

MINUTES
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
Wednesday, June 24, 2020, 10:00 am CT/9:00 am MT

A Meeting of the League Association of Risk Management (LARM) Board of Directors was held June 24, 2020, at 10:00 am CT/9:00 am MT via telephone conference call at 11 designated locations identified in the meeting notice (attached).

On June 18, 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 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 10:20 am 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 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; **Pam Buethe**, Board Member, Sarpy County SID #29, 8116 Park View Blvd., La Vista, NE; **Jo Leyland**, Administrator/Clerk/Treasurer, City of Imperial, 740 Court Street, Imperial, NE; **Sandra Schendt**, Clerk/Treasurer, City of Nelson, 580 S Main Street, Nelson, NE; **Doug Schultz**, Administrator/Clerk/Treasurer, City of Curtis, 201 Garlick Avenue, Curtis, NE; **Mayor Deb VanMatre**, City of Gibbon, 715 Front Street, Gibbon, NE; **Teresa Youngquist**, Clerk/Treasurer, City of Beaver City, 301 10th Street, Beaver City, 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.

11 Board Members present; 4 absent (**Melissa Harrell**, Administrator/Treasurer, City of Wahoo; **Jim Hawks**, City Administrator, City of North Platte, **Mayor Josh Moenning**, City of Norfolk and **Tom Ourada**, City Administrator, City of Crete. **Tom Ourada participated as a citizen, but not as a board member, since on June 16, Tom emailed Lynn Rex and indicated he had a scheduling conflict and would not be available to participate in the LARM Board Meeting so Crete City Hall was not listed on the attached Notice as required by the Open Meetings Act.)** Ex-officio (non-voting) Board Member **Mayor Dwight Livingston**, City of North Platte, also participated as a citizen, but not as a board member, since he was not able to be at North Platte City Hall.

Other participants included: **Andy Barry**, Partner, Cline Williams; representing LARM; **Sedgwick (LARM's third party administrator)** - John Brockschmidt, Chris Cadwell and Rebecca Atkinson; Jerry Wilcox, Finance Officer, City of Crete; **LARM** – Dave Bos, Tracy Juranek, Diane Becker, Elizabeth Becker, Fred Wiebelhaus, Randy Peters and Nate Fox; and **League Staff** – Lash Chaffin, Shirley Riley and Brenda Henning.

(AGENDA ITEM #2) **Consider approval of the minutes of the May 28, 2020, "Special Meeting of the LARM Board of Directors."** Mayor Scott Getzschman moved, seconded by Lanette Doane to approve the minutes of the May 28, 2020, "Special Meeting of the LARM Board of Directors." Chair Doug Hanson asked if there was any other discussion; there was none. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Schendt, Schultz and VanMatre. Nays: None. Abstentions: Buethe and Youngquist. Absent: Harrell, Hawks, Moenning and Ourada. **Motion carried: 9 ayes, 0 nays, 2 abstentions and 4 absent.**

(AGENDA ITEM #3) **Consider approval of a motion to accept Chair Doug Hanson's recommendation of Lanette Doane as Vice Chair of LARM; other members of the LARM Board also may submit their name for consideration.** Teresa Youngquist moved, seconded by Sandra Schendt to accept Chair Doug Hanson's recommendation of Lanette Doane as Vice Chair of LARM. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Getzschman, Hanson, Kaufman, Leyland, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: Doane. Absent: Harrell, Hawks, Moenning and Ourada. **Motion carried: 10 ayes, 0 nays, 1 abstention and 4 absent.**

(AGENDA ITEM #4) **Consider approval of a motion to accept the report for placement of LARM's property reinsurance with Alliant, effective July 1, 2020.** (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; Tracy Juranek, LARM's Customer Service Specialist and Lynn Rex, LARM Administrator and LARM Acting Executive Director.) LeAnn Brown moved, seconded by Pam Buethe to approve a motion to accept the report for placement of LARM's property reinsurance with Alliant, effective July 1, 2020. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Kaufman, Leyland, Schendt, Schultz, VanMatre and

Youngquist. Nays: None. Abstentions: None. Absent: Harrell, Hawks, Moenning and Ourada. ***Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.***

