



Conference Dial-in: (712) 451-0686
Access code: 320942

AMENDED AGENDA @ 2 P.M. 8/20/2018
LEAGUE ASSOCIATION OF RISK MANAGEMENT
BOARD OF DIRECTORS MEETING
August 21, 2018 3:00 p.m. CT
Civic Center
423 Howard Ave.
St. Paul, NE 68873

In accordance with Section 84-1412 sub-section six (6) of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written material to be discussed is available to the public at this meeting for examination and copying.

A. CALL TO ORDER

1. 3:00 p.m. – call meeting to order
2. Inform the public about the location of the Open Meetings Act available in the meeting room and accessible to members of the public.
3. Pledge of Allegiance to the flag of the United States of America
4. Roll call
5. Nebraska Revised Statutes - § 84-1412 (2) states, "It shall not be a violation of subsection (1) of this section for any public body to make and enforce reasonable rules and regulations regarding the conduct of persons attending, speaking at, videotaping, televising, photographing, broadcasting, or recording its meetings. A body may not be required to allow citizens to speak at each meeting, but it may not forbid public participation at all meetings." There will be no public discussion by member participants regarding items D-2 and D-4 under current business, which have either been discussed at the June 26, 2018 Board meeting or involve litigation pending against LARM. As provided in § 84-1412 (2) above, only LARM Board members and the Executive Director shall be allowed to speak on agenda items D-2 and D-4.

B. RECOMMENDED ACTIONS

1. Approval of consent agenda. *
All items listed with an asterisk (*) are considered to be routine by the LARM Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board member or a citizen so requests, in which event the item will be removed from the consent status and considered in its normal sequence on the agenda.

- *2. Approval of minutes from June 26, 2018 Board meeting.

C. SPECIAL PRESENTATIONS

None

D. CURRENT BUSINESS

- *1. Consideration of Board authorization to retroactively authorize payment of \$38,772.64 toward a total estimated replacement value of \$273,325.00 that was administratively approved by Executive Director on July 3, 2018, for fire damage at the City of North Platte's Public Service Department Equipment Building. (The total exceeds the Executive Director's approval authority and must be authorized by the LARM Board.)
2. Consideration of Board approval of FY 2018-2019 LARM budget that was tabled at the June 26, 2018 LARM Board meeting.
3. Consideration of Board approval of proposed \$100,000 deductible per each accident per employee for the City of North Platte's worker's compensation coverage during a three-year interval, commencing October 1, 2018, with an annual claims and underwriting evaluations to determine if North Platte's loss control and claims management have improved.
- *4. Consideration of Board approval of LARM general counsel recommendation that the Board of Directors pursuant to Pokorny v. City of Schuyler, 202 Neb. 334, 275 N.W.2d 281 (1979), place the following items on its meeting agenda and re-take its vote, to cure the alleged violations of the Open Meetings Act claimed in the Complaint filed June 11, 2018, in Lancaster County District Court by L. Lynn Rex, et al., against LARM. Rex v. League Association of Risk Management, Lancaster County District Court Case No. CI 18-1989.

The items to be reapproved by the Board are as follows:

From the February 12, 2018 Board meeting

- B(2)** Approval of minutes from the LARM Board Meeting of January 16, 2018.
- C(1)** Presentation by LARM Executive Director Mike Nolan of information concerning Pools in America.
- C(2)** Presentation by LARM Executive Director Mike Nolan of chronology of important events since December 14, 2017 in the working relationship between LARM and LONM.
- D(1)** Consideration of Board motion to reapprove the LARM Bylaws that were initially approved by the LARM Board on December 17, 2013.
- D(2)** Consideration of Board motion to affirm the election of LARM Board members currently serving.

- D(3)** Consideration of Board motion to reaffirm election of Gerald Solko as LARM Board Chair and Lane Danielzuk as LARM Board Vice Chair.
- D(4)** Consideration of Bylaw changes to provide that LARM will be represented by nine Board members; to establish that the LONM Executive Board and LONM Executive Director have no policy or administrative authority concerning LARM; to delete any remaining language conflicting with the December 17, 2013 Board decision to eliminate annual meeting and delegation of member proxies to LONM Executive Director.
- D(5)** Consideration of motion to authorize reimbursement to LARM members of their proportional share of the 2% of LARM gross revenues collected in FY 2017-2018 that will no longer be paid to the League of Nebraska Municipalities.
- D(6)** Consideration of motion to oppose LR293CA concerning a Nebraska ballot proposal on medical marijuana and authorization for Board Chair Gerald Solko to sign a letter to Speaker of the Legislature Jim Scheer, copied to other Senators, indicating LARM's opposition.
- D(7)** Consideration of motion to approve reestablish procedural elements of the LARM Investment Policy for a standard report by US Bank provided to the Investment Committee on a quarterly basis, and ultimately to the LARM Board at each quarterly meeting.
- D(8)** Consideration of motion to approve settlement of July 5, 2016 City of Columbus property claim from severe wind damage in amount of \$293,950.
- E(1)** Report about current recipients of *Lean on LARM Safety Grant*.

