

NOTICE
SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
Via Telephone Conference Call
Call-In Numbers: 1-571-317-3129 or (toll free) 1-877-568-4106
Access Code: 580-000-365
Friday, March 27, 2020, 2:30 pm CT/1:30 pm MT

PLEASE TAKE NOTICE that on **Friday, March 27, 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 March 25, 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 Beaver City
301 10th Street
Beaver City, NE 68926

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

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 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

City of Wahoo
605 N Broadway
Wahoo, NE 68066

AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS
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Access Code: 580-000-365
Friday, March 27, 2020, 2:30 pm CT/1:30 pm MT

In accordance with the Open Meetings Act, 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 is available to the public at this meeting for examination and copying. The LARM Board may pass motions to go into closed session on agenda items pursuant to the requirements of the Open Meetings Act.

*Officials of LARM members and members of the public may call **1-571-317-3129 or (toll free) 1-877-568-4106** and **enter access code 580-000-365** to comment on agenda items or listen to the Board Meeting; however, if the Board votes to hold a closed session pursuant to the Open Meetings Act, officials of LARM members and members of the public may not comment or listen during that time.*

1. Call Special Meeting to Order:

- a. 2:30 pm CT – Hickman Mayor Doug Hanson, Chair of the LARM Board, will call the meeting to order.
- b. Indicate that on March 25, 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 posted on the League of Nebraska Municipalities' Facebook page and its website relating to LARM – <https://www.lonm.org/larm/>.
- c. Inform the public about the location of the Open Meetings Act which is posted and accessible to members of the public along with at least one copy of all reproducible written material to be discussed at this meeting.
- d. Pledge of Allegiance to the Flag of the United States of America.
- e. Roll call.
- f. Public comment period on any agenda item(s): Pursuant to the Open Meetings Act, the LARM Board Chair reserves the right to limit comments on agenda items. In accordance with the Open Meetings Act, there is no time limit on comments made by members of the LARM Board of Directors.
- g. No one on the phone or attending this meeting is required to identify themselves. However, if anyone would like to be listed in the minutes, please identify yourself at this time. If anyone wants to address the Board on any agenda item, you will be asked to identify yourself as authorized by the Open Meetings Act.

2. Elect a Chairperson and Vice Chairperson.

Hickman Mayor Doug Hanson, current LARM Board Chair, and North Platte City Administrator Jim Hawks, current LARM Vice Chair, are both willing to continue serving. (Jim Hawks will not be retiring as North Platte City Administrator until his successor is appointed which he indicated may take quite some time.)

3. Consider approval of the minutes of the February 25, 2020, “Meeting of the LARM Board of Directors.”

See pages 1-7.

4. Consider approval of Dave Bos as LARM’s designated AGRIP representative (AGRIP is the Association of Governmental Risk Pools).

- *Lynn Rex, LARM Administrator and LARM Acting Executive Director*

5. Consider authorizing LARM’s Board Chair to appoint municipal officials from LARM members to serve on an Investment Committee.

See pages 8-11.

- *Tracy Juranek, LARM’s Customer Service Specialist*
- *Lynn Rex, LARM Administrator and LARM Acting Executive Director*

6. Consider approval of a motion to authorize LARM staff, in consultation with Sedgwick and the Nebraska Department of Insurance, to provide coverage or assistance to LARM members that would provide funding for LARM members to compensate volunteer first-responders for wages lost if they are required to seek medical treatment or to be quarantined as a result of exposure to COVID-19 in the line of duty; such coverage or assistance would be limited to exposure that takes place during the COVID-19 emergency declared by the Governor and would be limited in time, amount payable per claim, and amount payable to each member.

- *Dave Bos, ARM, LARM’s Loss Control Manager*
- *Lynn Rex, LARM Administrator and LARM Acting Executive Director*
- *Andy Barry, Partner, Cline Williams, representing LARM*
- *John Brockschmidt, CPCU, ARM, Senior Vice President of Pooling, Sedgwick*

7. Review of proposed amendments to LARM’s Bylaws.

Please see pages 12-53.

- *Andy Barry, Partner, Cline Williams, representing LARM*
- *Lynn Rex, LARM Administrator and LARM Acting Executive Director*

8. Update on COVID-19 related issues.

- *John Brockschmidt, CPCU, ARM, Senior Vice President of Pooling, Sedgwick*
- *Dave Bos, ARM, LARM's Loss Control Manager*
- *Tracy Juranek, LARM's Customer Service Specialist*
- *Lynn Rex, LARM Administrator and LARM Acting Executive Director*

9. Motion to Adjourn.

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 Buethe**, 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 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, 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 _____.

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
Tuesday, Feb. 25, 2020, 1:30 pm CT
Hawthorne Room (lower level), Cornhusker Marriott Hotel
333 S 13th Street, Lincoln

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/>.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

INVESTMENT POLICY

- I. Purpose. The purpose of this document is to establish the investment policy for the League Association of Risk Management, hereafter called LARM, and to provide guidance to the LARM Board, the Investment Committee, the LARM Administrator, and, if utilized, the Investment Manager or Custodian Bank pertaining to investment objectives and guidelines.

- II. Goal. The overall investment goal of LARM is to obtain a high rate of return on its portfolio assets, with a minimal risk, abiding by the appropriate statutes governing the investment of these funds and complying with the responsibility to LARM members.

- III. Priority Listing of Objectives.
 - A. Safety of Principal. Avoidance of financial risk or compromise of the financial integrity of the portfolio.

 - B. Liquidity. Provide sufficient liquidity for the payment of claims and expenses.
This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary and resale markets (dynamic liquidity). A portion of the portfolio may be placed in money market mutual funds which offer same day liquidity for short term funds.

 - C. Earn a High Rate of Return. Earn the highest rate of return with minimal risk. However, return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

 - D. Diversification of Assets. Diversify assets by both the industry and the issuer in order to avoid undue exposure by any single industry or issuer.

- IV. Procedure.
 - A. LARM Board. The Board shall:
 1. Review, at least quarterly, whether all investments have been made in accordance with the Investment Policy.
 2. Authorize the Investment Committee, under the general supervision of the LARM Board Chair, to manage the investments of LARM, either independently or through the utilization of the LARM Administrator or an Investment Manager or Custodian Bank.

- B. Investment Committee. The Investment Committee shall:
 - 1. Receive and review summary reports on the investment portfolio, investment activities, and investment practices in order to determine whether the investment activity is consistent with the Investment Policy.
 - 2. Provide such summary reports at least quarterly to the LARM Board for their review and approval.
 - 3. Review and recommend revision of the Investment Policy to the LARM Board, as appropriate.

- C. LARM Administrator. The LARM Administrator shall:
 - 1. Notify the Investment Committee of matters that bear upon the proper investment of the portfolio including pertinent financial, legal, or other information involving the investment of the portfolio and changes in investment objectives.
 - 2. Meet regularly with the Investment Committee to report on progress of the portfolio.

- D. Investment Manager or Custodian Bank. If utilized, the Investment Manager or Custodian Bank shall:
 - 1. Meet regularly with the Investment Committee to report on progress of the portfolio.
 - 2. Provide reports monthly to the Investment Committee.
 - 3. Provide information concerning market trends and investment strategies.

- V. Investment Guidelines.
 - A. Regulatory Limitations. The investment guidelines and restrictions as set forth by the Insurers Investment Act (Nebraska Revised Statutes Section 44-5101 et seq.) shall be adhered to at all times by the Board, the Investment Committee, the LARM Administrator, and any Investment Manager or Custodian Bank utilized by the Investment Committee in exercise of their discretion.

 - B. Prudence. The standard of prudence to be used for managing LARM's investments is the "prudent investor" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived."

 - C. General Strategies.
 - 1. The Investment Committee, or an Investment Manager or Custodial Bank, if utilized, shall determine the appropriate allocation of funds among cash, cash equivalents, and investment grade fixed income securities.

 - 2. Capital gains and losses may be realized when, in the judgment of the Investment Committee or its investment manager or custodian bank, if utilized, consistent with the goals, objectives, and guidelines of this policy, such action is in the best interest of the portfolio and will lead to a greater

long-term total rate of return.

3. Securities purchased by the Investment Committee, the LARM Administrator, or an Investment Manager or Custodian Bank, if utilized, shall be limited in general maturity parameters as follows:

The maximum maturity of any security at date of purchase shall not exceed 36 months. The intent to invest in a security with a maturity longer than 36 months shall be approved by the Investment Committee. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as money market funds to ensure appropriate liquidity is maintained to meet ongoing obligations.

Securities shall not be sold prior to maturity with the following exceptions:

A security with declining credit may be sold early to minimize loss of principal.

Liquidity needs of the portfolio require that the security be sold.

A security swap that would adjust the portfolio (quality, yield, or duration) in a manner that would allow it to better fulfill the investment objectives.

Security purchases and sales shall be made, so that at the time of purchase or sale they do not cause, or exacerbate, non-compliance with the LARM portfolio maturity limitations.

4. Investments made by the Investment Committee, the LARM Administrator, or an Investment Manager or Custodian Bank, if utilized, shall be limited according to the following:

<u>Asset Class</u>	<u>Limitation*</u>
Direct obligations of the United States or obligations for which the full faith and credit of the United States is pledged for the payment of all principal and interest	No Limit
Direct obligations of any agency or instrumentality of the United States or obligations for which the full faith and credit of any agency or instrumentality of the United States is pledged for the payment of all principal and interest	25% per issuer
Other investment grade fixed income securities	5% per issuer

Mutual funds investing in the
above classes

5% per issuer, not to exceed 25% in
total if the fund is only allowed to
invest in U.S. government
obligations or U.S. agency or
instrumentality obligations; and

5% per issuer, not to exceed 10% if
invested in other classes.

**Limitations apply to the percentage of admitted assets as shown by the most recent
financial statement filed with the Nebraska Department of Insurance.*

- VI. Standard of Performance. Consideration shall be given to the extent to which the
investment results are consistent with the goals and objectives as set forth in this policy.

Revised 3-23-2007; 12-16-2009; 3-1-2011

DRAFT OF PROPOSED REVISIONS TO LARM'S BYLAWS (2-28-20)

(This DRAFT includes revisions highlighted in yellow from the Bylaws Committee Meeting held on Feb. 18 and revisions highlighted in blue from the Bylaws Committee Meeting held on Feb. 28.)

**BYLAWS OF THE
LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)**

**ARTICLE I –
NUMBER AND SELECTION OF MEMBERS OF THE LARM BOARD OF DIRECTORS
MEMBERS**

Section 1. LARM Board of Directors.

