

**NOTICE**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT**  
**Thursday, Nov. 14, 2019, 11 am CT**  
**Joe Hampton Conference Center, League Building**  
**1335 L Street, Lincoln**

PLEASE TAKE NOTICE that on **Thursday, Nov. 14, 2019, at 11 am CT**, the League Association of Risk Management (LARM) will hold a Special Meeting of the LARM Board of Directors in the Joe Hampton Conference Center at the League Building, 1335 L 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 Nov. 8, 2019, notice of this Special Meeting with the agenda and other materials were sent to all LARM members and the LARM Board. On Nov. 13th, 2019, a revised notice of this Special Meeting with the agenda and other materials were sent to all LARM members and the LARM Board, only changing the conference call number. 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/>.



**AGENDA**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT**

**Thursday, Nov. 14, 2019, 11 am CT**  
**Joe Hampton Conference Center, League Building**  
**1335 L Street, Lincoln**

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 **1-605-475-6720** and **enter access code 3971829** 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. 11 am CT – Hickman Mayor Doug Hanson, Chair of the LARM Board, will call the meeting to order.
- b. Indicate that on Nov. 8, 2019, notice of this Special Meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this Special Meeting with the agenda and other materials were available for public inspection at 1335 L Street, in Lincoln, Nebraska, and also 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.

**2. Consider approval of the minutes of the Oct. 3, 2019, "Meeting of the LARM Board of Directors."**

***Please see pages 1-6.***

3. Consider approval of the minutes of the Oct. 11, 2019, “Special Meeting of the LARM Board of Directors.”  
*Please see pages 7-12.*
4. Consider accepting the Management Letters submitted by Lyndee Black of Thomas, Kunc and Black, LARM’s Auditor.  
*Please see pages 13-20.*
5. Update on Walthill litigation (*Light of the World Gospel Ministries v. Village of Walthill*) and discuss an appropriate amount for reserve authority; brief overview and update on pending litigation against LARM members.  
*There will be a staff recommendation for the Board to vote to go into closed session.*
6. Review of the lawsuit filed on Oct. 22, 2019, in Lancaster County District Court (*Michael J. Nolan v. League Association of Risk Management, a Nebraska public agency*).  
*Please see pages 21-26.*
7. Presentation by York Risk Services on considerations for claim handling instructions.  
*Please see pages 27-36.*
8. Consider authorizing LARM Board Chair Doug Hanson to appoint the following LARM Board Members to a Claims Committee to review and make recommendations to the LARM Board regarding claims filed against LARM members: *Chair Doug Hanson, Vice Chair Jim Hawks, Lanette Doane, Nathan Johnson, Jo Leyland, Sandra Schendt and Teresa Youngquist.* (The Committee will be staffed by any or all of the following individuals and others as needed: **Andy Barry** of Cline Williams Law Firm and/or **Jason Grams** of Lamson Dugan & Murray; **Tracy Juranek**, Customer Service Specialist; **Dave Bos**, Loss Control Manager; **Fred Wiebelhaus**, Field Adjustor Supervisor/Loss Control Assistant; **Randy Peters**, Auto Field Adjustor/Loss Control Assistant; **Lynn Rex**, LARM Administrator and League Executive Director; **Christy Abraham**, League Legal Counsel; and **Lash Chaffin**, League Utilities Section Director; and York Pooling representatives **John Brockschmidt**, Senior Vice President; **Chris Cadwell**, Director, Program Manager; **Chris Dondzila**, Director, Claims; **Andrew Finn**, Manager, Litigation Claims.)
9. Consider authorizing LARM Board Chair Doug Hanson to appoint the following LARM Board Members to a Litigation Committee to review and make recommendations to the LARM Board regarding lawsuits filed against LARM members: *Chair Doug Hanson, Vice Chair Jim Hawks, Lanette Doane, Nathan Johnson, Jo Leyland, Sandra Schendt and Teresa Youngquist.* (The Committee will be staffed by any or all of the following individuals and others as needed: **Andy Barry** of Cline Williams Law Firm and/or **Jason Grams** of Lamson Dugan & Murray; **Tracy Juranek**, Customer Service Specialist; **Dave Bos**, Loss Control Manager; **Fred Wiebelhaus**, Field Adjustor Supervisor/Loss Control Assistant; **Randy Peters**,

*Auto Field Adjustor/Loss Control Assistant; **Lynn Rex**, LARM Administrator and League Executive Director; **Christy Abraham**, League Legal Counsel; and **Lash Chaffin**, League Utilities Section Director; and York Pooling representatives **John Brockschmidt**, Senior Vice President; **Chris Cadwell**, Director, Program Manager; **Chris Dondzila**, Director, Claims; **Andrew Finn**, Manager, Litigation Claims.)*

10. Consider: a) authorizing L. Lynn Rex, LARM's Administrator pursuant to the Interlocal Agreement, to also serve as "LARM's Acting Executive Director" and to exercise any powers and responsibilities of LARM's Executive Director that she does not already have as LARM's Administrator; and b) ratifying any actions taken by L. Lynn Rex as LARM's Administrator and Acting Executive Director.
11. Consider approving York Risk Services, LARM's third party administrator, to handle all of LARM's workers' compensation claims.
12. Consider approval of: a) the following LARM Management Team to operate LARM for the next two years instead of hiring another LARM Executive Director: *Dave Bos*, Loss Control Manager; *Tracy Juranek*, Customer Service Specialist; and *Lynn Rex*, LARM Administrator and Acting LARM Executive Director; and b) an increase in the salaries for *Dave Bos* and *Tracy Juranek* for FY 19-20.
13. Motion to Adjourn.



