

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

Via Telephone Conference Call

Call-In Number: 1-571-317-3129 or (toll free) 1-877-568-4106

Access Code: 580-000-365

Thursday, May 28, 2020, 2:30 pm CT/1:30 pm MT

A Special Meeting of the League Association of Risk Management (LARM) Board of Directors was held May 28, 2020, at 2:30 pm CT/1:30 pm MT via telephone conference call at 11 designated locations identified in the meeting notice (attached).

On May 22, 2020, notice of this Special Meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this Special 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 2:33 pm CT, **LARM Board Chair Doug Hanson**, Mayor of Hickman, called the Special 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 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. 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 by phone: **LeAnn Brown**, Clerk/Treasurer, City of Oshkosh, 305 West 1st Street, Oshkosh, NE; **Lanette Doane**, Clerk/Treasurer, Village of Ansley, 217 Nile Street, Ansley, NE; **Mayor Scott Getzschman**, City of Fremont, 400 East Military, Fremont, NE; **Mayor Doug Hanson**, City of Hickman, League Office, 1335 L Street, Lincoln, NE.; **Mayor Tony Kaufman**, City of Gering, 1025 P Street, Gering, NE; **Jo Leyland**, Admin./Clerk/Treasurer, City of Imperial 740 Court Street, Imperial, NE; **Tom Ourada**, City Administrator, City of Crete, 243 East 13th Street, Crete, NE; **Sandra Schendt**, Clerk/Treasurer, City of Nelson, 580 S Main Street, Nelson, NE; **Doug Schultz**, Admin./Clerk/Treasurer, City of Curtis, 201 Garlick Avenue, Curtis, NE; **Mayor Deb VanMatre**, City of Gibbon, 715 Front Street, Gibbon, NE; ex-officio (non-voting) Board Member **Mayor Dwight Livingston**, City of North Platte, 211 West 3rd Street, North Platte, NE; and ex-officio (non-voting) Board Member **L. Lynn Rex**, League Executive Director and "Administrator" of LARM/LARM Acting Executive Director, League Office, 1335 L Street, Lincoln, NE. *10 Board Members present and 5 absent (Pam Buethe, Board Member, Sarpy County SID #29; Melissa*

Harrell, City Administrator/Treasurer, City of Wahoo; **Jim Hawks**, City Administrator, City of North Platte; and **Mayor Josh Moenning**, City of Norfolk; **Teresa Youngquist**, Clerk/Treasurer, City of Beaver City).

Other participants included: **Jan Rise**, Administrative Services Director of Fremont; **Andy Barry**, Partner, Cline Williams, representing LARM; **John Zimmer**, Attorney, Cline Williams; **Lyndee Black**, Thomas, Kunc & Black, LLP, LARM's Auditor; **Sedgwick (LARM's Third Party Administrator)** - John Brockschmidt, Chris Cadwell and Mark Weaver; **LARM** – Dave Bos, Tracy Juranek, Diane Becker, Randy Peters and Fred Wiebelhaus; and **League Staff** – Lash Chaffin, Shirley Riley, Brett Benson and Brenda Henning.

(AGENDA ITEM #2) **Consider approval of the minutes of the March 27, 2020, "Special Meeting of the LARM Board of Directors."** Tony Kaufman moved, seconded by Scott Getzschman to approve the minutes of the March 27, 2020, "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, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

(AGENDA ITEM #3) **Consider motion to accept the financial report of Lyndee Black entitled: "Independent Accountant's Compilation Report, Financial Statements – Statutory Basis March 31, 2020 and 2019 and September 30, 2019."** (Presented by Lyndee Black of Thomas, Kunc & Black, LLP, LARM's Auditor.) Tony Kaufman moved, seconded by Sandra Schendt to accept the financial report of Lyndee Black entitled: "Independent Accountant's Compilation Report, Financial Statements – Statutory Basis March 31, 2020 and 2019 and September 30, 2019." Chair Doug Hanson asked if there was any discussion; there was none. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

