

DRAFT Meeting Minutes
LARM Board of Directors

March 14, 2018

The League Association of Risk Management (LARM) Board of Directors meeting was held March 14, 2018 at 1:30 p.m. CT via phone conference.

For the roll call, the following members were present by phone: Vince Knight, SID #1 Stanton County Office, 99 Market Place, Norfolk NE; Lane Danielzuk, Gering City Administration Bldg., 1025 P St., Gering NE; Dave Hunter, Auburn Board of Public Works office, 1600 O St., Auburn NE; Beth Bonderson, Village of Hoskins office, 101 S Main St., Hoskins NE; Gerald Solko, St. Paul Utilities Superintendents office, 704 6th St., St. Paul NE; Andrew Ward, Valentine Public Library meeting room, 324 N Main, Valentine NE; Michael Werner, City of Waverly office, 14130 Lancashire St, Waverly NE; Kim Neiman, Village of Pilger office, 220 N Main St., Pilger, NE and Shannon Stuchlik, City of Pierce office, 106 S 1st St., Pierce NE.

Staff members present at 1919 S 40th, Ste 212, Lincoln NE: Tracy Juranek and Elizabeth Becker.

Staff members present by phone: Fred Wiebelhaus, Diane Becker, Randy Peters, Paige Buffington, Dave Bos and Michael Nolan.

Guests present by phone: LONM Executive Director, ex-officio, non-voting LARM Board Member, Lynn Rex, Mark Nestor, Chris Cadwell, Kelly Benedict, Jan Rise, Jo Leyland, Lynette Doane, Sandra Schendt, Lana Svoboda, Becky Kramer, Lyle Lutt, Randy Gates, Jim Ellison, Jerry Wilcox and several other unannounced.

Notice of the meeting was sent/posted in the LARM newsletter, the LARM website and the LARM Facebook page on March 5, 2018. Notice of the meeting was emailed to members on March 9, 2018. The agenda was emailed to the Board and members on March 5, 2018.

LARM Board Chair Gerald Solko called the meeting to order at 1:30 pm and announced that LARM is subject to the Open Meetings Act and that a memo stating this was written on the board in the room in St. Paul. Solko called everyone to say the Pledge of Allegiance. After the pledge, the Board of Directors roll was taken (listed above). Solko then apologized, saying the reason for this meeting was due to the fact that he was not at the location listed for him for the previous February 12, 2018 Board of Directors meeting (via phone conference), and was instead at the LARM office in Lincoln, NE. He went on to say that this meeting would be a recap of the last meeting. Solko thanked Lynn Rex for advising us of this violation of the open meetings act.

Solko announced that agenda item A-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." He went on to say the primary purpose of the March 14 agenda is to correct the error of a Board member whom the meeting notice indicated would participate from his

advertised location and instead participated from the LARM office in Lincoln. The March 14 agenda will be nearly the same as the prior February 12 meeting, but will also include a motion to nullify the February 12 meeting. The March 14 agenda will include a 15-minute public comment period at the start of the Board meeting for member comments on agenda items, followed by an additional item for Board comments. There will be no further discussion by the Board or member participants regarding agenda items C-1, C-2 and C-3 under Special Presentations and D-1, D-2, D-3, D-4, D-5, D-6, D-7 D-8, D-9 D-10, D-11 and D-12 under Current Business. The Board will reapprove or approve each of these items separately.