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

**Thursday, October 3, 2019, 9 am CT**  
**Office Plaza 202 – Cornhusker Marriott Hotel**  
**333 S 13<sup>th</sup> Street, Lincoln**

A Meeting of the League Association of Risk Management (LARM) Board of Directors was held Oct. 3, 2019, at 9 am CT in Office Plaza 202 at the Cornhusker Marriott Hotel in Lincoln, Nebraska.

On Sept. 26, 2019, notice of this Meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this Meeting with the agenda and other materials were available for public inspection at 1335 L Street in Lincoln, Nebraska, and also were posted on the League of Nebraska Municipalities' Facebook page and its website relating to LARM – <https://www.lonm.org/larm/>.

(AGENDA ITEM #1) **Call to Order**. At 9 am CT, **LARM Board Chair Doug Hanson**, Mayor of Hickman, called the Meeting to order. He stated that in accordance with Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed was available to the public at this meeting for examination and copying. 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; **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; **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; **Teresa Youngquist**, Clerk/Treasurer, City of Beaver City; ex-officio Board Member (non-voting member) **Mayor Dwight Livingston**, City of North Platte and League President; and ex-officio Board Member (non-voting member) **L. Lynn Rex**, League Executive Director and "Administrator" of LARM. *13 voting Board Members present; 2 absent (Nathan Johnson, City Manager, City of Scottsbluff; and Mayor Josh Moenning, City of Norfolk).*

Chair Doug Hanson asked others in attendance to identify themselves, if they chose to do so: **Jerry Wilcox**, Finance Director, City of Crete; **Doug Stack**, City Attorney, City of North Platte; and **Tammy Cooley**, Human Resource Director of Gering (*by phone*); **Andy Barry** of Cline Williams, the League's Outside Legal Counsel on LARM-Related Issues; **John Zimmer** of Cline Williams; **Jason Grams** of Lamson, Dugan and Murray, the LARM Board's Legal Counsel; **Retired Justice William Connolly** (Hearing Officer); **Mike Nolan**; and **David Domina**, Nolan's Legal Counsel. The following staff members of the League of Nebraska

Municipalities also were in attendance: **Christy Abraham, Brett Benson, Lash Chaffin, Brenda Henning, Lynn Marienau and Shirley Riley.**

(AGENDA ITEM #2) **PERSONNEL HEARING:** This personnel hearing was requested by **Mike Nolan (LARM's Executive Director)** relating to the recommendation of **L. Lynn Rex (LARM's Administrator and League Executive Director)** to dismiss him, subject to the approval of the LARM Board of Directors pursuant to Article I, Section 3.1 of the LARM Bylaws.

Chair Doug Hanson stated that no public comment would be allowed on this agenda item. Retired Justice William Connolly was the hearing officer. He stated that David Domina, who represented Mike Nolan, and Andy Barry, who represented Lynn Rex, would each be given 90 minutes to present information and cross-examine the witnesses (Lynn Rex and Mike Nolan). Andy Barry requested that LARM Board Members Lanette Doane, Doug Hanson, Jim Hawks and Jo Leyland recuse themselves from deliberations and the vote; Doane, Hanson, Hawks and Leyland agreed to do so.

In order to provide the LARM Board of Directors with sufficient information to evaluate the LARM Administrator's recommendation to dismiss Mike Nolan, a hearing was held at which Andy Barry, on behalf of the Administrator, and David Domina, on behalf of Mike Nolan, presented documents and other information, as well as testimony from their respective clients. In addition, David Domina asked questions of Lynn Rex and Andy Barry asked questions of Mike Nolan. The presentation of information ended at approximately 12:20 pm.

Following the hearing, Scott Getzschman moved, seconded by Teresa Youngquist to take a five-minute break and move to the deliberations. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Bartlett, Brown, Bueth, Getzschman, Harrell, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 4. **Motion carried: 9 ayes, 0 nays, 4 abstentions (Doane, Hanson, Hawks and Leyland) and 2 absent (Johnson and Moenning).**

(AGENDA ITEM #3) **Consider whether to approve the recommendation of L. Lynn Rex (LARM's Administrator and League Executive Director) to dismiss Mike Nolan, subject to the approval of the LARM Board of Directors pursuant to Article I, Section 3.1 of the LARM Bylaws.**

Chair Doug Hanson said the Board may vote to go into closed session to conduct deliberations to evaluate the job performance and proposed termination of Mike Nolan as Executive Director of LARM based on the evidence received by the Board at the personnel hearing to prevent needless injury to Mike Nolan's reputation. However, Chair Doug Hanson said that pursuant to the Nebraska Open Meetings Act, Mike Nolan has the right to request that the deliberations be in open session.

Chair Doug Hanson asked if there was any objection from Mike Nolan to having deliberations in closed session or would he like to stay in open session for those deliberations.

David Domina responded that Mike Nolan consented to closed-session deliberations. Domina also stated that he and Mike Nolan would depart so that the Board could deliberate in closed session.



Chair Doug Hanson said he would entertain a motion to go into closed session. Doug Schultz moved, seconded by LeAnn Brown to go into closed session. Chair Doug Hanson asked if there was any discussion. Melissa Harrell inquired whether the motion was to have just the nine Board Members and the LARM Board's Attorney in the closed session. Chair Doug Hanson said that language should be included in the motion.