(AGENDA ITEM #4) **LARM investments update; Consider motion to accept the report.** (Presented by Craig Dana and Michael Maloney of U.S. Bank.) LeAnn Brown moved, seconded by Tony Kaufman to accept the report. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

(AGENDA ITEM #5) **Review of By the Numbers Actuarial Consulting's (BYNAC) "Indicated Premium for October 1, 2020-2021" draft actuarial report. Consider motion to set rates to achieve the overall funding targets of 9.5% increase in General Liability contribution, a 3% increase in Property contribution and a 8% decrease in Workers Compensation contribution, which would result in an overall**

increase of 1.5% in total contributions. *(Presented by Mark Weaver, CPA, Director of Finance, Sedgwick; and John Brockschmidt, CPCU, ARM, Senior Vice President of Pooling, Sedgwick.)* Tony Kaufman moved, seconded by Lanette Doane to set rates to achieve the overall funding targets of 9.5% increase in General Liability contribution, a 3% increase in Property contribution and a 8% decrease in Workers Compensation contribution, which would result in an overall increase of 1.5% in total contributions. Following discussion that it might be better to consider an overall increase of 2%, instead of the 1.5%, Chair Doug Hanson asked if there was any further discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

(AGENDA ITEM #6) Consider approval of an endorsement to modify the Liability Coverage Document to delete the exclusion for fireworks and approval of a contribution proposal. *(Presented by Chris Cadwell, Director Pool Administration, Sedgwick; and Tracy Juranek, LARM's Customer Service Specialist.)* Sandra Schendt moved, seconded by Tom Ourada to approve an endorsement to modify the Liability Coverage Document to delete the exclusion for fireworks and to approve a contribution proposal, subject to the underwriting risk. There was discussion regarding the inherent danger of fireworks and the state requirements for a "certified pyrotechnic" individual. There also was discussion regarding the appropriate pricing for the coverage. Chair Doug Hanson asked if there was any further discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

Since Andy Barry, LARM's Legal Counsel, had a prior commitment, Chair Doug Hanson stated that Agenda Item #8 would be considered next.

(AGENDA ITEM #8) Consider approval of proposed amendments to LARM's Bylaws. *(Presented by Andy Barry, Partner, Cline Williams, representing LARM; and Lynn Rex, LARM Administrator and LARM Acting Executive Director.)* Andy Barry presented an overview of the proposed amendments to LARM's Bylaws. Andy commended the hard work of the Bylaws Committee and stated that he had submitted the proposed revisions to the Nebraska Department of Insurance (NDOI) for an initial review. Lanette Doane moved, seconded by Deb VanMatre to approve the proposed amendments to LARM's Bylaws as presented today. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.** Andy Barry stated that the amendments to LARM's Bylaws approved by the LARM Board would not take effect until NDOI issued a statement that they were "not disapproved."

(AGENDA ITEM #7) **Consider approval of any relevant motions relating to LARM membership issues regarding participation of Natural Resources Districts (NRDs) and Region 11 Emergency Management Association.** (*NRDs – Presented by John Brockschmidt, CPCU, ARM, Senior Vice President of Pooling, Sedgwick; Chris Cadwell, Director Pool Administration, Sedgwick; Dave Bos, ARM, LARM's Loss Control Manager; and Lynn Rex, LARM Administrator and LARM Acting Executive Director.*) John Brockschmidt of Sedgwick, LARM's Third Party Administrator, stated there were underwriting concerns relating to the unique downstream liability issues of NRDs. There was significant discussion relating to LARM's core mission to provide coverages and risk management services to municipalities and public entities more closely aligned with cities and villages. Jo Leyland moved, seconded by Scott Getzschman that LARM fulfill all contractual obligations with NRDs and provide NRDs notice ASAP that in the future, LARM would be phasing out future coverages and membership with NRDs. **After some discussion, Jo Leyland withdrew the motion and Scott Getzschman withdrew the second.** Jo Leyland then moved and Scott Getzschman seconded the motion that LARM will provide notice to NRDs as soon as possible that LARM will no longer pursue adding new NRDs as LARM members and after all of LARM's contractual obligations and Nebraska Department of Insurance (NDOI) requirements with current NRD members have been met, then LARM would no longer provide coverages to NRDs. The discussion reflected the importance of LARM meeting all NDOI requirements as well as fulfilling its contractual obligations with member NRDs (pursuant to LARM's Interlocal Agreement, Bylaws and coverage documents). Chair Doug Hanson asked if there was any further discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, and Schultz. Nays: None. Abstentions: VanMatre. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 9 ayes, 0 nays, 1 abstention and 5 absent.** Representatives of LARM will meet with NDOI in the near future to discuss LARM's underwriting concerns relating to the unique downstream liability issues of NRDs.