Solko announced agenda item E-1 and said it is the only agenda item under Administrative Reports and has to do with the Lean on LARM Safety Grant. He went on to say that unless there is an objection he'd like a motion to approve the agenda item. Kim Neiman motioned to approve agenda item E-1, Shannon Stuchlik seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Solko announced agenda item B-2 which is for public comment on the agenda or member concerns and has a 15-minute time limit. Solko said he would like people to state their name, entity and items they wish to speak on. Questions may be asked, however, the answers will not be immediate. Solko said when he requests comments or statements from our Board or Mike Nolan, they can be addressed at that time. If not, he said he would like to have people submit their comments/questions in writing to our Lincoln office for us to review and consult with our attorneys before providing an answer. He said this may take a few days as the staff is attending to LARM business. LARM members with their claims must be taken care of first. Gerald then opened the floor for public comment. Sandra Schendt from the City of Nelson volunteered to speak first. Schendt started by saying that she has apprised and notified her council of what has been going on at LARM Board meetings and said the council does not approve of what's been going on. Schendt said that LARM was set up with checks and balances and they do not like the idea of LARM removing the checks and balances and wishes LARM would quit removing the checks and balances and leave them in place like they were. Schendt said she is finished and Solko asked who would like to speak next.

Lynn Rex stated that she was in Washington D.C. and is not able to participate as a Board member on items. Rex continued, saying she wants everybody to know, especially the LARM Board members, that she has comments about several different items but there's no time to go through them at this point. She stated, "we will express our concerns and some elements from this meeting at another time." Rex said the League of Nebraska Municipalities Executive Board wants to meet and have already identified a negotiating team, but LARM needs to have a legal entity with which to negotiate.

Lynette Doane from Ansley offered to speak next. Doane said that she had a question about item D-11 which states LARM would consider a motion to void the meeting and the minutes of the LARM Board Meeting of February 12, 2018. Doane asked for an explanation of what exactly "voiding the minutes" means. She went on to say that she can understand voiding the actions if LARM felt it was an illegal meeting, but Doane said she assumes the minutes stand because those are actions that the Board took at the February 12 meeting. Doane said she has concerns

when LARM refers to reapproving the bylaws that were originally passed in December 2013. Doane said she feels like if the bylaws are in conflict with the interlocal agreement that her entity signed, then those bylaws would not stand because it would be in conflict with the interlocal agreement. She went on to say that the interlocal agreement has not been amended and placed in front of membership for approval and that it is a concern.

Jan Rise commented saying that she did not understand how LARM can void a meeting or minutes. Solko asked if anyone else would like to speak as there are 10 minutes left open for public comment. No further public comments so Solko closed the public comment time and opened the floor for comments from the LARM Board and Mike Nolan.

Mike Nolan took the floor and said he made an interpersonal error at the February 14 meeting and apologized for the offenses he caused anyone. He went on to say that it is difficult to conduct a meeting over the phone and we do not have the technology to do it very effectively. He said he will make an effort to not have it reoccur again in the future and hoped everyone would accept his apology.

Solko announced item C-1 on the agenda: a presentation by LARM Executive Director Mike Nolan of information concerning Pools in America. Solko said this item, presented initially on February 12, will not be presented again and the LARM Board will approve a motion reaccepting the report. Vince Knight motioned to reapprove item C-1, Beth Bonderson seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Solko announced item C-2: a presentation by LARM Executive Director Mike Nolan of chronology of important events since December 14, 2017 in the working relationship between LARM and LONM. This item presented initially on February 12, will not be presented again and the LARM Board will approve a motion reaccepting the report. Lane Danielzuk motioned to reapprove item C-2, Andrew Ward seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Solko announced item C-3: a presentation by LARM special counsel David Domina of the legal opinion concerning organizational issues of the League Association of Risk Management. Solko asked if Domina had additional comments to add to which Domina replied “my opinion summarizes my view that the LARM Board is in place lawfully, is functioning lawfully, has been recognized by every level of government with which it is required to interact, is authorized and responsible to discharge duties under the interlocal agreement and the bylaws and the two statutes that formed it, and should proceed to do so.” Shannon Stuchlik motioned to accept item C-3, Kim Neiman seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Solko moved on to item D-1 under Current Business: Consideration of Board motion to reapprove the LARM Bylaws that were initially approved by the LARM Board on December 17, 2013. This item considered by the Board on February 12, will not be discussed again and the LARM Board will approve a motion reapproving the February 12 decision. Andrew Ward motioned to reapprove item D-1, Beth Bonderson seconded the motion. Roll call: Ayes:

Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Solko said the next item on the agenda is D-2: Consideration of Board motion to affirm the election of LARM Board members currently serving. This item considered by the Board on February 12, will not be discussed again and the LARM Board will approve a motion reapproving the February 12 decision. Vince Knight motioned to reapprove item D-2, Andrew Ward seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Solko announced item D-3 on the agenda: Consideration of Board motion to reaffirm election of Gerald Solko as LARM Board Chair and Lane Danielzuk as LARM Board Vice Chair. This item considered by the Board on February 12, will not be discussed again and the LARM Board will approve a motion reapproving the February 12 decision. Kim Neiman motioned to reapprove item D-3, Shannon Stuchlik seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Stuchlik, Ward and Werner. Nays: none. Abstains: Solko. Motion carried.

Solko announced agenda item 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. This item considered by the Board on February 12, will not be discussed again and the LARM Board will approve a motion reapproving the February 12 decision. Andrew Ward motioned to reapprove item D-4, Lane Danielzuk seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Solko announced agenda item 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. This item considered by the Board on February 12, will not be discussed again and the LARM Board will approve a motion reapproving the February 12 decision. Andrew Ward motioned to reapprove item D-5, Shannon Stuchlik seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Ward and Werner. Nays: none. Motion carried.

Solko announced agenda item 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. This item considered by the Board on February 12, will not be discussed again and the LARM Board will approve a motion reapproving the February 12 decision. Mike Nolan interjected to say that LARM authorized this to be done only if it comes out of committee and nothing would be sent unless this constitutional amendment comes out of committee. Andrew Ward motioned to reapprove item D-6, Beth Bonderson seconded the motion. Roll call:

Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Ward and Werner. Nays: none. Abstain: Stuchlik. Motion carried.

Solko announced agenda item 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. This item considered by the Board on February 12, will not be discussed again and the LARM Board will approve a motion reapproving the February 12 decision. Shannon Stuchlik motioned to reapprove item D-7, Vince Knight seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Solko announced agenda item 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. This item considered by the Board on February 12, will not be discussed again and the LARM Board will approve a motion reapproving the February 12 decision. Kim Neiman motioned to reapprove item D-8, Lane Danielzuk seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Solko announced agenda item D-9: Consideration of action concerning 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 and the LARM Board will approve a motion reapproving the February 12 decision. Solko added that LARM approved tabling this motion and the Board needs to reapprove that. Kim Neiman motioned to reapprove tabling item D-9, David Hunter seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Solko announced agenda item 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 and the LARM Board will approve a motion reapproving the February 12 decision. Shannon Stuchlik motioned to reapprove item D-10, Andrew Ward seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Solko announced agenda item 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. Lane Danielzuk motioned to approve item D-11, Andrew Ward seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Solko announced agenda item D-12: Consideration of motion to establish the League Association of Risk Management Voting Protocol. Mike Nolan inserted that this item was added to the last agenda. Nolan said these are protocols that have been effective from Nebraska Statute for how elections are conducted and the statutory context. He continued by saying we asked our special counsel, David Domina, to prepare these and the Board saw additional things that they need to do to make the voting protocols more explicit. Questions regarding this item were directed to Domina. There were no questions at that time so Solko called for a motion to approve item D-12. Kim Neiman motioned to approve item D-12, Andrew Ward seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Solko announced agenda item D-13: Consideration of a motion to approve a letter from LARM Chair Gerald Solko to LONM President Wendall Gaston suggesting a meeting between LARM and LONM representatives to resolve differences between the two organizations. Solko added that LARM is basically asking for permission to send the letter and that there is a copy of the letter included in the agenda package for review. Vince Knight motioned to approve item D-13, Andrew Ward seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried.

Kim Neiman motioned to adjourn the meeting and Beth Bonderson seconded the motion. Roll call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik, Ward and Werner. Nays: none. Motion carried. The meeting was adjourned at 2:05 pm.

Approved on: April 10, 2018

ATTEST:

Elizabeth Becker