutes of the Nov. 14, 2019, "Special Meeting of the LARM Board of Directors."** Jim Hawks moved, seconded by Pam Buethe to approve the minutes of the Nov. 14, 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:

Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Leyland, Moenning, Ourada, Schultz and VanMatre. Nays: None. Abstentions: Brown and Schendt. **Motion carried: 11 ayes, 0 nays, 2 abstentions and 2 absent (Kaufman and Youngquist).**

(AGENDA ITEM #6) **Consider approval of the minutes of the Jan. 31, 2020, "Meeting of the LARM Board of Directors."** Jim Hawks moved, seconded by Pam Buethe to approve the minutes of the Jan. 31, 2020, "Meeting of the LARM Board of Directors." Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: Brown. **Motion carried: 12 ayes, 0 nays, 1 abstention and 2 absent (Kaufman and Youngquist).**

(AGENDA ITEM #7) **Consider approval of the minutes of the Feb. 11, 2020, "Nominating Committee Meeting of the LARM Board."** Jim Hawks moved, seconded by Doug Hanson to approve the minutes of the Feb. 11, 2020, "Nominating Committee Meeting 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, Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Kaufman and Youngquist).**

(AGENDA ITEM #8) **Review of LARM's Audit for FY 18-19; Consider motion to accept the Audit for FY 18-19.** (Presented by Lyndee Black of Thomas, Kunc & Black, LLP, LARM's Auditor.) *After review of the Audit in open session, there was a staff recommendation for the Board to vote to go into closed session with Agenda Items #16 and #17. The audit was presented by Lyndee Black in open session, discussion was held during closed session with Agenda Items #16 and #17, and a motion was made when the Board came back into open session.*

(AGENDA ITEM #9) **Independent Accountant's Compilation Report; LARM's Financial Statements – Statutory Basis; Dec. 31, 2109 and 2018 and Sept. 30, 2019; Consider motion to accept the report.** (Presented by Lyndee Black of Thomas, Kunc & Black, LLP, LARM's Auditor.) 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, Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Kaufman and Youngquist).**

(AGENDA ITEM #10) **Consider motion to reapprove the Accounts Receivable Policy.** (Presented by Lyndee Black of Thomas, Kunc & Black, LLP, LARM's Auditor.) Sandra Schendt moved, seconded by Jim Hawks to approve the Accounts Receivable Policy with Feb. 25, 2020 as the effective date. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Kaufman and Youngquist).**

(AGENDA ITEM #11) **Consider motion to approve L. Lynn Rex as the Administrator and Trustee for LARM's retirement plan.** Jo Leyland moved, seconded by Lanette Doane to approve L. Lynn Rex as the Administrator and Trustee for LARM's retirement plan with Feb. 25, 2020 as the effective date. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks,

Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Kaufman and Youngquist).**

(AGENDA ITEM #12) **Update on LARM's current financial position; Consider motion to accept the report.** (Presented by Mark Weaver, CPA, Director of Finance, Sedgwick.) Lanette Doane moved, seconded by LeAnn Brown 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, Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Kaufman and Youngquist).**

(AGENDA ITEM #13) **LARM loss control update; Consider motion to accept the report.** (Presented by Dave Bos, ARM, LARM's Loss Control Manager.) Josh Moenning moved, seconded by Scott Getzschman 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, Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Kaufman and Youngquist).**

(AGENDA ITEM #14) **LARM's annual operational timeline; Consider motion to accept the report.** (Presented by Tracy Juranek, LARM's Customer Service Specialist.) Deb VanMatre moved, seconded by LeAnn Brown 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, Leyland, Moenning, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Kaufman and Youngquist).**

(AGENDA ITEM #15) **Overview of LARM's workers' compensation claims process; Consider motion to accept the report.** (Presented by Todd Jones, Claims Team Lead, Sedgwick; and Rebecca English, Claims Examiner, Sedgwick.) Scott Getzschman moved, seconded by Tom Ourada 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, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 12 ayes, 0 nays, 0 abstentions and 3 absent (Kaufman, Moenning and Youngquist).**

(AGENDA ITEM #16) **Update on negotiations and consider motion to authorize the Administrator to extend LARM's contract for 1 year with Sedgwick for pool consulting services with substantially the same terms and conditions as the current contract.** *There was a staff recommendation for the Board to vote to go into closed session with Agenda Items #8 and #17.* (Presented in closed session by John Brockschmidt, CPCU, ARM, Senior Vice President of Pooling, Sedgwick; Andy Barry, Partner, Cline Williams, representing LARM; and Lynn Rex, LARM Administrator and LARM Acting Executive Director.)

(AGENDA ITEM #17) **Claims and litigation update.** *There was a staff recommendation for the Board to vote to go into closed session with Agenda Items #8 and #16.* (Presented in closed session by Andy Barry, Partner, Cline Williams, representing LARM; John Baum, Litigation Claims Manager, LARM; John Brockschmidt, CPCU, ARM, Senior Vice President of Pooling, Sedgwick; and Chris Dondzila, Director, Claims Administration, Sedgwick.)