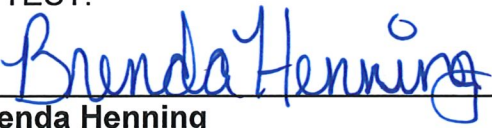
(Region 11 Emergency Management Association – Presented by Fred Wiebelhaus, LARM's Field Adjuster Supervisor/Loss Control Assistant; and Lynn Rex, LARM Administrator and LARM Acting Executive Director.) Following further discussion regarding LARM's core mission, Tony Kaufman moved, seconded by Scott Getzschman to pass on the opportunity to bid Region 11 Emergency Management Association property coverage. Chair Doug Hanson asked if there was any other discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Present and not voting: Leyland. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 9 ayes, 0 nays, 0 abstentions, 1 present and not voting and 5 absent.**

(AGENDA ITEM #9) **Discuss possible meeting dates of the next LARM Board of Directors by telephone conference call.** (*Presented by Lynn Rex, LARM Administrator and LARM Acting Executive Director.*) Next meet will be either June 15 or June 22. One of the agenda items will be approval of binding reinsurance coverage. No action was necessary on this agenda item.

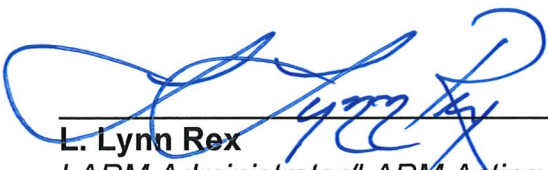
(AGENDA ITEM #10) **Motion to adjourn.** At 5:12 pm, Jo Leyland moved, seconded by Sandra Schendt to adjourn. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Bueth, Harrell, Hawks, Moenning and Youngquist. ***Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.***

Approved on: June 24, 2020.

ATTEST:



Brenda Henning
Membership Services Assistant
League of Nebraska Municipalities



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

NOTICE
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OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT

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Thursday, May 28, 2020, 2:30 pm CT/1:30 pm MT

PLEASE TAKE NOTICE that on **Thursday, May 28, 2020, at 2:30 pm CT/1:30 pm MT**, the League Association of Risk Management (LARM) will hold a Special Meeting by Telephone Conference Call of the LARM Board of Directors. 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 May 22, 2020, notice of this Special Meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this Special 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/>.

Board Members are scheduled to be at the following locations, subject to change:

**League of Nebraska
Municipalities**
1335 L Street
Lincoln, NE 68508

Village of Ansley
217 Nile Street
Ansley, NE 68814

City of Crete
243 East 13th Street
Crete, NE 68333

City of Curtis
201 Garlick Avenue
Curtis, NE 69025

City of Gering
1025 P Street
Gering, NE 69341

City of Gibbon
715 Front Street
Gibbon, NE 68840

City of Imperial
PO Box 637
Imperial, NE 69033

City of Nelson
580 S Main Street
Nelson, NE 68961

City of North Platte
211 West 3rd Street
North Platte, NE 69101

City of Oshkosh
305 West 1st Street
Oshkosh, NE 69154

Sarpy County SID #29
City of La Vista
8116 Park View Blvd
La Vista, NE 68128