The ~~pool~~ League Association of Risk Management (LARM) shall be ~~operated~~ governed by a Board of Directors consisting of fifteen elected or appointed officials of participating members. ~~The initial Board shall consist of nine persons, but the number may be increased by the Board up to any number above nine but not to exceed fifteen members to maintain appropriate size and geographical representation as the number of members increase.~~ A vacancy on the LARM Board shall be filled by a majority vote of the LARM Board upon a recommendation made by ~~the nominating committee or the~~ LARM Administrator as provided in LARM's Interlocal Agreement. The person appointed to fill a vacancy shall serve for the remainder of the term of the vacant LARM Board member. There shall be two ex-officio members of the LARM Board ~~of Directors~~: the President and Executive Director ~~(also called Administrator)~~ of the League of Nebraska Municipalities, the latter of whom also shall be the LARM Administrator as provided in LARM's Interlocal Agreement. The President and the Executive Director of the League of Nebraska Municipalities shall be ex-officio, non-voting members of the LARM Board ~~of Directors~~. The ex officio members shall be in addition to the ~~nine elected~~ fifteen elected members of the LARM Board. ~~(or the number up to fifteen designated by the Board).~~

Section 2. LARM Board of Directors Selection Procedures.

- 2.1 Nominating Committee.** A nominating committee shall recommend candidates for the LARM Board of Directors to the participating members for election at a Members' Meeting. ~~The initial nominating committee shall be the Board of Directors of the League of Nebraska Municipalities. The nominating committee of the initial Board shall nominate at least one person for each of the nine elected positions and designate nominations by the three staggered terms of years in office. For subsequent elections, the~~ The nominating

committee shall consist of three persons;: the ~~chairperson~~ Chairperson of the LARM Board of Directors of the Pool, an individual from a participating member municipality selected by the LARM Board, and the LARM Administrator as provided in LARM's Interlocal Agreement. ~~Executive Director of the League~~. Additional nominations shall be requested from the floor of the Members' Meeting ~~meeting~~ from participating members. ~~municipalities~~.

- 2.2 Term.** ~~The Members of the LARM Board of Directors shall serve staggered years/terms to promote stability and continuity. The terms of years of office of the initial Board shall be as follows:~~

~~Three Board members with terms of 3 years; and~~

~~Three Board members with terms of 2 years; and~~

~~Three Board members with terms of 1 year.~~

~~All subsequent Directors shall be elected for a three year term of office.~~

~~The term of office of the initial Board of Directors shall commence August 1, 1995, and conclude on the next December 31st following the completion of the year or years of the initial term. All subsequent terms/Terms of office shall commence on January 1st and conclude on December 31st.~~ of the year following election.

- 2.3 Composition.** ~~The Board of Directors shall endeavor to comprise its membership of five elected Municipal officials and five appointed Municipal officials, plus three Board members as recommended by the nominating committee and approved by the Board of Directors. These numbers shall apply at any time the number of Board members is set at thirteen. If the number of Board members is adjusted above or below thirteen, the composition number set forth in this section shall be adjusted accordingly. If the number of Board members is set at fifteen (15), the In nominating individuals for service on the LARM Board of Directors, the LARM Administrator and Nominating Committee shall endeavor to achieve have a balanced mix of elected and appointed officials from participating members of different sizes, types and classes with broad geographic representation across the state, provided that no more than one (1) Director may be an elected or appointed official from a participating member which is not a municipality. comprise its membership of six (6) elected Municipal officials and six (6) appointed Municipal officials plus three (3) Board members as recommended by the nominating committee and approved by the Board of~~

~~Directors, provided that two (2) of such additional three (3) Board members shall be reserved for non-municipality members of LARM. No more than one individual from any participating member may serve be represented by more than one (1) representative on the LARM Board at the same time.~~

The original language is reinstated since it is required in Section 8.1.7 of LARM's Interlocal Agreement

- 2.4 Term Limit.** The LARM Board of Directors service shall be restricted to two consecutive three-year terms to assure that all LARM members have opportunity for representation as Board members. Any LARM member that has previously been represented on the LARM Board of Directors may be eligible again for future service following at least one three-year interval of non-Board service following the term limit restriction when the member is not represented on the LARM Board.
- 2.5 Vacancies.** If a member of the LARM Board of Directors at any time during his or her term of office no longer meets the requirements set forth for ~~the initial appointment of the member~~ service on the LARM Board, or resigns or no longer is able to serve as a member of the LARM Board ~~of Directors~~, the office of such LARM Board member shall be deemed to be vacant as of the date such LARM Board member no longer meets such requirements or resigns or is no longer able to serve as a member of the LARM Board ~~of Directors~~. The person appointed to fill a vacancy shall serve for the remainder of the term of the vacating LARM Board member.
- 2.6 Eligibility.** In addition to any other eligibility requirements, a ~~Board~~ candidate for the LARM Board of Directors must be ~~a~~ an elected or appointed official from a participating member. ~~LARM member representative.~~
- ~~**2.7 Alignment of Current Board Composition with Amended Bylaws.** Upon approval of these amended Bylaws, the current composition of the Board regarding elected and appointed officials shall remain until the designated expiration date of terms for the affected Board members.~~

Section 3. LARM Executive Director.

- 3.1 PurposeAccountability.** The ~~purpose of the office of~~ LARM Executive Director is to ~~provide for the centralization of the~~ perform administrative responsibilities ~~of all affairs of LARM that are~~ under the direction of the ~~League Executive Director and the LARM Board~~ LARM Administrator. The

LARM Executive Director shall be appointed and dismissed by the ~~League Executive Director~~ LARM Administrator, ~~with the approval of provided~~ the LARM Board of Directors does not disapprove. The performance of the LARM Executive Director shall be evaluated at least annually by the ~~League Executive Director~~ LARM Administrator and reported to the LARM Board.

3.2 Duties. The LARM Executive Director shall be ~~the administrative head of LARM and shall be~~ responsible to the ~~League Executive Director and the LARM Board of Directors~~ LARM Administrator for the efficient conduct of his or her office. ~~In addition to the general authority as administrative head, and not as a limitation thereof, the~~ The LARM Executive Director shall have the following duties including, but not limited to:

A.1 To attend all meetings of the LARM Board of Directors and report any matter concerning LARM affairs under his or her supervision and direction, as requested by the LARM Administrator or LARM Board.

A.2 To make ~~investigations into all~~ recommendations regarding the affairs of LARM ~~and to make recommendations regarding the same to the League Executive Director and the LARM Board~~ LARM Administrator.

A.3 In consultation with and subject to the approval of the LARM Administrator, to ~~To~~ supervise and analyze the functions, duties and activities and services of LARM and of all the employees thereof; to appoint, dismiss and supervise the performance of LARM employees, including the preparation of LARM personnel rules, LARM employee evaluations and current job descriptions of LARM employees. Job descriptions of the LARM Executive Director and employees shall be ~~reviewed annually,~~ updated as required and approved by the LARM Board of Directors in public session.

A.4 In consultation with and subject to the approval of the LARM Administrator, to ~~To~~ develop and prepare the LARM annual operating budget; to ~~prepare~~ develop and ~~develop~~ prepare meeting agendas for the LARM Board of Directors and Committees ~~meeting agenda(s); and~~ to prepare and manage strategic and other planning activities of LARM. The LARM Executive Director shall be responsible for any public records requests directed to LARM. ~~The Pool Consultant~~ Consultants may be asked to participate in any or all of these activities at the request of the LARM Board, LARM Administrator, or the LARM Executive Director. ~~The Executive Director is to be the primary contact with the Department of~~

~~Insurance. The Pool Consultant shall only contact the Department of Insurance with prior approval from the Executive Director.~~

A.5 To perform other duties as assigned by the LARM Board of Directors or LARM Administrator.

ARTICLE II – MEETINGS OF THE LARM BOARD OF DIRECTORS

Section 1. Open Meetings.

The LARM Board of Directors shall hold meetings within the State of Nebraska. All meetings shall be held in accordance with the Open Meetings Act (Chapter 84, Article 14 of the Nebraska Revised Statutes, as amended).

Section 2. Number.

Meetings of the LARM Board of Directors shall be held in person no less than four (4) times each year, at least one time each calendar quarter. Meetings of the LARM Board may be called by the Chairperson, LARM Administrator or the LARM Board. ~~and A meeting~~ shall be called by the Chairperson or LARM Administrator upon request of ~~three~~ five members of the LARM Board. Notice of meetings of the LARM Board, other than emergency or special meetings, shall be given to each Director at least five calendar days, if possible, prior to the meeting stating the time, place, and agenda. Notice of special meetings of the LARM Board shall be given to each Director at least two calendar days, if possible, prior to the meeting, stating the time, place, and agenda. Regular and special meetings may be held by means of electronic, video, or telecommunication equipment as allowed by the Open Meetings Act. The LARM Board shall adopt a policy establishing the method ~~and time~~ for giving reasonable advanced advance publicized reasonable notice of the time and place of each regular and special LARM Board meeting meetings ~~to~~ Directors, participating members of LARM, and to the public.

Section 3. Emergency Meetings.

When it is necessary to hold an emergency meeting without notice, the nature of the emergency shall be stated in the minutes and any formal action taken in such meeting shall pertain only to the emergency. Such meetings may be held by means of electronic or telecommunication equipment.

Section 4. Quorum.

At all meetings of the LARM Board of Directors, a majority (eight) of the total numbers of Directors (fifteen) shall constitute a quorum for the transaction of business, and the act of a majority (eight) of the total number of Directors (fifteen) ~~present~~ at any meeting ~~at which there is a quorum~~ shall be the act of the LARM Board, except as may be otherwise specifically provided by statutes or by ~~the~~ LARM's Interlocal Agreement or these Bylaws. If a quorum is not present at any scheduled meeting of the LARM Board, the Directors present may, consistent with Nebraska law, recess the meeting to a time later that same day when ~~from time to time until~~ a quorum shall be present. At such resumed meeting at which a quorum is eventually present, any business may be transacted that might have been transacted at the meeting originally noticed.

Section 5. Reimbursement.

~~By resolution of the Board, a Director~~ A member of the LARM Board of Directors may ~~shall~~ be reimbursed by LARM for his or her direct expenses incurred in attending meetings of the LARM Board and performing other authorized services as a Director, if such expenses are not reimbursed to him or her by another public agency.

Section 6. Rules.

Robert's Rules of Order, latest edition, shall govern all meetings of the LARM Board of Directors.

Section 7. Notices.