Doug Schultz moved, seconded by LeAnn Brown to go into closed session to consider whether to approve the recommendation of Lynn Rex to dismiss Mike Nolan subject to the approval of the LARM Board of Directors, absent those that are recusing themselves, and with just the nine remaining voting Board Members. Chair Doug Hanson asked if there was any discussion on that clarification. Scott Getzschman asked if Attorney Grams can be in the room during closed session. Chair Doug Hanson suggested that Grams not be in the room. Tom Ourada stated that he was pleased that everybody who participated in the hearing conducted themselves with grace and professionalism. Chair Doug Hanson agreed and asked if there were any other comments; there were none. Roll call vote. Ayes: Brown, Buethe, Getzschman, Harrell, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: 4. ***Motion carried: 9 ayes, 0 nays, 4 abstentions (Doane, Hanson, Hawks and Leyland) and 2 absent (Johnson and Moenning).***

Andy Barry said that when he was on a state agency commission several years ago, when the commission went into closed session, the commissioner had to say, "I move to go into closed session for purposes of preventing needless injury to the reputation of individuals." In addition to other specific language, the Open Meetings Act requires that the motion needs to state when going into closed session that it is to protect the public interest and/or protect the reputation of an individual who has not requested that the deliberations be in open session.

At 12:40 pm, Doug Schulz moved, seconded by Tom Ourada that the Board go into closed session to prevent needless injury to the reputation of an individual and protect the public interest to approve the recommendation of Lynn Rex to dismiss Mike Nolan subject to the approval of the LARM Board of Directors pursuant to Article I, Section 3.1 of the LARM Bylaws. Lynn Rex said the motion should probably state "whether to approve." Doug Schultz said, "so amended, with 'whether to approve.'" David Domina said Mike Nolan consents to having the motion conform with the requirements of the public meetings law; Domina said he would not assert technical objection to a present flaw in those words or phrases, if there is one. Domina also said he did not contend that there was one. Chair Doug Hanson asked that the motion be repeated for the record. Lynn Rex stated that the motion was to go into closed session to protect the reputation of an individual, Mike Nolan, who did not request it be in open session and to consider whether to approve the recommendation of Lynn Rex to dismiss Mike Nolan. Chair Doug Hanson asked if there was any other discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Getzschman, Harrell, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: 4. ***Motion carried: 9 ayes, 0 nays, 4 abstentions (Doane, Hanson, Hawks and Leyland) and 2 absent (Johnson and Moenning).***

The four members who recused themselves earlier did not participate in the deliberations. At 1:06 pm, Chair Doug Hanson stated that the Board was back in open session. Chair Doug Hanson stated that the reason that the Board did go into closed session was to protect the reputation of an individual, Mike Nolan, who did not request that it be in open session and to consider whether to approve the recommendation of L. Lynn Rex to dismiss Mike Nolan as

Executive Director of LARM. Sandra Schendt moved, seconded by Pam Buethe to come back into open session. Chair Doug Hanson asked if there was any other discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Getzschman, Harrell, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: 4. ***Motion carried: 9 ayes, 0 nays, 4 abstentions (Doane, Hanson, Hawks and Leyland) and 2 absent (Johnson and Moenning).*** Andy Barry requested that the record reflect that the exhibits that were offered and received during the hearing were present in closed session with the Board Members who deliberated. Chair Doug Hanson stated that there would be no public comment on this agenda item, but the Board would consider whether to approve the recommendation of L. Lynn Rex, LARM's Administrator and the League Executive Director, to dismiss Mike Nolan subject to approval of the LARM Board of Directors pursuant to Article I, Section 3.1 of the LARM Bylaws.

Scott Getzschman moved, seconded by Sandra Schendt to approve the recommendation of L. Lynn Rex, LARM's Administrator and League Executive Director, to dismiss Mike Nolan subject to the approval of the LARM Board of Directors pursuant to Article I, Section 3.1 of the LARM Bylaws. Chair Doug Hanson asked if there was any other discussion. Chair Doug Hanson asked if there was any other discussion; there was none. Roll call vote. Ayes: Brown, Buethe, Getzschman, Harrell, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: 4. ***Motion carried: 9 ayes, 0 nays, 4 abstentions (Doane, Hanson, Hawks and Leyland) and 2 absent (Johnson and Moenning).***

(AGENDA ITEM #4) **Consider approval for property reserve authority in the amount of \$1,373,400 and approval for Actual Cash Value (ACV) payment authority in the amount of \$1,071,475.34, relating to the claim by the City of Scottsbluff - LA RP-0428A 1 (DOL 08/15/2019).** Jim Hawks moved, seconded by Melissa Harrell to approve property reserve authority in the amount of \$1,373,400 and approve Actual Cash Value (ACV) payment authority in the amount of \$1,071,475.34, relating to the claim by the City of Scottsbluff. 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, VanMatre and Youngquist. Nays: None. Abstentions: None. ***Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Johnson and Moenning).***

(AGENDA ITEM #5) **Consider authorizing LARM Board Chair Doug Hanson to appoint a committee to review and make recommendations to the LARM Board regarding LARM's Bylaws, past actions by the former "Purported LARM Board," contracts with York Risk Services (LARM's Third Party Administrator) and other relevant contracts.** Pam Buethe moved, seconded by Teresa Youngquist to authorize LARM Board Chair Doug Hanson to appoint a committee to review and make recommendations to the LARM Board regarding LARM's Bylaws, past actions by the former "Purported LARM Board," contracts with York Risk Services (LARM's Third Party Administrator) and other relevant contracts. 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, VanMatre and Youngquist. Nays: None. Abstentions: None. ***Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Johnson and Moenning).***

(AGENDA ITEM #6) **Report on LARM's Liability Reinsurance negotiated and bound by Embry Nichols of Guy Carpenter (JLT Re); effective 10/1/19, Great American Insurance Company provides 70% of the liability reinsurance and NLC Mutual Insurance Company provides the other 30% (with an agreement by Guy Carpenter to forego any revenue on**