From the March 14, 2018 Board meeting

- D(9)** Consideration of action deleterious statements and conduct of persons with fiduciary duties to LARM. (This item, considered by the Board on February 12, will not be discussed again. The LARM Board will approve a motion reapproving the February 12 decision.)
- D(10)** Consideration by Board of requesting legal opinion from Domina Law Firm concerning validity of LARM Board service by current members. (This item, considered by the Board on February 12, will not be discussed again. The LARM Board will approve a motion reapproving the February 12 decision.)
- D(11)** Consideration of motion to void the meeting and minutes of the LARM Board Meeting of February 12, 2018 due to an inadvertent error that violated the Nebraska Open Meetings Law when a Board member whom the meeting notice stated would participate from the St. Paul Utilities Superintendents office at 704 6th Street, St. Paul, participated instead from the LARM office at 1919 South 40th Street, Suite 212, Lincoln.
- D(12)** Consideration of motion to establish the League Association of Risk Management Voting Protocol

- 5. Consideration of Board approval of motion to accept resignation of Mike Werner, Mayor of Waverly, as a member of the LARM Board, effective at the end of the August 21, 2018 LARM Board meeting.

E. ADMINISTRATIVE REPORTS

- *1. Report to members titled "Last Year's Disasters Influence 2018 Insurance Rates."
- *2. LARM's August 7, 2018 report on total property assets scheduled values.

Mike Nolan

From: Michael Werner <wsswerner@windstream.net>
Sent: Saturday, August 18, 2018 10:21 PM
To: Mike Nolan
Subject: Letter of Resignation
Attachments: Werner Resignation LARM 18Aug2018.pdf

Mike, please see attached. Please place on the agenda for the August 21st meeting in St. Paul which I will physically be attending. At the appropriate time when the vote is taken I will step away from the Director's table.

I will forward a copy of the agenda, and the minutes showing where I officially resigned and the board voting to accept my resignation onto to Travelers legal department.

Thank you,

Mike Werner

Date: August 18, 2018
To: LARM Board of Directors
From: Michael J. Werner
Subject: Resignation from the Board of Directors

LARM staff and Directors,

It is with deep regret that I must resign my seat on the LARM Board of Directors. As many of you know I am an employee of Travelers Insurance Company and my duties or job involve supporting the IT department at the Omaha Data Center.

I have learned that Travelers policy on Code of Business Conduct as applied to my LARM duties, creates what Travelers considers an impermissible conflict of interest for me to be an employee of Travelers and serve as a Director for LARM. This because LARM competes with Travelers. I urged consideration of the fact that LARM is a potential *customer* of Travelers but the company declined to alter its position.

This conflict was discovered in the annual review process Travelers performs on all employees concerning the Code of Business Conduct.

I consider the work of LARM invaluable to Nebraska municipalities and was honored to be chosen for Board service. The commitments shown by you, members of the Board in the face of the current adversity, have been appreciated. You have my considerable respect.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Werner". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael J. Werner

(1 page enclosure attached)

Subject: 2018 Conflicts of Interest Disclosure Follow-Up

Michael, thank you for your disclosure this year regarding your involvement with the League Association of Risk Management (LARM). I understood from our conversation that LARM is a non-profit which provides insurance and risk management for municipalities. Pursuant to the Code of Business Conduct and Ethics:

An outside activity, whether for profit or not for profit, by employees and officers of Travelers may be prohibited if the outside activity conflicts with the interests of the Company. Employees and officers may not accept or hold any outside position working for or providing goods or services to any competitor, business partner or customer of the Company . . .

As you know, Travelers provides insurance and risk management services to municipalities. Although LARM is not an insurance carrier, it does operate in the same commercial space as Travelers and must therefore be considered a competitor. Based on the Code of Business Conduct your position with LARM presents an impermissible conflict of interest with your duties as an employee of Travelers. Because of this, we request that you cease activities involved with LARM. If you have any questions or wish to discuss this further, please let me know.

Melissa D. Rodriguez | Senior Counsel | Ethics and Compliance Office | Legal Services

Travelers

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