Jim Hawks moved, seconded by Sandra Schendt to go into closed session to protect the public interest: 1) On **Agenda Item #8** to discuss confidential and proprietary information related to LARM's Audit; 2) On **Agenda Item #16** to protect the public interest to update the Board on negotiations to authorize the Administrator to extend LARM's contract for one year with Sedgwick for pool consulting services with substantially the same terms and conditions as the current contract; and 3) On **Agenda Item #17**, to protect the public interest and provide the Board a claims and litigation update; and also include the following individuals: Dave Bos, Tracy Juranek, Shirley Riley, Andy Barry, John Zimmer, John Brockschmidt, John Baum, Chris Dondzila, Chris Cadwell and Lyndee Black. Chair Doug Hanson asked if there was any discussion; there was none.

Chair Doug Hanson repeated the motion to go into closed session to protect the public interest: 1) On **Agenda Item #8** to discuss confidential and proprietary information related to LARM's Audit; 2) On **Agenda Item #16** to protect the public interest to update the Board on negotiations to authorize the Administrator to extend LARM's contract for one year with Sedgwick for pool consulting services with substantially the same terms and conditions as the current contract; and 3) On **Agenda Item #17**, to protect the public interest and provide the Board a claims and litigation update; and also include the following individuals: Dave Bos, Tracy Juranek, Shirley Riley, Andy Barry, John Zimmer, John Brockschmidt, John Baum, Chris Dondzila, Chris Cadwell and Lyndee Black. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Harrell, Hawks, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. ***Motion carried: 12 ayes, 0 nays, 0 abstentions and 3 absent (Kaufman, Moenning and Youngquist).***

Chair Doug Hanson repeated the motion again to go into closed session to protect the public interest: 1) On **Agenda Item #8** to discuss confidential and proprietary information related to LARM's Audit; 2) On **Agenda Item #16** to protect the public interest to update the Board on negotiations to authorize the Administrator to extend LARM's contract for one year with Sedgwick for pool consulting services with substantially the same terms and conditions as the current contract; and 3) On **Agenda Item #17**, to protect the public interest and provide the Board a claims and litigation update; and also include the following individuals: Dave Bos, Tracy Juranek, Shirley Riley, Andy Barry, John Zimmer, John Brockschmidt, John Baum, Chris Dondzila, Chris Cadwell and Lyndee Black. Chair Doug Hanson announced that as of 3:53 pm the Board was in closed session.

At 5:40 pm, Chair Doug Hanson stated that the reason that the Board did go into closed session was to protect the public interest: 1) On **Agenda Item #8** to discuss confidential and proprietary information related to LARM's Audit; 2) On **Agenda Item #16** to protect the public interest to update the Board on negotiations to authorize the Administrator to extend LARM's contract for one year with Sedgwick for pool consulting services with substantially the same terms and conditions as the current contract; and 3) On **Agenda Item #17**, to protect the public interest and provide the Board a claims and litigation update. Chair Doug Hanson stated that the Board was back in open session.

(AGENDA ITEM #8) Review of LARM's Audit for FY 18-19; Consider motion to accept the Audit for FY 18-19. Jim Hawks moved, seconded by Deb VanMatre to accept the audit as presented. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Hanson, Harrell, Hawks, Leyland, Ourada, Schendt,

Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Getzschman, Kaufman, Moenning and Youngquist).**

(AGENDA ITEM #16) **Update on negotiations and consider motion to authorize the Administrator to extend LARM's contract for 1 year with Sedgwick for pool consulting services with substantially the same terms and conditions as the current contract.** Melissa Harrell moved, seconded by Pam Buethe to authorize the Administrator to extend LARM's contract for 1 year with Sedgwick for pool consulting services with substantially the same terms and conditions as the current contract. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Hanson, Harrell, Hawks, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Getzschman, Kaufman, Moenning and Youngquist).**


(AGENDA ITEM #17) **Claims and Litigation Update.** No action was necessary.

(AGENDA ITEM #18) **Update on amending LARM's Bylaws, the Bylaws Committee and potential role of other committees to assist in LARM's governance; Consider motion to accept the report.** (Presented by Lynn Rex, LARM Administrator and LARM Acting Executive Director.) Doug Schultz moved, seconded by Melissa Harrell to accept the report. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Hanson, Harrell, Hawks, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Getzschman, Kaufman, Moenning and Youngquist).**

(AGENDA ITEM #19) **Motion to adjourn.** At 5:48 pm, Lanette Doane moved, seconded by Pam Buethe to adjourn. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Hanson, Harrell, Hawks, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Getzschman, Kaufman, Moenning and Youngquist).**

Approved on March 27, 2020.

ATTEST:



Brenda Henning
Membership Services Assistant
League of Nebraska Municipalities



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

NOTICE
MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
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PLEASE TAKE NOTICE that on **Tuesday, Feb. 25, 2020, at 1:30 pm CT**, the League Association of Risk Management (LARM) will hold a Meeting of the LARM Board of Directors in the Hawthorne Room 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 Feb. 14, 2020, 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/>.