- A. **LARM Board of Directors.** Except as otherwise provided herein, notices to the Directors may be by telephone, e-mail, facsimile or telegram text message, or in writing and written correspondence that is delivered personally, or mailed to the Directors at their addresses appearing on the records of LARM.
- B. **Participating Members.** Notices of all meetings of the LARM Board of Directors shall be provided to all participating members of LARM by telephone, e-mail, facsimile or telegram text message or in writing and written correspondence that is delivered personally, or mailed to the participating members at their addresses appearing on the records of LARM. Members An elected or appointed official of a participating member or a member of the public wishing to attend a meeting of the LARM Board ~~of Directors~~, but unable

to attend in person, may request that the LARM staff establish a telephone or other electronic connection allowing ~~the member him or her~~ to listen to the meeting of the LARM Board ~~of Directors~~ in question.

Section 8. Waiver.

Any individual notice required to be given under the provisions of the applicable law or ~~of this LARM's Interlocal~~ Agreement or ~~of~~ these Bylaws may be waived in writing either before or after the ~~event-meeting~~ requiring such notice, provided such waiver is signed by the person or persons entitled to said notice.

ARTICLE III – MEETINGS OF MEMBER MUNICIPALITIES

Section 1. Annual Meeting.

An annual meeting of all participating members of LARM shall be held in conjunction with the annual conference of the League of Nebraska Municipalities, unless the LARM Board of Directors shall designate some other time or place. The nomination and election of members of the LARM Board shall be conducted at the annual meeting.

Section 2. Special Meetings

Special meetings of the members shall be called by the ~~Clerk~~ LARM Administrator upon written request of the Chairperson, Vice Chairperson or a majority (eight) of the total number Board of Directors (fifteen), or twenty percent (20%) of the members entitled to vote, stating the time, place and purpose of such meeting.

Section 3. Notice

Notice of annual and special meetings of LARM members shall be provided in the same manner as for meetings of the LARM Board, in accordance with Article II, Section 7 of these Bylaws.

Section 4. Quorum

Action taken at a members' meeting shall be valid if it is passed by a majority of participating members whose representatives are present at the meeting.

Section 5. Ratification

For the avoidance of any doubt about the validity of actions taken at a members' meeting, each participating member shall, at a subsequent meeting of the participating member's own governing body, vote on whether to ratify actions taken by its representative at the members' meeting, including the election of LARM Directors. Failure to ratify does not affect the validity of the action.

Section 6. Minutes

The Clerk LARM Administrator or his or her designee shall make draft minutes of all LARM members' meetings available to participating members and the public on LARM's website within 30 days following the meeting.

Section 7. Nullification

If less than a majority of all LARM participating members are represented at a members' meeting, any participating member which was not represented at the meeting may, the majority of LARM participating members may, at subsequent meetings of their respective governing bodies, vote to nullify any actions taken at the members' meeting, including the election of LARM Directors. If a majority of the governing bodies of participating LARM members vote to do so within 60 days after the members' meeting, then the actions subject to nullification shall be null and void. Otherwise, all actions taken at the members' meeting shall remain valid.

ARTICLE III-IV – COMMITTEES

Section 1. Executive Committee.

The LARM Board of Directors may, by Resolution motion adopted-passed by a majority (eight) of the total number of Directors (fifteen) whole Board, designate three or more of the members of LARM's Board of Directors the LARM Board to constitute an Executive Committee which, to the extent provided in such Resolution motion, shall have and exercise the authority of the LARM Board of Directors in the management of the business of LARM. Vacancies in the membership of the committee shall be filled by a majority (eight) of the total number of Directors (fifteen) Board at a regular or special meeting of the LARM Board of Directors. The Executive Committee shall keep regular minutes of its proceedings, comply with the Open Meetings Act, and report the same to the LARM Board

when required. In the absence of any member of the Executive Committee, the ~~Committee~~ committee members present at any Executive Committee meeting may unanimously appoint another ~~LARM Board~~ Director of the LARM Board to serve at the ~~Committee~~ committee meeting in the place of such absent member. The duties of the Executive Committee will be to review LARM's routine policy matters when the ~~LARM staff~~ LARM Administrator or LARM Executive Director seeks feedback from ~~LARM~~ Board members on reports and proposals prepared for the ~~LARM~~ Board's consideration. Additionally, the Executive Committee may exercise policy making authority in those instances when the LARM Board ~~of Directors~~, per pursuant to the Open Meetings Act, delegates duties to the Committee, ~~that include "holding hearings, making policy, or taking formal action..."~~ on the LARM Board's behalf.

Section 2. Other Committees.

The ~~LARM~~ Board of Directors may, by resolution motion passed by a majority (eight) of the total number of Directors (fifteen) ~~whole Board~~, designate one or more committees. Each such committee shall consist of one or more Directors, but otherwise may include other elected and appointed officials and employees of ~~LARM participating members of LARM~~ not currently represented on the LARM Board of Directors, to assure active ~~participation involvement~~ in LARM by a broad base of participating members. To the extent provided in the resolution motion and subject to ~~the LARM~~ LARM's Interlocal Agreement, these Bylaws and applicable law, a committee shall have and may exercise the powers of the ~~LARM~~ Board in the management of the business and affairs of LARM in those instances when the LARM Board ~~of Directors~~, per pursuant to the Open Meetings Act, delegates duties to the Committee, ~~that include "holding hearings, making policy, or taking formal action..."~~ on the LARM Board's behalf. Such committees shall have such names and duties as may be determined from time to time by ~~authorization~~ a majority (eight) of the total number of Directors (fifteen) ~~whole LARM Board~~.

Section 3. Minutes.

Committees shall keep regular minutes of their proceedings and shall ~~report their proceedings~~ submit the minutes to the ~~LARM~~ Board of Directors.

Section 4. Reimbursement.

~~Members~~ A member of ~~the such~~ committees established by the ~~LARM~~ Board of Directors may be reimbursed by LARM for his or her expenses incurred in ~~servng on such committees and~~ attending committee meetings and performing other authorized services as a committee member, if those expenses are not reimbursed to ~~them~~ him or her by

another public agency.

ARTICLE IV – OFFICERS

Section 1. Officers.

The LARM Board ~~A majority (eight) of the total number~~ of Directors ~~(fifteen) at a LARM Board meeting~~ shall vote to choose from among the elected Directors, a Chairperson and a Vice Chairperson for a one-year term during the 1st calendar quarter. ~~The President and Executive Director of the League of Nebraska Municipalities shall not be eligible to serve as Chairperson or Vice Chairperson. for a one (1) year term at a LARM Board of Directors meeting during the 4th calendar quarter of each year. The Executive Director of the League Administrator,~~ or his or her designee, shall be the Clerk.

Section 2. Other Officers.

The LARM Board of Directors may appoint such other officers and agents as it shall deem necessary that shall hold office for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the LARM Board.

Section 3. Vacancies.

~~Any officer elected or appointed to~~ Any member of the LARM Board of Directors or ~~a any member of a committee designated~~ by the LARM Board, ~~or any contractor or agent appointed by the LARM Board,~~ may be removed ~~whenever, by a motion Resolution passed by a majority (eight) of the total number of Directors (fifteen) when,~~ in the judgment of the LARM Board, the best interests of LARM will be served by the person's removal. However, such removal shall be without prejudice to the contract or employment rights, if any, of the person removed. Any such vacancy occurring ~~in any office of the LARM~~ by death, resignation, removal or otherwise shall be filled by the LARM Board, upon the recommendation of the LARM Administrator.

Section 4. Chairperson Duties.

The Chairperson shall preside at all meetings of the LARM Board of Directors, Special Members' Meetings of participating members and LARM's annual meeting of ~~all participating members of LARM, sign all membership certificates,~~ and perform such other duties as are assigned by LARM's Interlocal Agreement, these Bylaws, or as may be assigned by the LARM Board, ~~of Directors~~ or assigned by the majority of participating

members ~~or proxy designees~~ attending ~~the LARM's~~ annual meeting. ~~of LARM participating members.~~

Section 5. Vice Chairperson Duties.

The Vice Chairperson shall be chosen in the same manner ~~and for the same term~~ as the Chairperson and shall exercise all the powers of the Chairperson during the absence or disability of the Chairperson, in addition to such other duties as the LARM Board of Directors may from time to time prescribe

Section 6. Clerk LARM Administrator Duties.

The ~~Clerk~~ LARM Administrator or his or her designee shall attend all meetings of the LARM Board of Directors, Special Members' Meetings of participating members, and ~~LARM and LARM's~~ annual meeting of all participating members ~~of LARM~~ and record ~~of~~ the proceedings thereof. The ~~Clerk~~ LARM Administrator or his or her designee shall be the custodian of LARM's records. The ~~Clerk~~ LARM Administrator or his or her designee shall notify or provide for the notification ~~of the~~ of LARM Board meetings to the Directors, participating members, and the public, and directors of their meetings, in accordance with ~~the LARM's Interlocal Agreement, these~~ Bylaws, and the Open Meetings Act. ~~The Clerk~~ LARM Administrator or his or her designee shall perform such other duties as assigned by the LARM Board ~~of Directors~~ or as assigned by the majority of participating members ~~or proxy designees~~ attending ~~the LARM's~~ annual meeting of ~~LARM participating members or any Special Members' Meetings of participating members.~~

ARTICLE VI – MEMBERSHIP

Section 1. General.

Unless otherwise approved by the Executive Board of the League of Nebraska Municipalities, ~~Executive Board~~, LARM membership shall be restricted to municipalities maintaining membership in the League of Nebraska Municipalities; ~~and, subject~~ Subject to approval by the Executive Board of the League of Nebraska Municipalities ~~Executive Board, and the LARM Board of Directors,~~ sanitary and improvement districts (SIDs), public power agencies, and such other public agencies of the State of Nebraska that the LARM Board shall, from time to time, approve, also may be participating members of LARM, subject to adopted underwriting standards.

Section 2. Obligations.