**the 30% provided by NLC Mutual Insurance Company).** Lanette Doane moved, seconded by Deb VanMatre to accept the report on LARM's Liability Reinsurance negotiated and bound by Embry Nichols of Guy Carpenter (JLT Re); effective 10/1/19, Great American Insurance Company provides 70% of the liability reinsurance and NLC Mutual Insurance Company provides the other 30% (with an agreement by Guy Carpenter to forego any revenue on the 30% provided by NLC Mutual Insurance Company). 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, VanMatre and Youngquist. Nays: None. Abstentions: None. ***Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Johnson and Moenning).***

(AGENDA ITEM #7) **Motion to adjourn.** At 1:25 pm, Melissa Harrell moved, seconded by LeAnn Brown to adjourn. 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, VanMatre and Youngquist. Nays: None. Abstentions: None. ***Motion carried: 13 ayes, 0 nays, 0 abstentions and 2 absent (Johnson and Moenning).***

Approved on: \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
**Brenda Henning**

Membership Services Assistant  
League of Nebraska Municipalities

\_\_\_\_\_  
**L. Lynn Rex**

*Ex-Officio, Non-Voting, Board Member and "Administrator" of LARM*  
**Executive Director of the League of Nebraska Municipalities**

**NOTICE**  
**MEETING OF THE BOARD OF DIRECTORS**  
**OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT**

**Thursday, Oct. 3, 2019, 9 am CT**

**Office Plaza 202, Cornhusker Marriott Hotel, 333 S 13<sup>th</sup> Street, Lincoln**

PLEASE TAKE NOTICE that on **Thursday, Oct. 3, 2019, at 9 am CT**, the League Association of Risk Management (LARM) will hold a meeting of the LARM Board of Directors in the Office Plaza 202 at the Cornhusker Marriott Hotel, 333 S 13<sup>th</sup> 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 Sept. 26, 2019, 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/>.

**MINUTES**  
**SPECIAL MEETING OF THE LEAGUE ASSOCIATION**  
**OF RISK MANAGEMENT BOARD OF DIRECTORS**  
**Via Telephone Conference Call**  
**Call-In Number: 1-605-472-5216; Access Code: 341924**  
**Friday, Oct. 11, 2019, 2:30 pm CT/1:30 pm MT**

A Special Meeting of the League Association of Risk Management (LARM) Board of Directors was held October 11, 2019, at 2:30 pm CT/1:30 pm MT via telephone conference call at 11 designated locations identified in the meeting notice (attached).

On Oct. 8, 2019, notice of this Special Meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this Special Meeting with the agenda and other materials were available for public inspection at 1335 L Street in Lincoln, Nebraska, and also were posted on the League of Nebraska Municipalities' Facebook page and its website relating to LARM – <https://www.lonm.org/larm/>.

(AGENDA ITEM #1) **Call to Order.** At 2:32 pm CT, **LARM Board Chair Doug Hanson**, Mayor of Hickman, called the Special Meeting to order. He stated that in accordance with Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed was available to the public at this meeting for examination and copying at each designated location. The Open Meetings Act was posted in the meeting room and was accessible to members of the public at each designated location. Chair Doug Hanson informed the public about the location of the Open Meetings Act posted in the meeting room and stated that the LARM Board may pass motions to go into closed session on any agenda item pursuant to the requirements of the Open Meetings Act.

After the Pledge of Allegiance to the Flag of the United States of America, the roll call was read with the following Board Members present by phone: **LeAnn Brown**, Clerk/Treasurer, City of Oshkosh, 305 West 1<sup>st</sup> Street, Oshkosh, NE; **Mayor Scott Getzschman**, City of Fremont, 400 East Military, Fremont, NE; **Mayor Doug Hanson**, City of Hickman, League Office, 1335 L Street, Lincoln, NE; **Jim Hawks**, City Administrator, City of North Platte, 211 West 3<sup>rd</sup> Street, North Platte, NE; **Nathan Johnson**, City Manager, City of Scottsbluff, 2525 Circle Drive, Scottsbluff, NE; **Jo Leyland**, Admin./Clerk/Treasurer, City of Imperial, 740 Court Street, Imperial, NE; **Sandra Schendt**, Clerk/Treasurer, City of Nelson, 580 S Main Street, Nelson, NE; **Doug Schultz**, Admin./Clerk/Treasurer, City of Curtis, 201 Garlick Avenue, Curtis, NE; **Mayor Deb VanMatre**, City of Gibbon, 715 Front Street, Gibbon, NE; **Teresa Youngquist**, Clerk/Treasurer, City of Beaver City, 301 10<sup>th</sup> Street, Beaver City, NE; and ex-officio Board Member (non-voting member) **L. Lynn Rex**, League Executive Director and "Administrator" of LARM, League Office, 1335 L Street, Lincoln, NE. *10 Board Members present; 2 on the conference call, but not as board members (Pam Buethe, Board Member, Sarpy County SID #29; Lanette Doane, Clerk/Treasurer, Village of Ansley), and 3 absent (Melissa Harrell, City Administrator/Treasurer, City of Wahoo; Josh Moenning,*



Mayor, City of Norfolk; **Tom Ourada**, City Administrator, City of Crete). (**League President Dwight Livingston**, North Platte Mayor and ex-officio member, was not able to be on the conference call.) Tom Ourada was having difficulty getting on to the call, so once he was connected, the meeting was called to order again.

(AGENDA ITEM #1) **Call to Order**. At 2:40 pm CT, **LARM Board Chair Doug Hanson**, Mayor of Hickman, again called the Special Meeting to order. He stated that in accordance with Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed was available to the public at this meeting for examination and copying at each designated location. The Open Meetings Act was posted in the meeting room and was accessible to members of the public at each designated location. Chair Doug Hanson informed the public about the location of the Open Meetings Act posted in the meeting room and stated that the LARM Board may pass motions to go into closed session on any agenda item pursuant to the requirements of the Open Meetings Act.