(AGENDA ITEM #5) Consider approval of a motion to authorize LARM Staff to send an email to all LARM members notifying them that LARM will try to obtain reinsurance for communicable and infectious diseases (i.e., COVID-19); if such reinsurance is not available or available at a reasonable cost, LARM will provide some level of coverage at reduced limits. (Presented by John Brockschmidt, CPCU, ARM, Senior Vice President of Pooling, Sedgwick; Dave Bos, ARM, LARM's Loss Control Manager; Lynn Rex, LARM Administrator and LARM Acting Executive Director; and Andy Barry, Partner, Cline Williams, representing LARM.) John Brockschmidt reported on the impact of the pandemic (COVID-19) on LARM's reinsurance. John stated that the reinsurance marketplace is becoming more restrictive due to adverse claim trends and declining investment income. The pandemic has created more uncertainty in the reinsurance marketplace. The insurance industry is predicting this could become the biggest loss in the history of the insurance industry. LARM purchases reinsurance to protect the pool from the impact of large losses. For liability coverage, LARM offers \$5 million in limits, LARM retains \$300,000 and the \$4.7 million (in excess of \$300,000) is covered by reinsurance providers. Many pools that had reinsurance renewals July 1 were faced with exclusions for claims arising out of communicable disease. Currently, LARM does not have an exclusion in its liability form. Without reinsurance support, LARM could not offer full policy limits without some type of exclusionary language. LARM is committed to providing broad coverage to its membership and will work to obtain reinsurance to avoid narrowing of coverage. The National League of Cities Mutual (NLC Mutual) will offer up to \$1 million in limits. With NLC Mutual's support, LARM will be able to continue to provide some coverage, which is good news for its membership. There is the possibility that LARM may not be able to obtain reinsurance support beyond the \$1 million limit. To be fully transparent to the membership, LARM will notify the membership by July 1 that limits may be reduced for communicable disease. We will not know for certain until August if we will be able to continue with the \$5 million limit for this exposure. Our goal and hope are to find reinsurance support so a reduced limit is not necessary; however, it is possible that LARM may have to provide a sublimit for less than \$5 million. Lynn Rex briefly reported on recent actions taken by the NLC Mutual Board of Directors; NLC Mutual voted to exclude coverage for communicable disease, but offer member state League pools an endorsement for communicable disease. Lanette Doane moved, seconded by Pam Buethe to authorize LARM Staff to send an email to all LARM members notifying them that LARM will try to obtain reinsurance for communicable and infectious diseases (i.e., COVID-19); if such reinsurance is not available or available at a reasonable cost, LARM will provide some level of coverage at reduced limits. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Doane, Getzschman, Hanson, Kaufman, Leyland, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. Absent: Harrell, Hawks, Moenning and Ourada. ***Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.***

(AGENDA ITEM #6) **Litigation Update.** Update on the Lancaster County District Court's dismissal of Michael J. Nolan v. League Association of Risk Management, Case No. CI

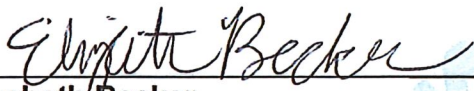
19-3470 on May 5, 2020, and the filing of a new lawsuit, Michael J. Nolan v. Lynn Rex and League Association of Risk Management, Case No. CI 20-2098, which was filed in the District Court of Lancaster County on June 12, 2020. *(Presented by Andy Barry, Partner, Cline Williams, representing LARM.)* No action was necessary.

(AGENDA ITEM #7) 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.)* No action was necessary.


(AGENDA ITEM #8) Motion to adjourn. At 11:09 am, Mayor Scott Getzschman 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, Getzschman, Hanson, Kaufman, Leyland, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. Absent: Harrell, Hawks, Moenning and Ourada. ***Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.***

Approved on: September 23, 2020

ATTEST:



Elizabeth Becker
Customer Service Representative
League Association of Risk Management



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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PLEASE TAKE NOTICE that on **Wednesday, June 24, 2020, at 10 am CT/9 am MT**, the League Association of Risk Management (LARM) will hold a 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 June 18, 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 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 Beaver City
301 10th Street
Beaver City, NE 68926

City of Curtis
201 Garlick Avenue
Curtis, NE 69025

City of Fremont
400 East Military
Fremont, NE 68025

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 Oshkosh
305 West 1st Street
Oshkosh, NE 69154

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