The obligations and powers of participating members of LARM shall be as follows:

- 2.1 **Payments.** To appropriate for and ~~to~~ promptly pay all annual and supplementary or other payments to LARM at such times and in such amounts as shall be established by the LARM Board of Directors within the scope of ~~this~~ LARM's Interlocal Agreement and these Bylaws.
- 2.2 **~~Representatives~~ Representative.** ~~To select a person to serve as member representative and to select~~ To encourage an elected or appointed official or employee of the participating member a proxy representative to attend ~~the~~ LARM's annual LARM-meeting of participating members or Special Members' Meetings of participating members in order to vote on business conducted at such meetings, including the election of LARM Directors.
- 2.3 **Access.** To allow the LARM Board of Directors, staff and agents reasonable access to all facilities of the participating member and all public records, including but not limited to financial records, which relate to the purposes or powers of LARM.
- 2.4 **Litigation.** To allow attorneys employed by LARM to represent the participating member in investigation, settlement discussions and all levels of litigation arising from any claims made against the participating member within the scope of loss protection furnished by ~~the~~ LARM.
- 2.5 **Cooperation.** To cooperate fully with LARM's attorneys, claims adjusters, consultants ~~the pool consultant~~ and any agent, employee, officer or independent contractor of LARM relating to the purposes and powers of LARM.
- 2.6 **Risk Management.** To follow in its operations all risk management, loss control and prevention procedures established by ~~the~~ LARM within its purposes and powers.
- 2.7 **Information.** To ~~furnish to provide~~ LARM the budget information and an audit prepared by a certified public accountant of all revenues and expenditures of the participating member for any fiscal year ~~of the member~~ for which figures are requested by LARM. A village that has not had an audit prepared for a fiscal year may furnish provide an unaudited statement of cash receipts and

disbursements in lieu of an audit. The unaudited statement shall be on the form prescribed by the Auditor of Public Accounts (APA) for such statements and include any other information provided by the participating member to the APA or requested by LARM.

2.8 Report. To report as promptly as possible all incidents that could result in LARM receiving a claim for loss or injuries to ~~member a participating member's~~ property or injuries to persons or property within the scope of loss protection undertaken by the LARM Board of Directors, in accordance with such rules as the LARM Board shall prescribe.

2.9 Notice of Termination. ~~LARM-Participating~~ members of LARM deciding to seek bids from coverage providers in addition to LARM, or to voluntarily terminate participation in LARM, must provide written notice to the Director of the Nebraska Department of Insurance, the LARM Administrator, the LARM Executive Director, and all other LARM-participating members at least ninety (90) days prior to the desired bid or termination date. The decision to terminate participation in LARM is subject to the approval of the Director of the Nebraska Department of Insurance.

Section 3. Settlement.

The LARM Board of Directors may allow participating members a reasonable opportunity in liability cases or claims to participate in their own defense or prevent the settlement of such cases or claims by LARM in a manner contrary to the wishes of the participating member. When the LARM Board authorizes the participating member the privilege to prevent settlement of the case or claim, the participating member shall be responsible for any cost in excess of the proposed settlement.

Section 4. Late Fee.

Failure by a participating member to pay the member's annual contribution to LARM by November 1 of any year shall result in ~~the such~~ member being delinquent. A delinquent member ~~shall may~~ be charged a late fee starting on October 1 of any year in which the participating member is delinquent. The late fee shall be equal to five percent (5%) of the participating member's annual contribution to LARM. The late fee shall be assessed against any delinquent member on a monthly basis equaling one-twelfth (1/12) of the annual late fee. A delinquent member shall be charged the full monthly late fee assessment for all months in which the participating member is delinquent, including the month in which the delinquent payment is made.

**ARTICLE VII –
CONFLICTS OF INTERESTS AND ETHICS STANDARDS**

Section 1. Definition of Conflict of Interest.

A conflict of interest exists when the personal interests of a member of the LARM Board ~~of Directors, member, LARM~~ staff member, ~~municipal-elected or appointed~~ official ~~or employee~~, contractor or agent representing LARM may affect the ability of the LARM Board member, LARM staff member, ~~public-elected or appointed~~ official ~~or employee~~, contractor or agent to act in the best interest of LARM and its participating members. A conflict of interest can be considered to exist when the actions or activities of a LARM Board member, LARM staff member, ~~public-elected or appointed~~ official ~~or employee~~, contractor or agent representing LARM involve:

- 1.1 Gain.** The obtaining of direct or indirect personal gain or advantage for the LARM Board member, LARM staff member, ~~public-elected or appointed~~ official ~~or employee~~, or contractor ~~or agent~~. Any LARM Board member faced with taking an action or making a decision which could have a financial benefit or detriment to the LARM Board member, an immediate family member or a business with which he or she is associated is required to: a) prepare a written statement describing the conflict of interest, b) abstain from participating or voting on the matter at issue, and c) file a copy of the written statement with the LARM Board ~~secretary~~. For purposes of this subsection, “business” ~~shall have the meaning provided in Neb. Rev. Stat. § 49-1407,~~ “business with which the individual is associated or business association” ~~shall have the meaning provided in Neb. Rev. Stat. § 49-1408,~~ and “immediate family” or “immediate family member” shall ~~have the meaning be defined as~~ provided in Neb. Rev. Stat. § 49-1425 Chapter 49, Article 14 of the Nebraska Revised Statutes, as amended.
- 1.2 Adverse Interest.** An adverse or potentially adverse effect on the fiduciary, underwriting, coverage, claims management, client defense and service interests of LARM and its participating members.
- 1.3 Disclosure.** The disclosure of ~~non-public~~ proprietary personnel evaluations, personnel files, pricing, underwriting calculations, legal opinions affecting client defense, claims investigations and other ~~non-public~~ records enumerated in Chapter 84, Article 7 of the Nebraska Revised ~~Nebraska~~

Statutes, as amended, that authorizes LARM to withhold providing such information during when responding to a public records request.

- 1.4 Gift.** The acceptance by any member of the LARM Board of Directors, ~~member, LARM~~ staff member, public-elected or appointed official or employee, contractor or agent representing LARM (or an immediate family member of any of these) of gifts, excessive entertainment, unsecured loans, or other favors from any outside concern that does, or is seeking to do, business with LARM, or is a competitor of LARM or any if-of its contractors from which an inference could be made that the action was intended to influence or could influence the LARM Board member, LARM staff member, ~~public-elected and-or~~ appointed official or employee, contractor or agent representing LARM in the performance of his or her duties.
- 1.5 Favoritism.** Any circumstance that may give rise to reasonable questions of possible favoritism, self-dealing or undue influence for ~~insurance~~ coverages, benefits, contributions or premiums may be a conflict of interest. All such conflicts should be avoided, if possible. The member of the LARM Board of Directors, ~~member, LARM~~ staff member, public-elected or appointed official or employee, contractor or agent representing LARM should be sensitive to the appearance of conflicts of interest, even if no actual conflict exists. If an actual or possible conflict cannot be avoided, the actual or possible conflict should be disclosed as soon as possible to the ~~Board~~ LARM Administrator and the LARM Executive Director.
- 1.6 Conflicts of Interest Questionnaire:** ~~At the initial Board of Directors meeting of each fiscal year, every~~ Every member of the LARM Board of Directors, ~~member, LARM~~ staff members, public-elected or appointed officials or employees, contractors or agents representing LARM annually shall be requested to complete and sign a conflict of interest questionnaire that meets the requirements of the Nebraska Department of Insurance. The responses to the questionnaire will disclose any conflicts of interest that the LARM Board members, LARM staff members, public-elected or appointed officials or employee, or contractors or agents representing LARM may have. ~~The signed conflict of interest questionnaires will be reviewed by the Board of Directors during a board meeting and shall become part of the minutes of that meeting.~~ If a LARM Board member, LARM staff member, public-elected or appointed official or employee, contractor or agent representing LARM develops a potential conflict of interest ~~after the initial Board of Directors meeting of the fiscal year~~, he or she shall, as soon as practicable, prepare an updated

questionnaire and deliver a copy to the LARM Administrator and the LARM Executive Director. ~~The updated questionnaire shall be reviewed by the Board of Directors during its next meeting and shall become a part of the minutes of that meeting. The minutes of the meetings will be the permanent record of the completion, update, and review of the conflict of interest questionnaires.~~ The LARM Board member, LARM staff member, ~~public-elected and or appointed~~ official or employee, contractor or agent shall take such action as the LARM Board shall prescribe to remove himself or herself from influence over the matter.

Section 2. Standards of Conduct between LARM Board Members, LARM Staff Members, ~~Public-Elected and or Appointed~~ Officials or Employees, or Contractors or Agents Representing LARM.

- 2.1 Personal Interest.** No ~~member of the~~ LARM Board ~~of Directors,~~ ~~member,~~ LARM staff member, ~~public-elected or appointed~~ official or employee, contractor or agent representing LARM shall transact any business in his or her official LARM capacity with any entity in which he or she has a personal business interest, without prior approval of the LARM Board of Directors in public session.
- 2.2 Compensation.** No ~~member of the~~ LARM Board ~~of Directors,~~ ~~member,~~ LARM staff member, ~~public-elected and or appointed~~ official or employee, contractor or agent representing LARM shall represent, for compensation, any other private person, group or entity that has a business relationship with LARM, without prior approval of the LARM Board of Directors in public session.
- 2.3 Gift.** No ~~member of the~~ LARM Board ~~of Directors,~~ ~~member,~~ LARM staff member, ~~public-elected or appointed~~ official or employee, contractor or agent representing LARM shall accept or solicit any gift or favor, that might reasonably tend to influence that individual in the discharge of official duties or that the LARM Board member, LARM staff member, ~~public-elected or appointed~~ official or employee, or contractor or agent knows or should know has been offered with the intent to influence or reward official conduct.
- 2.4 Employment.** No ~~member of the~~ LARM Board ~~of Directors,~~ ~~member,~~ LARM staff member, ~~public-elected or appointed~~ official or employee, contractor or agent representing LARM shall solicit or accept other employment to be performed or compensation to be received while still a LARM Board member,

LARM staff member, ~~public-elected and or appointed~~ official or employee, contractor or agent representing LARM, if the employment or compensation could reasonably be expected to impair independence in judgment or performance of ~~municipal~~ duties.

2.5 Disclosure. If a member of the LARM Board of Directors, ~~member, LARM~~ staff member, ~~public-elected or appointed~~ official or employee, contractor or agent representing LARM accepts or is soliciting a promise of future employment from any person or entity who has a substantial interest in a person, entity or property which would be affected by any decision upon which the LARM Board member, LARM staff member, ~~public-elected or appointed~~ official or employee, contractor or agent representing LARM might reasonably be expected to act, investigate, advise, or make a recommendation, the LARM Board member, LARM staff member, ~~public-elected or appointed~~ official or employee, contractor or agent representing LARM shall disclose that fact to the LARM Administrator and LARM Executive Director ~~and LARM Board~~ and shall take no further action on LARM policy or service matters regarding the potential future employer.