After the Pledge of Allegiance to the Flag of the United States of America, the roll call was read with the following Board Members present by phone: **LeAnn Brown**, Clerk/Treasurer, City of Oshkosh, 305 West 1<sup>st</sup> Street, Oshkosh, NE; **Mayor Scott Getzschman**, City of Fremont, 400 East Military, Fremont, NE; **Mayor Doug Hanson**, City of Hickman, League Office, 1335 L Street, Lincoln, NE; **Jim Hawks**, City Administrator, City of North Platte, 211 West 3<sup>rd</sup> Street, North Platte, NE; **Nathan Johnson**, City Manager, City of Scottsbluff, 2525 Circle Drive, Scottsbluff, NE; **Jo Leyland**, Admin./Clerk/Treasurer, City of Imperial, 740 Court Street, Imperial, NE; **Tom Ourada**, City Administrator, City of Crete, 243 East 13<sup>th</sup> Street, Crete, NE; **Sandra Schendt**, Clerk/Treasurer, City of Nelson, 580 S Main Street, Nelson, NE; **Doug Schultz**, Admin./Clerk/Treasurer, City of Curtis, 201 Garlick Avenue, Curtis, NE; **Mayor Deb VanMatre**, City of Gibbon, 715 Front Street, Gibbon, NE; **Teresa Youngquist**, Clerk/Treasurer, City of Beaver City, 301 10<sup>th</sup> Street, Beaver City, NE; and ex-officio Board Member (non-voting member) **L. Lynn Rex**, League Executive Director and "Administrator" of LARM, League Office, 1335 L Street, Lincoln, NE. 11 Board Members present; 2 on the conference call, but not as board members (**Pam Buethe**, Board Member, Sarpy County SID #29; **Lanette Doane**, Clerk/Treasurer, Village of Ansley), and 2 absent (**Melissa Harrell**, City Administrator/Treasurer, City of Wahoo; and **Josh Moenning**, Mayor, City of Norfolk). (**League President Dwight Livingston**, North Platte Mayor and ex-officio member, was not able to be on the conference call.)

Other guests present by phone who wanted to identify themselves for purposes of the minutes: **Silas Clarke**, City Administrator/Economic Development Director of Hickman; **Doug Stack**, City Attorney of North Platte, **Becky Calderone**, Clerk/Treasurer of Oxford; **John Zimmer** of Cline Williams; **John Brockschmidt**, **Vanessa Fults** and **Chris Cadwell** of York Risk Services; and others unannounced. The following LARM staff members and agent were present: **Diane Becker**, **Elizabeth Becker**, **Dave Bos**, **Tracy Juranek**, **Fred Wiebelhaus** and **Nate Fox**. The following staff members of the League

of Nebraska Municipalities also were present: **Lash Chaffin, Brenda Henning and Shirley Riley.**

(AGENDA ITEM #2) **Review and recommend changes to the minutes of the September 18, 2019, Annual “Members Meeting of LARM,” subject to approval of the minutes by LARM members at the next “Members Meeting of LARM.”** Jim Hawks moved, seconded by Teresa Youngquist to approve the minutes of the Sept. 18, 2019, Annual “Members Meeting of LARM.” Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Getzschman, Hanson, Hawks, Johnson, Leyland, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. ***Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Doane, Harrell and Moenning).***

(AGENDA ITEM #3) **Consider approval of the minutes of the Sept. 18, 2019, “Meeting of the LARM Board of Directors.”** Nathan Johnson moved, seconded by Sandra Schendt to approve the minutes of the Sept. 18, 2019, “Meeting of the LARM Board of Directors.” Chair Doug Hanson asked if there was any other discussion; there was none. Ayes: Brown, Getzschman, Hanson, Hawks, Johnson, Leyland, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. ***Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Doane, Harrell and Moenning).***

(AGENDA ITEM #4) **CLAIM BY THE CITY OF IMPERIAL:** Consider approval for Property reserve authority in the amount of \$294,693.00; approval for Loss Adjustment Expenses (LAE) reserve authority in the amount of \$28,500.00; approval for Property Actual Cash Value (ACV) payment authority in the amount of \$176,549.95; and approval for Automobile Physical Damage (APD) Actual Cash Value (ACV) payment authority in the amount of \$31,682.80 relating to the claim by the City of Imperial - LARP-0467A1 (DOL 09/11/2019). *Vanessa Fults of York Risk Services explained the claim.* Nathan Johnson moved, seconded by LeAnn Brown to approve the claim by the City of Imperial. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Getzschman, Hanson, Hawks, Johnson, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: Leyland. ***Motion carried: 10 ayes, 0 nays, 1 abstention and 4 absent (Buethe, Doane, Harrell and Moenning).***

(AGENDA ITEM #5) **CLAIM BY THE CITY OF SCOTTSBLUFF:** Consider approval for Automobile Physical Damage (APD) reserve authority in the amount of \$241,125.00; approval for Loss Adjustment Expenses (LAE) reserve authority in the amount of \$23,500.00; Approval for Automobile Physical Damage (APD) Actual Cash Value (ACV) settlement authority in the amount of \$221,577.68 relating to the claim by the City of Scottsbluff - LARP-0452A1 (DOL 08/15/2019). *Vanessa Fults of York Risk Services explained the claim.* Deb VanMatre moved, seconded by Scott Getzschman to approve the claim by the City of Scottsbluff. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Getzschman, Hanson, Hawks, Leyland, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions:

Johnson. **Motion carried: 10 ayes, 0 nays, 1 abstention and 4 absent (Buethe, Doane, Harrell and Moenning).**

(AGENDA ITEM #5) **LARM Board Chair Doug Hanson appoints the following LARM Board Members to serve on a committee to review and make recommendations to the LARM Board regarding LARM's Bylaws, past actions by the former "Purported LARM Board," contracts with York Risk Services (LARM's Third Party Administrator) and other relevant contracts:**