2.6 Privilege. No member of the LARM Board of Directors, ~~member, LARM~~ staff member, ~~public-elected and or appointed~~ official or employee, contractor or agent representing LARM shall use his or her official position to secure a special privilege or exemption for himself, herself or others, or to secure confidential information for any purpose other than official responsibilities.

Section 3. Communication Between LARM Board Members, LARM Staff Members, Public-Elected or Appointed Officials or Employees, or Contractors or Agents Representing LARM.

3.1 Inquiries. The LARM Board of Directors reserves the right to make inquiries of any ~~officer, LARM~~ Board member, LARM staff member, elected or appointed official or employee, contractor, ~~or~~ agent ~~and LARM personnel~~ relative to LARM activities. Except for purposes of inquiry, the LARM Board shall deal with LARM's administrative services through the ~~Executive Director~~ LARM Administrator. ~~and neither the~~ The LARM Board or any officer thereof shall not give orders directly to any subordinate of the ~~Executive Director~~ LARM Administrator.

3.2 Lobby Prohibition. ~~The LARM pool consultant~~ LARM's consultants, other contractors or agents shall not entertain or lobby members of the Executive

Board ~~members~~ of the League of Nebraska Municipalities, members of the LARM Board ~~members of Directors~~ or LARM committees. ~~The pool consultant~~ Consultants, other contractors or agents of LARM may contact members of the Executive Board of the League of Nebraska Municipalities, and members of the LARM Board ~~members~~, and LARM Committees for normal pool servicing activities associated within the scope of their services or authority with prior approval by the LARM Administrator and LARM Executive Director.

3.3 Notification. The LARM ~~personnel staff, pool consultant~~ consultants and other contractors or agents have no control over inquiries and contacts initiated by a member of the Executive Board of the League of Nebraska Municipalities, or members of the LARM Board ~~member of Directors, or LARM Committees;~~ and such contact shall not be deemed a violation of LARM's ~~bylaws~~ Bylaws. When such contact or inquiries occur, the LARM ~~personnel staff, pool consultant~~ consultants, contractors or agents shall notify the LARM Administrator and LARM Executive Director within a reasonable time.

3.4 Reports. All information and reports affecting decisions or governance that the LARM Board of Directors may consider in public session, which are requested by LARM Board members from LARM staff, ~~the pool consultant~~ consultants, other contractors or agents shall be disclosed to the LARM Administrator and the LARM Executive Director; ~~and such information and reports shall be~~ duplicated and disseminated simultaneously to the other LARM Board members.

3.5 Ex Parte Communication. Members of the LARM Board of Directors, members, LARM staff members, public-elected and or appointed officials or employees, contractors or agents representing LARM shall not participate in ex parte conversations and meetings with each other that are intended to create favoritism, self-dealing or undue influence regarding ~~insurance~~ underwriting and pricing, coverage or other LARM services.

ARTICLE VIII – GENERAL PROVISIONS

Section 1. Checks.

All checks or demands for money and notes of LARM and contracts of LARM shall be signed by ~~a designated representative of the LARM Board~~ the LARM Administrator, the LARM Executive Director, or their designee.

Section 2. Books.

Subject to the provisions of Chapter 84, Article 7 of the Revised Statutes of Nebraska, as amended, The ~~the~~ books, records and papers of LARM will be available at the principal offices of LARM for inspection at reasonable times by ~~any participant~~ representatives of any participating member or other person as may be required by Nebraska law. ~~This LARM's Interlocal Agreement and these Bylaws of LARM shall likewise~~ be available for inspection at reasonable times by any person at the principal offices of LARM.

Section 3. Loss Control.

~~Within the first six months of operation, the~~The LARM Board of Directors periodically shall ~~develop a~~ be provided an update of LARM's loss control program for adoption by participants. ~~It is recognized that participating members since~~ effective loss control programs are essential to reducing costs.

Section 4. Warranty and Indemnification.

- 4.1 Warranty.** ~~Members of the~~ LARM Board of Directors, members, ~~LARM~~ staff members, public-elected or appointed officials or employees, contractors or agents representing LARM expressly agree, covenant, and warrant that they shall make a good faith effort to ensure that all action that they take in their LARM capacities or on behalf of LARM shall be in accordance with any applicable state or federal law or regulation, any applicable municipal ordinance, LARM's "Agreement for the Establishment and Operation of the League Association of Risk Management" (LARM's Interlocal Agreement), and these Bylaws and in a manner which he or she reasonably believes to be in or not opposed to the best interests of LARM.
- 4.2 Indemnification.** LARM may indemnify or defend any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of LARM, by reason of the fact that such person is or was a member of the LARM Board of Directors, ~~member,~~ LARM staff member, public-elected and or appointed official or employee, contractor or agent representing LARM, against expenses,

including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding if such person: (1) acted in good faith and in compliance with subsection 4.1; (2) acted in a manner which he or she reasonably believed to be in or not opposed to the best interests of LARM; and (3) with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

- 4.3 Mandatory Indemnification.** To the extent that a member of the LARM Board of Directors, member, LARM staff member, public-elected and or appointed official or employee, contractor or agent representing LARM has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in subsection 4.2 of this section or in defense of any claim, issue, or matter in such action, suit, or proceeding, he or she shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by him or her in connection with such defense.
- 4.4 LARM Board of Directors Determination.** Any indemnification under this article shall be made by LARM only as authorized in the specific case upon a determination by the LARM Board of Directors that indemnification of the LARM Board member, LARM staff member, public-elected and or appointed official or employee, contractor or agent representing LARM is proper in the circumstances because he or she has met the applicable standard of conduct set forth in this Article. Such determination shall be made by the LARM Board members by a majority (eight) of the total number of Directors (fifteen) vote of a quorum consisting of LARM Board members who were not parties to such action, suit, or proceeding; or, if such a quorum majority (eight) of the total number of Directors (fifteen) is not obtainable, or even if obtainable, a quorum majority (eight) of the total number of Directors (fifteen) of disinterested LARM Board members so directs may authorize indemnification, if recommended by independent legal counsel retained by the LARM Administrator in a written opinion that is made available to the public prior to the decision on indemnification.
- 4.5 Payment of Expenses.** Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by LARM in advance of the final disposition of such action, suit, or proceeding as authorized in the manner provided in subsection 4.4 of this section upon receipt of an undertaking by or on behalf of the member of the LARM Board of Directors, member, LARM staff member, public-elected or appointed official or employee, contractor or

agent representing LARM to repay such amount, unless it is ultimately determined that he or she is entitled to be indemnified by LARM as authorized in this section.

- 4.6 Non-exclusive Indemnification and Continuation.** The indemnification provided by this Article shall not be deemed exclusive of any other rights to which the person indemnified may be entitled under any agreement, either as to action in his or her official capacity or as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a LARM Board member, LARM staff member, ~~public-elected or appointed~~ official or employee, contractor or agent representing LARM and shall inure to the benefit of the heirs, executors, and administrators of such person.
- 4.7 Duty of Loyalty.** Any ~~officer, agent or employee~~ elected or appointed official of any participating member ~~municipality or other public agency~~ appointed to serving on the LARM Board of Directors shall have a duty of loyalty to LARM. Members of the LARM Board, members of LARM Committees, LARM's Administrator, LARM's Executive Director, LARM's staff, contractors and agents shall act in good faith, be faithful to LARM and its goals and missions, and pursue LARM's best interests in all matters. It shall be the agreement and representation of each ~~member of the LARM Board-officer, agent or employee of LARM who is also an officer, agent or employee of a municipality~~ that he or she is acting as a part of his or her duties on behalf of the ~~municipality-participating member~~ when performing functions for LARM. Therefore, all privileges and immunities from liability that may be available to such individual in his or her ~~municipal-official~~ capacity shall also be applicable to his or her conduct on behalf of LARM. Nothing herein shall compel LARM to provide any benefits to an ~~officer, elected or appointed official, contractor, agent or employee of LARM who is also an officer~~ elected or appointed official or employee, contractor, agent or employee of a municipality participating member.

Section 5. Acknowledgment and Receipt.

~~Each~~ Members of the LARM Board ~~of Directors-member,~~ LARM committee members, LARM's Administrator, LARM's Executive Director, LARM's staff ~~member,~~ public-official, contractors, and agents ~~and committee member~~ representing LARM ~~is are~~ to receive and read the Bylaws of the League Association of Risk Management, sign an "Acknowledgment of Receipt and Understanding," including his or her understanding and agreement to abide by the "Conflicts of Interest and Ethics Standards" and "Duty of

Loyalty” provisions of the LARM Bylaws and return the “Acknowledgment of Receipt and Understanding” to ~~the LARM’s Administrator or LARM’s~~ Executive Director ~~within seven (7) calendar days of initial appointment or employment and within seven (7) calendar days of~~ within a reasonable time, and within a reasonable time after any amendment of these Bylaws.

Section 6. Amendments.

These Bylaws may be altered, amended or repealed, and new Bylaws may be ~~adopted~~ passed by a majority ~~(eight)~~ (eight) of the ~~directors total number of members on the LARM Board of Directors (fifteen)~~ present at any regular or special meeting, if at least five (5) calendar days written notice ~~has been given~~ of the intention to alter, amend or repeal or to adopt new Bylaws at such meeting of the LARM Board of Directors ~~has been provided to the Directors, participating members, and the public.~~

Section 7. Gender and Number.

To the extent permitted by the context in which used, words in the singular number shall include the plural, words in the masculine gender shall include the feminine and neuter vice versa.

Section 8. Captions.

Captions used herein are for convenience only and are not a part of these Bylaws and shall not be deemed to limit or alter any provisions hereof and shall not be deemed relevant in construing these Bylaws.

Adopted September 6, 1995.
Amended October 12, 1995
Amended September 21, 2005
Amended February 26, 2008
Amended December 21, 2012
Amended February 26, 2013
Amended April 30, 2013
Amended December , 17, 2013

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Draft Incorporating Proposed Revisions to LARM's Bylaws
(From Bylaws Committee Meetings held on Feb. 18 and Feb. 28, 2020)
Revisions in red are technical corrections; revisions highlighted in yellow
address recent issues raised by Lanette Doane.

**BYLAWS OF THE
LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)**

**ARTICLE I –
NUMBER AND SELECTION OF MEMBERS OF THE LARM BOARD OF DIRECTORS**

Section 1. LARM Board of Directors.

The League Association of Risk Management (LARM) shall be governed by a Board of Directors consisting of fifteen elected or appointed officials of participating members. A vacancy on the LARM Board shall be filled by a majority vote of the LARM Board upon a recommendation made by the LARM Administrator as provided in LARM's Interlocal Agreement. The person appointed to fill a vacancy shall serve for the remainder of the term of the ~~vacant~~vacating LARM Board member. There shall be two ex-officio members of the LARM Board: the President and Executive Director of the League of Nebraska Municipalities, the latter of whom also shall be the LARM Administrator as provided in LARM's Interlocal Agreement. The President and the Executive Director of the League of Nebraska Municipalities shall be ex-officio, non-voting members of the LARM Board. The ex-officio members shall be in addition to the fifteen elected members of the LARM Board.

Section 2. LARM Board of Directors Selection Procedures.

2.1 Nominating Committee. A nominating committee shall recommend candidates for the LARM Board of Directors to the participating members for election at a Members' Meeting. The nominating committee shall consist of three persons: the Chairperson of the LARM Board, an individual from a participating member municipality selected by the LARM Board, and the LARM Administrator as provided in LARM's Interlocal Agreement. Additional nominations shall be requested from the floor of the Members' Meeting from participating members.

2.2 Term. Members of the LARM Board of Directors shall serve staggered terms of three years to promote stability and continuity. Terms of office shall commence on January 1st of the first year of the term and conclude on December 31st of the last year of the term. ~~following election.~~

- 2.3 Composition.** In nominating individuals for service on the LARM Board of Directors, the LARM Administrator and Nominating Committee shall endeavor to achieve a balanced mix of elected and appointed officials from participating members of different sizes, types and classes with broad geographic representation across the state, provided that no more than one (1) Director may be an elected or appointed official from a participating member which is not a municipality. No more than one individual from any participating member may serve on the LARM Board at the same time.
- 2.4 Term Limit.** The LARM Board of Directors service shall be restricted to two consecutive three-year terms to assure that all LARM members have opportunity for representation as Board members. Any LARM member that has previously been represented on the LARM Board may be eligible again for future service following at least one three-year interval of non-Board service following the term limit restriction when the member is not represented on the LARM Board.
- 2.5 Vacancies.** If a member of the LARM Board of Directors at any time during his or her term of office no longer meets the requirements set forth for service on the LARM Board, or resigns or no longer is able to serve as a member of the LARM Board, the office of such LARM Board member shall be deemed to be vacant as of the date such LARM Board member no longer meets such requirements or resigns or is no longer able to serve as a member of the LARM Board. The person appointed to fill a vacancy shall serve for the remainder of the term of the vacating LARM Board member.
- 2.6 Eligibility.** In addition to any other eligibility requirements, a candidate for the LARM Board of Directors must be an elected or appointed official from a participating member.

Section 3. LARM Executive Director.

- 3.1 Accountability.** The LARM Executive Director is to perform administrative responsibilities under the direction of the LARM Administrator. The LARM Executive Director shall be appointed and dismissed by the LARM Administrator, provided the LARM Board of Directors does not disapprove. The performance of the LARM Executive Director shall be evaluated at least annually by the LARM Administrator and reported to the LARM Board.

3.2 Duties. The LARM Executive Director shall be responsible to the LARM Administrator for the efficient conduct of his or her office. The LARM Executive Director shall have the following duties:

A.1 To attend all meetings of the LARM Board of Directors and report any matter concerning LARM affairs under his or her supervision and direction, as requested by the LARM Administrator or LARM Board.

A.2 To make recommendations regarding the affairs of LARM to the LARM Administrator.

A.3 In consultation with and subject to the approval of the LARM Administrator, to supervise and analyze the functions, duties and activities and services of LARM and of all the employees thereof; to appoint, dismiss and supervise the performance of LARM employees, including the preparation of LARM personnel rules, LARM employee evaluations and current job descriptions of LARM employees. Job descriptions of the LARM Executive Director and employees shall be updated as required and approved by the LARM Board of Directors in public session.

A.4 In consultation with and subject to the approval of the LARM Administrator, to develop and prepare the LARM annual operating budget; to develop and prepare meeting agendas for the LARM Board of Directors and Committees; and to prepare and manage strategic and other planning activities of LARM. The LARM Executive Director shall be responsible for any public records requests directed to LARM. Consultants may be asked to participate in any or all of these activities at the request of the LARM Administrator.

A.5 To perform other duties as assigned by the LARM Board of Directors or LARM Administrator.

ARTICLE II – MEETINGS OF THE LARM BOARD OF DIRECTORS

Section 1. Open Meetings.

The LARM Board of Directors shall hold meetings within the State of Nebraska. All meetings shall be held in accordance with the laws of the State of Nebraska. Open

~~Meetings Act (Chapter 84, Article 14 of the Nebraska Revised Statutes, as amended).~~

Section 2. Number.

Meetings of the LARM Board of Directors shall be held in person no less than four (4) times each year, at least one time each calendar quarter. Meetings of the LARM Board may be called by the Chairperson, LARM Administrator or the LARM Board. A meeting shall be called by the Chairperson or LARM Administrator upon request of five members of the LARM Board. Notice of meetings of the LARM Board, other than emergency or special meetings, shall be given to each Director at least five calendar days, if possible, prior to the meeting stating the time, place, and agenda. Notice of special meetings of the LARM Board shall be given to each Director at least two calendar days, if possible, prior to the meeting, stating the time, place, and agenda. Regular and special meetings may be held in person or by videoconferencing, telephone conferencing or conferencing by other electronic communication in accordance with the laws of the State of Nebraska. ~~by means of electronic, video, or telecommunication equipment as allowed by the Open Meetings Act.~~ The LARM Board shall adopt a policy establishing the method for giving reasonable advance publicized notice of the time and place of each regular and special LARM Board meeting to Directors, participating members of LARM, and to the public.

Section 3. Emergency Meetings.

When it is necessary to hold an emergency meeting without notice, the nature of the emergency shall be stated in the minutes and any formal action taken in such meeting shall pertain only to the emergency. Such meetings may be held by means of electronic or telecommunication equipment.

Section 4. Quorum.

At all meetings of the LARM Board of Directors, a majority (eight) of the total number of Directors (fifteen) shall constitute a quorum for the transaction of business, and the act of a majority (eight) of the total number of Directors (fifteen) at any meeting shall be the act of the LARM Board, except as may be otherwise specifically provided by statutes or by LARM's Interlocal Agreement or these Bylaws. If a quorum is not present at any scheduled meeting of the LARM Board, the Directors present may, consistent with Nebraska law, recess the meeting to a time later that same day when a quorum shall be present. At such resumed meeting at which a quorum is eventually present, any business may be transacted that might have been transacted at the meeting originally noticed.

Section 5. Reimbursement.

A member of the LARM Board of Directors may be reimbursed by LARM for his or her direct expenses incurred in attending meetings of the LARM Board and performing other authorized services as a Director, if such expenses are not reimbursed to him or her by another public agency.

Section 6. Rules.

Robert's Rules of Order, latest edition, shall govern all meetings of the LARM Board of Directors.

Section 7. Notices.

- A. LARM Board of Directors.** Except as otherwise provided herein, notices to the Directors may be by telephone, e-mail, facsimile or text message, or in written correspondence that is delivered personally, or mailed to the Directors at their addresses appearing on the records of LARM.

- B. Participating Members.** Notices of all meetings of the LARM Board of Directors shall be provided to all participating members of LARM by telephone, e-mail, facsimile or text message or in written correspondence that is delivered personally, or mailed to the participating members at their addresses appearing on the records of LARM. An elected or appointed official of a participating member or a member of the public wishing to attend a meeting of the LARM Board, but unable to attend in person, may request that the LARM staff establish a telephone or other electronic connection allowing him or her to listen to the meeting of the LARM Board in question.

Section 8. Waiver.

Any individual notice required to be given under the provisions of the applicable law or LARM's Interlocal Agreement or these Bylaws may be waived in writing either before or after the meeting requiring such notice, provided such waiver is signed by the person or persons entitled to said notice.

ARTICLE III –
MEETINGS OF PARTICIPATING MEMBERS OF LARM MEMBER MUNICIPALITIES

Section 1. Annual Meeting.

An annual meeting of all participating members of LARM shall be held in conjunction with the annual conference of the League of Nebraska Municipalities, unless the LARM Board of Directors shall designate some other time or place, or other method for holding such annual meeting. Such annual meeting may be held in person or by videoconferencing, telephone conferencing or conferencing by other electronic communication in accordance with the laws of the State of Nebraska. The nomination and election of members of the LARM Board shall be conducted at the annual meeting.

Section 2. Special Meetings

Special meetings of the members shall be called by the LARM Administrator upon written request of the Chairperson, Vice Chairperson or a majority (eight) of the total number of Directors (fifteen), or twenty percent (20%) of the members entitled to vote, stating the time, place and purpose of such meeting. Such special meetings may be held in person or by videoconferencing, telephone conferencing or conferencing by other electronic communication in accordance with the laws of the State of Nebraska.

Section 3. Notice

Notice of annual and special meetings of LARM members shall be provided in the same manner as for meetings of the LARM Board, in accordance with Article II, Section 7 of these Bylaws.

Section 4. Quorum

Action taken at a members' meeting shall be valid if it is passed by a majority of participating members whose representatives are present at the meeting.

Section 5. Ratification

For the avoidance of any doubt about the validity of actions taken at a members' meeting, each participating member shall, at a subsequent meeting of the participating member's own governing body, vote on whether to ratify actions taken by its representative at the members' meeting, including the election of LARM Directors. Failure to ratify does not affect the validity of the action.

Section 6. Minutes

The LARM Administrator or his or her designee shall make draft minutes of all LARM members' meetings available to participating members and the public on LARM's website within ~~30~~45 days following the meeting.

Section 7. Nullification

If less than a majority of all LARM participating members are represented at a members' meeting, the majority of LARM participating members may, at subsequent meetings of their respective governing bodies, vote to nullify any actions taken at the members' meeting, including the election of LARM Directors. If a majority of the governing bodies of participating members vote to do so within 60 days after the members' meeting, then the actions subject to nullification shall be null and void. Otherwise, all actions taken at the members' meeting shall remain valid.

**ARTICLE IV –
COMMITTEES**

Section 1. Executive Committee.