- LARM Board Chair Doug Hanson
- LARM Board Vice Chair Jim Hawks
- Lanette Doane
- Melissa Harrell
- Jo Leyland
- Sandra Schendt
- Mayor Deb VanMatre

Teresa Youngquist moved, seconded by Nathan Johnson to accept the appointments to the committee. Chair Doug Hanson asked if there was any discussion; there was none. Ayes: Brown, Getzschman, Hanson, Hawks, Johnson, Leyland, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Doane, Harrell and Moenning).**

(AGENDA ITEM #7) **Motion to adjourn.** At 3:02 pm, Teresa Youngquist moved, seconded by Sandra Schendt to adjourn. Chair Doug Hanson asked if there was any discussion; there was none. Ayes: Brown, Getzschman, Hanson, Hawks, Johnson, Leyland, Ourada, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Doane, Harrell and Moenning).**

Approved on: \_\_\_\_\_.

ATTEST:

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**Brenda Henning**  
Membership Services Assistant  
League of Nebraska Municipalities

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



**NOTICE**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT**

**Via Telephone Conference Call**  
**Call-In Number: 1-605-472-5216; Access Code: 341924**  
**Friday, Oct. 11, 2019, 2:30 pm CT/1:30 pm MT**

PLEASE TAKE NOTICE that on **Friday, Oct. 11, 2019, 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 Oct 8, 2019, 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

**City of Beaver City**  
301 10<sup>th</sup> Street  
Beaver City, NE 68926

**City of Crete**  
243 East 13<sup>th</sup> Street  
Crete, NE 68333

**City of Curtis**  
201 Garlick Avenue  
Curtis, NE 69025

**City of Fremont**  
400 East Military  
Fremont, NE 68025

**City of Gibbon**  
715 Front Street  
Gibbon, NE 68840

**City of Imperial**  
740 Court Street  
Imperial, NE 69033

**City of Nelson**  
580 S Main Street  
Nelson, NE 68961

**City of North Platte**  
211 West 3<sup>rd</sup> Street  
North Platte, NE 69101

**City of Oshkosh**  
305 West 1<sup>st</sup> Street  
Oshkosh, NE 69154

**City of Scottsbluff**  
2525 Circle Drive  
Scottsbluff, NE 69361





COPY

**Thomas, Kunc & Black, LLP**

September 11, 2019

**PRIVATE AND CONFIDENTIAL**

L. Lynn Rex, Administrator  
League Association of Risk Management  
1335 "L" Street  
Lincoln, Nebraska 68508

Dear Lynn:

We are pleased to confirm our understanding of the services we are to provide for League Association of Risk Management for the periods ended December 31, 2019, March 31, 2020, and June 30, 2020.

You have requested that we prepare the financial statements for the periods ended December 31, 2019, March 31, 2020, and June 30, 2020 for the League Association of Risk Management, which comprise the balance sheet-statutory basis and the related statutory statements of income, changes in surplus and cash flows for the periods ended December 31, 2019, March 31, 2020, and June 30, 2020 and the related notes to the financial statements, and perform a compilation engagement with respect to those financial statements.

Your accounting staff will provide us with a detailed trial balance and any supporting schedules we require. We will propose any adjustments and after your approval, record the adjustments to the books of accounts in order to prepare a working trial balance from which financial statements can be prepared.

**Our Responsibilities**

The objective of our engagement is to -

1. prepare financial statements in accordance with accounting principles as prescribed or permitted by the Nebraska Department of Insurance based on information provided by you, and
2. apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles as prescribed or permitted by the Nebraska Department of Insurance.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when preparing the financial statements, and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Pool or noncompliance with laws and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities since performing those procedures or taking such action would impair our independence.

### **Your Responsibilities**

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with the accounting principles as prescribed or permitted by the Nebraska Department of Insurance and assist you in the presentation of the financial statements in accordance with accounting principles as prescribed or permitted by the Nebraska Department of Insurance. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS -

1. The selection of the accounting principles as prescribed or permitted by the Nebraska Department of Insurance as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with the statutory basis of accounting as prescribed or permitted by the Nebraska Department of Insurance and the inclusion of all informative disclosures that are appropriate for the accounting principles as prescribed or permitted by the Nebraska Department of Insurance. This includes—
  - a. A description of the accounting principles as prescribed or permitted by the Nebraska Department of Insurance, including a summary of significant accounting policies, and how the basis of accounting differs from accounting principles generally accepted in the United States of America, the effects of which need not be quantified.
  - b. Informative disclosures similar to those required by accounting principles generally accepted in the United States of America.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
4. The prevention and detection of fraud.
5. To ensure that the Association complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.



L. Lynn Rex, Administrator  
League Association of Risk Management  
Lincoln, Nebraska 68508

September 11, 2019

7. To provide us with -

- access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
- additional information that we may request from you for the purpose of the compilation engagement.
- unrestricted access to persons within the Association of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee the preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

### **Our Report**

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Our report will disclose that the financial statements are prepared in accordance with the statutory basis of accounting as prescribed or permitted by the by the Nebraska Department of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to the inclusion of the report, to ask our permission to do so.

### **Other Relevant Information**

Lyndee J. Black is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services will be based on standard hourly rates, plus other out-of-pocket expenses. Our invoices are payable upon presentation. The fee for these services should not exceed \$2,500 per quarter. A finance charge of 1.333% per month (16% A.P.R.) will be charged on all amounts outstanding after 60 days.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

Page 4

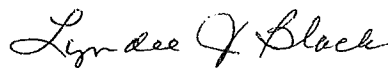
L. Lynn Rex, Administrator  
League Association of Risk Management  
Lincoln, Nebraska 68508

September 11, 2019

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

THOMAS, KUNC AND BLACK, LLP

  
Lyndee J. Black, CPA

Acknowledged:

League Association of Risk Management

  
\_\_\_\_\_  
Administrator

Date

9-24-19



Thomas, Kunc & Black, LLP

COPY

September 11, 2019

PRIVATE AND CONFIDENTIAL

L. Lynn Rex, Administrator  
League Association of Risk Management  
1335 "L" Street  
Lincoln, Nebraska 68508

Dear Lynn:

We are pleased to confirm our understanding of the services we are to provide for League Association of Risk Management for the year ended September 30, 2019.

We will audit the financial statements of League Association of Risk Management, which comprise the statutory statements of admitted assets as of September 30, 2019, the related statutory statements of income and change in surplus and cash flow for the years then ended, and the related notes to the financial statements. Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

- 1) Reconciliation of Unpaid Claim Liabilities
- 2) Loss Development Information

**Audit Objective**

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with the statutory basis of accounting as prescribed or permitted by the Nebraska Department of Insurance. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of League Association of Risk Management's financial statements. Our report will be addressed to the Board of Directors of League Association of Risk Management. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

**Audit Procedures**

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected individuals, members, creditors, and financial institutions. We will also request written representations from the Association's attorneys as part of the engagement. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.



L. Lynn Rex, Administrator  
League Association of Risk Management  
Lincoln, Nebraska 68508

September 11, 2019

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Association or to acts by management or employees acting on behalf of the Association.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Association and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

### **Management Responsibilities**

You are responsible for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with the statutory basis of accounting as prescribed or permitted by the Nebraska Department of Insurance. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Association from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Association involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect



L. Lynn Rex, Administrator  
League Association of Risk Management  
Lincoln, Nebraska 68508

September 11, 2019

on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Association received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Association complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with the statutory basis of accounting. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

You agree to assume all management responsibilities for financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will locate any documents selected by us for testing.

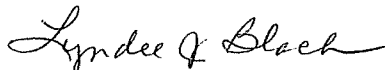
Lyndee J. Black is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services will be based on the actual time spent at our standard hourly rate, plus travel and other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Based on our preliminary estimates, the fee should approximate \$25,000 for the audit. This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional cost.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

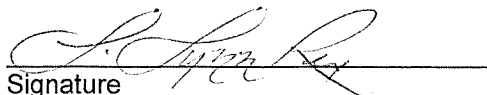
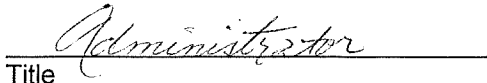
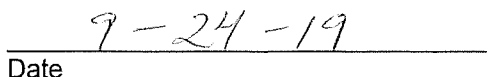
THOMAS, KUNC AND BLACK, LLP



Lyndee J. Black, CPA

#### **RESPONSE:**

This letter correctly sets forth the understanding of League Association of Risk Management.

  
Signature  
Title  
Date



**District Court, Lancaster County, Nebraska**

**Michael J. Nolan,**

**Case No.: CI 19-\_\_\_\_\_**

**Plaintiff/Petitioner,**

**v.**

**Plaintiff's Petition in Error Pursuant to  
*Neb Rev Stat § 25-1901 et seq.***

**League Association of Risk  
Management, a Nebraska public agency,**

**Defendant.**

1. Michael J. Nolan, Plaintiff in error, seeks reversal and dismissal of action taken by the Defendants on October 3, 2019, at a public hearing held of persons purporting to act as the board of directors of the League Association of Risk Management ("LARM"). LARM is a public agency. The decision made, and presented for review, terminated the employment of Mr. Nolan as Executive Director of LARM. The decision was final and affected Mr. Nolan's substantial rights.

**Jurisdiction Venue Parties**

2. The District Court has subject matter jurisdiction of a Petition in Error pursuant to *Neb Rev Stat § 25-1901 et seq.* On appeal, this Court may reverse, vacate or modify the decision below.

3. Venue is proper in Lancaster County, Nebraska where the proceedings of October 3, 2019 in which the Defendants in error purported to act to terminate Mr. Nolan's employment occurred and Lancaster County is the venue where the decision or order presented for review was issued. *Id.*

4. Michael J. Nolan is the Plaintiff. Mr. Nolan, a former U.S Army Special Forces Green Beret, served as an Executive Director of LARM for approximately ten (10) years. During these years, Mr. Nolan:

- 4.1. Operated LARM with a great deal of success, increasing its membership by nearly three-fold and improving its financial circumstances so

LARM was one of the most financially sound public managed risk pools of its kind in the United States.

- 4.2. The Defendants in error are LARM which is a public agency. LARM operates a risk management pool for the purpose of providing risk management services and coverages in the nature of insurance coverages to its members pursuant to *Neb Rev Stat* § 44-4304. LARM was formed as an interlocal public agency under the Inter-governmental Risk Management Act, *Neb Rev Stat* § 44-4301 et seq. and the Interlocal Cooperation Act, *Neb Rev Stat* §13-801 et seq.
- 4.3. The individual defendants are the following persons who acted or purported to act as members of the LARM governing board, and to sit in judgment of Plaintiff in error at an October 3, 2019 hearing held for the ostensible purpose of according Mr. Nolan due process of law and assuring an objective fact finder to pass on questions concerning his employment with LARM. Since no other remedy is provided by law for judicial review of the decisions of LARM's board of directors or purported board, Mr. Nolan seeks and pursues this Petition in Error.
- 4.4. An Interlocal Agreement executed by LARM members exists. It was offered and received into evidence at the hearing and is to be included in the Transcript requested in the Praecipe for Transcript filed with this Petition. The Agreement contains a partial election protocol to fill seats on the LARM board of directors. But the protocol was not adhered to and the elections at which the individual respondents were elected were irregular, resulting in the election being null and void.