The LARM Board of Directors may, by motion passed by a majority (eight) of the total number of Directors (fifteen), designate three or more of the members of the LARM Board to constitute an Executive Committee which, to the extent provided in such motion, shall have and exercise the authority of the LARM Board in the management of the business of LARM. Vacancies in the membership of the committee shall be filled by a majority (eight) of the total number of Directors (fifteen) at a regular or special meeting of the LARM Board. The Executive Committee shall keep regular minutes of its proceedings, comply with the laws of the State of Nebraska, ~~Open Meetings Act,~~ and report the same to the LARM Board when required. In the absence of any member of the Executive Committee, the committee members present at any Executive Committee meeting may unanimously appoint another Director of the LARM Board to serve at the committee meeting in the place of such absent member. The duties of the Executive Committee will be to review LARM's routine policy matters when the LARM Administrator or LARM Executive Director seeks feedback from LARM Board members on reports and proposals prepared for the LARM Board's consideration. Additionally, the Executive Committee may exercise policy making authority in those instances when the LARM Board, pursuant to the ~~Open Meetings Act~~ in accordance with the laws of the State of Nebraska, delegates duties to the Committee.

Section 2. Other Committees.

The LARM Board of Directors may, by motion passed by a majority (eight) of the total number of Directors (fifteen), designate one or more committees. Each such committee shall consist of one or more Directors, but otherwise may include other elected and appointed officials and employees of participating members of LARM to assure active involvement in LARM by a broad base of participating members. To the extent provided in the motion and subject to LARM's Interlocal Agreement, these Bylaws and applicable ~~law state laws~~, a committee shall have and may exercise the powers of the LARM Board in the management of the business and affairs of LARM in those instances when the LARM Board, ~~pursuant to the Open Meetings Act,~~ in accordance with the laws of the State of Nebraska, delegates duties to the Committee. Such committees shall have such names and duties as may be determined from time to time by a majority (eight) of the total number of Directors (fifteen).

Section 3. Committee Meetings.

Committee meetings may be held in person or by videoconferencing, telephone conferencing or conferencing by other electronic communication in accordance with the laws of the State of Nebraska.

Section 4. Minutes.

Committees shall keep regular minutes of their proceedings and shall submit the minutes to the LARM Board of Directors.

Section 4 5. Reimbursement.

A member of such committees established by the LARM Board of Directors may be reimbursed by LARM for his or her expenses incurred in attending committee meetings and performing other authorized services as a committee member, if those expenses are not reimbursed to him or her by another public agency.

**ARTICLE V –
OFFICERS**

Section 1. Officers.

A majority (eight) of the total number of Directors (fifteen) shall vote to choose from among

the elected Directors, a Chairperson and a Vice Chairperson for a one-year term during the 1st calendar quarter. The President and Executive Director of the League of Nebraska Municipalities shall not be eligible to serve as Chairperson or Vice Chairperson.

Section 2. Other Officers.

The LARM Board of Directors may appoint such other officers and agents as it shall deem necessary that shall hold office for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the LARM Board.

Section 3. Vacancies.

Any member of the LARM Board of Directors or any member of a committee designated by the LARM Board, or any contractor or agent appointed by the LARM Board, may be removed by a motion by a majority (eight) of the total number of Directors (fifteen) when, in the judgment of the LARM Board, the best interests of LARM will be served by the person's removal. However, such removal shall be without prejudice to the contract or employment rights, if any, of the person removed. Any such vacancy occurring by death, resignation, removal or otherwise shall be filled by the LARM Board, upon the recommendation of the LARM Administrator.

Section 4. Chairperson Duties.

The Chairperson shall preside at all meetings of the LARM Board of Directors, Special Members' Meetings of participating members and LARM's annual meeting of participating members and perform such other duties as are assigned by LARM's Interlocal Agreement, these Bylaws, or as may be assigned by the LARM Board, or assigned by the majority of participating members attending LARM's annual meeting.

Section 5. Vice Chairperson Duties.

The Vice Chairperson shall be chosen in the same manner and for the same term as the Chairperson and shall exercise all the powers of the Chairperson during the absence or disability of the Chairperson, in addition to such other duties as the LARM Board of Directors may from time to time prescribe.

Section 6. LARM Administrator Duties.

The LARM Administrator or his or her designee shall attend all meetings of the LARM Board of Directors, Special Members' Meetings of participating members, and LARM's

annual meeting of participating members and record the proceedings thereof. The LARM Administrator or his or her designee shall be the custodian of LARM's records. The LARM Administrator or his or her designee shall notify or provide for the notification of LARM Board meetings to the Directors, participating members, and the public, in accordance with LARM's Interlocal Agreement, these Bylaws, and the laws of the State of Nebraska. Open Meetings Act. The LARM Administrator or his or her designee shall perform such other duties as assigned by the LARM Board or as assigned by the majority of participating members attending LARM's annual meeting of participating members or any Special Members' Meetings.

ARTICLE VI – MEMBERSHIP

Section 1. General.

Unless otherwise approved by the Executive Board of the League of Nebraska Municipalities, LARM membership shall be restricted to municipalities maintaining membership in the League of Nebraska Municipalities. Subject to approval by the Executive Board of the League of Nebraska Municipalities and the LARM Board of Directors, sanitary and improvement districts (SIDs), public power agencies, and such other public agencies of the State of Nebraska that the LARM Board shall, from time to time, approve, also may be participating members of LARM, subject to adopted underwriting standards.

Section 2. Obligations.

The obligations and powers of participating members of LARM shall be as follows:

- 2.1 Payments.** To appropriate for and promptly pay all annual and supplementary or other payments to LARM at such times and in such amounts as shall be established by the LARM Board of Directors within the scope of LARM's Interlocal Agreement and these Bylaws.
- 2.2 Representatives.** To encourage an elected or appointed official or employee of the participating member to attend LARM's annual meeting of participating members or Special Members' Meetings of participating members in order to vote on business conducted at such meetings, including the election of LARM Directors.

- 2.3 Access.** To allow the LARM Board of Directors, staff and agents reasonable access to all facilities of the participating member and all public records, including but not limited to, financial records which relate to the purposes or powers of LARM.
- 2.4 Litigation.** To allow attorneys employed by LARM to represent the participating member in investigation, settlement discussions and all levels of litigation arising from any claims made against the participating member within the scope of loss protection furnished by LARM.
- 2.5 Cooperation.** To cooperate fully with LARM's attorneys, claims adjusters, consultants and any agent, employee, officer or independent contractor of LARM relating to the purposes and powers of LARM.
- 2.6 Risk Management.** To follow in its operations all risk management, loss control and prevention procedures established by LARM within its purposes and powers.
- 2.7 Information.** To provide LARM the budget information and an audit prepared by a certified public accountant of all revenues and expenditures of the participating member for any fiscal year for which figures are requested by LARM. A village that has not had an audit prepared for a fiscal year may provide an unaudited statement of cash receipts and disbursements in lieu of an audit. The unaudited statement shall be on the form prescribed by the Auditor of Public Accounts (APA) for such statements and include any other information provided by the participating member to the APA or requested by LARM.
- 2.8 Report.** To report as promptly as possible all incidents that could result in LARM receiving a claim for loss or injuries to a participating member's property or injuries to persons or property within the scope of loss protection undertaken by the LARM Board of Directors, in accordance with such rules as the LARM Board shall prescribe.
- 2.9 Notice of Termination.** Participating members of LARM deciding to seek bids from coverage providers in addition to LARM, or to voluntarily terminate participation in LARM, must provide written notice to the Director of the Nebraska Department of Insurance, the LARM Administrator, the LARM Executive Director, and all other participating members at least ninety (90) days prior to the desired bid or termination date. The decision to terminate

participation in LARM is subject to the approval of the Director of the Nebraska Department of Insurance.

Section 3. Settlement.

The LARM Board of Directors may allow participating members a reasonable opportunity in liability cases or claims to participate in their own defense or prevent the settlement of such cases or claims by LARM in a manner contrary to the wishes of the participating member. When the LARM Board authorizes the participating member the privilege to prevent settlement of the case or claim, the participating member shall be responsible for any cost in excess of the proposed settlement.

Section 4. Late Fee.

Failure by a participating member to pay the member's annual contribution to LARM by November 1 of any year shall result in such member being delinquent. A delinquent member may be charged a late fee starting on October 1 of any year in which the participating member is delinquent. The late fee shall be equal to five percent (5%) of the participating member's annual contribution to LARM. The late fee shall be assessed against any delinquent member on a monthly basis equaling one-twelfth (1/12) of the annual late fee. A delinquent member shall be charged the full monthly late fee assessment for all months in which the participating member is delinquent, including the month in which the delinquent payment is made.

**ARTICLE VII –
CONFLICTS OF INTERESTS AND ETHICS STANDARDS**

Section 1. Definition of Conflict of Interest.

A conflict of interest exists when the personal interests of a member of the LARM Board of Directors, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM may affect the ability of the LARM Board member, LARM staff member, elected or appointed official or employee, contractor or agent to act in the best interest of LARM and its participating members. A conflict of interest can be considered to exist when the actions or activities of a LARM Board member, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM involve:

- 1.1 Gain.** The obtaining of direct or indirect personal gain or advantage for the LARM Board member, LARM staff member, elected or appointed official or

employee, or contractor or agent. Any LARM Board member faced with taking an action or making a decision which could have a financial benefit or detriment to the LARM Board member, an immediate family member or a business with which he or she is associated is required to: a) prepare a written statement describing the conflict of interest, b) abstain from participating or voting on the matter at issue, and c) file a copy of the written statement with the LARM Board. For purposes of this subsection, “business”, “business with which the individual is associated or business association,” and “immediate family” or “immediate family member” shall be defined as provided in Chapter 49, Article 14 of the Nebraska Revised Statutes, as amended.

- 1.2 Adverse Interest.** An adverse or potentially adverse effect on the fiduciary, underwriting, coverage, claims management, client defense and service interests of LARM and its participating members.
- 1.3 Disclosure.** The disclosure of proprietary personnel evaluations, personnel files, pricing, underwriting calculations, legal opinions affecting client defense, claims investigations and other records enumerated in Chapter 84, Article 7 of the Nebraska Revised Statutes, as amended, that authorize LARM to withhold providing such information when responding to a public records request.
- 1.4 Gift.** The acceptance by any member of the LARM Board of Directors, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM (or an immediate family member of any of these) of gifts, excessive entertainment, unsecured loans, or other favors from any outside concern that does, or is seeking to do, business with LARM, or is a competitor of LARM or any of its contractors from which an inference could be made that the action was intended to influence or could influence the LARM Board member, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM in the performance of his or her duties.
- 1.5 Favoritism.** Any circumstance that may give rise to reasonable questions of possible favoritism, self-dealing or undue influence for coverages, benefits, contributions or premiums may be a conflict of interest. All such conflicts should be avoided, if possible. The member of the LARM Board of Directors, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM should be sensitive to the appearance of conflicts of interest, even if no actual conflict exists. If an actual or possible conflict cannot be avoided, the actual or possible conflict should be disclosed as soon

as possible to the LARM Administrator and the LARM Executive Director.

- 1.6 Conflicts of Interest Questionnaire:** Every member of the LARM Board of Directors, LARM staff members, elected or appointed officials or employees, contractors or agents representing LARM ~~annually~~ shall be requested ~~annually~~ to complete and sign a conflict of interest questionnaire that meets the requirements of the Nebraska Department of Insurance. The responses to the questionnaire will disclose any conflicts of interest that the LARM Board members, LARM staff members, elected or appointed officials or employee, or contractors or agents representing LARM may have. If a LARM Board member, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM develops a potential conflict of interest, he or she shall, as soon as practicable, prepare an updated questionnaire and deliver a copy to the LARM Administrator and the LARM Executive Director. The LARM Board member, LARM staff member, elected or appointed official or employee, contractor or agent shall take such action as the LARM Board shall prescribe to remove himself or herself from influence over the matter.

Section 2. Standards of Conduct between LARM Board Members, LARM Staff Members, Elected or Appointed Officials or Employees, or Contractors or Agents Representing LARM.

- 2.1 Personal Interest.** No member of the LARM Board of Directors, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM shall transact any business in his or her official LARM capacity with any entity in which he or she has a personal business interest, without prior approval of the LARM Board of Directors in public session.
- 2.2 Compensation.** No member of the LARM Board of Directors, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM shall represent, for compensation, any other private person, group or entity that has a business relationship with LARM, without prior approval of the LARM Board of Directors in public session.
- 2.3 Gift.** No member of the LARM Board of Directors, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM shall accept or solicit any gift or favor, that might reasonably tend to influence that individual in the discharge of official duties or that the LARM Board member, LARM staff member, elected or appointed official or

employee, or contractor or agent knows or should know has been offered with the intent to influence or reward official conduct.

2.4 Employment. No member of the LARM Board of Directors, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM shall solicit or accept other employment to be performed or compensation to be received while still a LARM Board member, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM, if the employment or compensation could reasonably be expected to impair independence in judgment or performance of duties.

2.5 Disclosure. If a member of the LARM Board of Directors, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM accepts or is soliciting a promise of future employment from any person or entity who has a substantial interest in a person, entity or property which would be affected by any decision upon which the LARM Board member, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM might reasonably be expected to act, investigate, advise, or make a recommendation, the LARM Board member, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM shall disclose that fact to the LARM Administrator and LARM Executive Director and shall take no further action on LARM policy or service matters regarding the potential future employer.

2.6 Privilege. No member of the LARM Board of Directors, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM shall use his or her official position to secure a special privilege or exemption for himself, herself or others, or to secure confidential information for any purpose other than official responsibilities.

Section 3. Communication Between LARM Board Members, LARM Staff Members, Elected or Appointed Officials or Employees, or Contractors or Agents Representing LARM.

3.1 Inquiries. The LARM Board of Directors reserves the right to make inquiries of any LARM Board member, LARM staff member, elected or appointed official or employee, contractor or agent relative to LARM activities. Except for purposes of inquiry, the LARM Board shall deal with LARM's administrative services through the LARM Administrator. The LARM Board or

any officer thereof shall not give orders directly to any subordinate of the LARM Administrator.

- 3.2 Lobby Prohibition.** LARM's consultants, other contractors or agents shall not entertain or lobby members of the Executive Board of the League of Nebraska Municipalities, members of the LARM Board of Directors or LARM committees. Consultants, other contractors or agents of LARM may contact members of the Executive Board of the League of Nebraska Municipalities, members of the LARM Board, and LARM Committees for normal pool servicing activities associated within the scope of their services or authority with prior approval by the LARM Administrator and LARM Executive Director.
- 3.3 Notification.** The LARM staff, consultants and other contractors or agents have no control over inquiries and contacts initiated by a member of the Executive Board of the League of Nebraska Municipalities, members of the LARM Board of Directors, or LARM Committees; such contact shall not be deemed a violation of LARM's Bylaws. When such contact or inquiries occur, the LARM staff, consultants, contractors or agents shall notify the LARM Administrator and LARM Executive Director within a reasonable time.
- 3.4 Reports.** All information and reports affecting decisions or governance that the LARM Board of Directors may consider in public session, which are requested by LARM Board members from LARM staff, consultants, other contractors or agents shall be disclosed to the LARM Administrator and the LARM Executive Director; such information and reports shall be duplicated and disseminated simultaneously to the other LARM Board members.
- 3.5 Ex Parte Communication.** Members of the LARM Board of Directors, LARM staff members, elected or appointed officials or employees, contractors or agents representing LARM shall not participate in ex parte conversations and meetings with each other that are intended to create favoritism, self-dealing or undue influence regarding underwriting and pricing, coverage or other LARM services.

ARTICLE VIII – GENERAL PROVISIONS

Section 1. Checks.

All checks or demands for money and notes of LARM and contracts of LARM shall be signed by the LARM Administrator, the LARM Executive Director, or their designee.

Section 2. Books.

Subject to the provisions of Chapter 84, Article 7 of the Revised Statutes of Nebraska, as amended, the books, records and papers of LARM will be available at the principal offices of LARM for inspection at reasonable times by representatives of any participating member or other person as may be required by Nebraska law. LARM's Interlocal Agreement and these Bylaws shall be available for inspection at reasonable times by any person at the principal offices of LARM.

Section 3. Loss Control.

The LARM Board of Directors periodically shall be provided an update of LARM's loss control program for adoption by participating members since effective loss control programs are essential to reducing costs

Section 4. Warranty and Indemnification.

4.1 Warranty. Members of the LARM Board of Directors, LARM staff members, elected or appointed officials or employees, contractors or agents representing LARM expressly agree, covenant, and warrant that they shall make a good faith effort to ensure that all action that they take in their LARM capacities or on behalf of LARM shall be in accordance with any applicable state or federal law or regulation, any applicable municipal ordinance, LARM's "*Agreement for the Establishment and Operation of the League Association of Risk Management*" (LARM's Interlocal Agreement), and these Bylaws and in a manner which he or she reasonably believes to be in or not opposed to the best interests of LARM.

4.2 Indemnification. LARM may indemnify or defend any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of LARM, by reason of the fact that such person is or was a member of the LARM Board of Directors,

LARM staff member, elected or appointed official or employee, contractor or agent representing LARM, against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding if such person: (1) acted in good faith and in compliance with subsection 4.1; (2) acted in a manner which he or she reasonably believed to be in or not opposed to the best interests of LARM; and (3) with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

4.3 Mandatory Indemnification. To the extent that a member of the LARM Board of Directors, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in subsection 4.2 of this section or in defense of any claim, issue, or matter in such action, suit, or proceeding, he or she shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by him or her in connection with such defense.

4.4 LARM Board of Directors Determination. Any indemnification under this article shall be made by LARM only as authorized in the specific case upon a determination by the LARM Board of Directors that indemnification of the LARM Board member, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM is proper in the circumstances because he or she has met the applicable standard of conduct set forth in this Article. Such determination shall be made by the LARM Board by a majority (eight) of the total number of Directors (fifteen) consisting of LARM Board members who were not parties to such action, suit, or proceeding; if such a majority (eight) of the total number of Directors (fifteen) is not obtainable, or even if obtainable, a majority (eight) of the total number of Directors (fifteen) of disinterested LARM Board members may authorize indemnification, if recommended by independent legal counsel retained by the LARM Administrator in a written opinion that is made available to the public prior to the decision on indemnification.

4.5 Payment of Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by LARM in advance of the final disposition of such action, suit, or proceeding as authorized in the manner provided in subsection 4.4 of this section upon receipt of an undertaking by or on behalf of the member of the LARM Board of Directors, LARM staff

member, elected or appointed official or employee, contractor or agent representing LARM to repay such amount, unless it is ultimately determined that he or she is entitled to be indemnified by LARM as authorized in this section.

4.6 Non-exclusive Indemnification and Continuation. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which the person indemnified may be entitled under any agreement, either as to action in his or her official capacity or as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a LARM Board member, LARM staff member, elected or appointed official or employee, contractor or agent representing LARM and shall inure to the benefit of the heirs, executors, and administrators of such person.

4.7 Duty of Loyalty. Any elected or appointed official of any participating member serving on the LARM Board of Directors shall have a duty of loyalty to LARM. Members of the LARM Board, members of LARM Committees, LARM's Administrator, LARM's Executive Director, LARM's staff, contractors and agents shall act in good faith, be faithful to LARM and its goals and missions, and pursue LARM's best interests in all matters. It shall be the agreement and representation of each member of the LARM Board that he or she is acting as a part of his or her duties on behalf of the participating member when performing functions for LARM. Therefore, all privileges and immunities from liability that may be available to such individual in his or her official capacity shall also be applicable to his or her conduct on behalf of LARM. Nothing herein shall compel LARM to provide any benefits to an elected or appointed official, contractor, agent or employee of LARM who is also an elected or appointed official or employee, contractor, agent or employee of a participating member.

Section 5. Acknowledgment and Receipt.

Members of the LARM Board of Directors, LARM committee members, LARM's Administrator, LARM's Executive Director, LARM's staff, contractors and agents representing LARM are to receive and read the Bylaws of the League Association of Risk Management, sign an "Acknowledgment of Receipt and Understanding," including his or her understanding and agreement to abide by the "Conflicts of Interest and Ethics Standards" and "Duty of Loyalty" provisions of the LARM Bylaws and return the "Acknowledgment of Receipt and Understanding" to LARM's Administrator or LARM's Executive Director within a reasonable time, and within a reasonable time after any

amendment of these Bylaws.

Section 6. Amendments.

These Bylaws may be altered, amended or repealed, and new Bylaws may be passed by a majority (eight) of the total number of Directors (fifteen) at any regular or special meeting, if at least five (5) calendar days written notice of the intention to alter, amend or repeal or to adopt new Bylaws at such meeting of the LARM Board has been provided to the Directors, participating members, and the public.

Section 7. Gender and Number.

To the extent permitted by the context in which used, words in the singular number shall include the plural, words in the masculine gender shall include the feminine and neuter vice versa.

Section 8. Captions.

Captions used herein are for convenience only and are not a part of these Bylaws and shall not be deemed to limit or alter any provisions hereof and shall not be deemed relevant in construing these Bylaws.

Adopted September 6, 1995.
Amended October 12, 1995
Amended September 21, 2005
Amended February 26, 2008
Amended December 21, 2012
Amended February 26, 2013
Amended April 30, 2013
Amended December 17, 2013

Amended

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