#### **Action Presented for Review**

5. Mr. Nolan presents the action of the Defendants in error conducted October 3, 2019 at and following a purported public hearing concerning the recommendation of Ms. Rex that the employment of Mr. Nolan be terminated. A copy of the minutes memorializing the decision has not yet been received. However, Defendants

have communicated the decision to terminate to Mr. Nolan. Notice of termination was given to Mr. Nolan's lawyer by LARM governing board's lawyer on October 3, 2019. The Minutes containing the official decision have not been received by Mr. Nolan but he has requested that the Minutes be included in the Transcript requested in the Praecipe for Transcript filed with this Petition

6. The specific decisions sought to be reversed is the vote of the LARM board to terminate the employment of Mr. Nolan and the action of the LARM Board to cause a cessation of his employment, compensation, and employment benefits. Mr. Nolan seeks reinstatement.

### **Errors Presented**

7. Pursuant to *Neb Rev Stat* § 25-1903 Mr. Nolan sets forth these specific errors and requests that this Court reverse the judgement the LARM board because it committed errors that invalidates its ultimate decision to terminate Mr. Nolan's employment. Mr. Nolan requests that the Court conclude that by virtue of each of the errors presented the decision to terminate his employment must be vacated and he must be reinstated and paid his full compensation from the of the challenged termination until reinstatement:

- 7.1. Were the persons acting as LARM Board members as the decision-making persons who terminated Mr. Nolan on October 3, 2019 duly elected or qualified as members of the LARM board and did they lawfully hold office?

Plaintiff's Position: Mr. Nolan contends they were not and accordingly, the action taken against Mr. Nolan is void.

- 7.2. Did Lynn Rex who purported to act as the managing official of LARM, contending that her title, "Administrator" gave her authority to terminate Mr. Nolan LARM's Executive Director have the authority to initiate employment action against Mr. Nolan?

Plaintiff's Position: Mr. Nolan contends Ms. Rex did not have this authority and for this reason action taken against Mr. Nolan is void.

8. A Praeipe for Summons is filed following this Petition in Error as required by Neb Rev Stat § 25-1903et seq. and a Praeipe for Transcript is also filed as required by Neb Rev Stat § 25-1905 and other provisions of law.

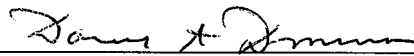
9. Plaintiff elects against filing and undertaking or requesting a stay but preserves all issues for review.

#### **Requests for Relief**

10. On the foregoing basis, Plaintiff requests reversal of the decision of the LARM Board terminating his employment, finding that his termination was not lawful, reinstating him to his position as Executive Director, taxing all costs to LARM including the costs of the requested Transcript and all filing fees and other court costs and, to the extent permitted by law, awarding attorney's fees for the services of his counsel.

October 22, 2019.

**Michael J. Nolan**, Plaintiff

By:   
David A. Domina, #11043  
Domina Law Group pc llo7  
2425 S. 144<sup>th</sup> St., Omaha, NE 68144  
(402) 493-4100

*Plaintiff's Lawyers*

### **Certificate of Service**

On October 22, 2019, a true copy of the foregoing was delivered by email and sent by U.S. First Class Mail to:

William Connelly, Hearing Officer  
10330 Regency Parkway Drive Suite 100  
Omaha, Nebraska 68114-3761  
(402) 397-2200  
bconnolly@eslaw.com

and

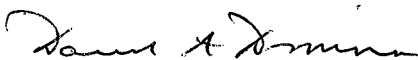
LARM and Doug Hansen c/o  
Jason Grams, Esq.  
Lamson Duggan & Murray LP  
10306 Regency Pkwy Dr.  
Omaha, NE 68114  
(402) 397-7300  
jgrams@ldmlaw.com  
tspahn@ldmlaw.com

Attorneys for League Ass'n of Risk Management  
and its Board of Directors.

A copy was sent to:

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# LEAGUE ASSOCIATION OF RISK MANAGEMENT



# Important Components of Claims Processing Instructions



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# Important Components of Claims Processing Instructions

- Accurate Data Entry
- 24 Hour Contact / Claim Acknowledgments
- Prompt Analysis & Determination of Coverage
- Reservation of Rights / Coverage Denial Protocol
- Appraisal Assignments w/in 48 Hours
- Prompt & Thorough Investigation

# 30 Important Components of Claims Processing Instructions

- Documentation of All Activities
- Proper Reserving Practices
  - Conservative
  - 30 Day Standard
- Levels of Authority
- Accounting Approval / Prefunding of Large Checks

# Important Components of Claims Processing Instructions

- Regional Oversight of Large Claims
  - Reporting Requirements
  - Timely Reinsurance Notification / Reporting
  - Risk Notifications
- (Board / Underwriting / Loss Control )

# Important Components of Litigation Management Guidelines



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# Important Components of Litigation Management Guidelines

- Proper Selection of Defense Counsel
  - Expertise
  - Location
  - No Conflicts
- No Abandonment
- Management of Litigation Process

# 34 Important Components of Litigation Management Guidelines

- Agreement on Defense Strategy & Discovery
- Periodic / Timely Reports From Counsel Re:
  - Theories of Defense
  - Discovery Conducted/To Be Conducted
  - Immunity & Liability Analysis
  - Case Evaluation (Exposure/Settlement Value)
  - Litigation Budget



# Important Components of Litigation Management Guidelines

- Defense Counsel Providing:
  - Key Correspondence
  - Pleadings
  - Key Deposition Summaries
  - Motions
  - Important Dates
- Exploration of Early Resolution
  - Trial Checklist (90 Days in Advance)
  - Reporting Procedures During Trial Process
  - Proper Bill Review / Approval

