



LOCAL GOVERNMENT LIABILITY POOL

MEETING INFORMATION

April 29, 2021 | 8:00 a.m.
Quarterly meeting held online

MEMBERS PRESENT

Brad Basse, Chairman, At-Large Member
Kelly Krakow, Treasurer, Mayor of Town of Albin
Linda Smith, Secretary, City of Rawlins
Rick Grant, Converse County Commissioner
Robert “Bob” King, Lincoln County Commissioner
Don Richards, Shoshone Municipal Pipeline
Jessica Weaver, Tongue River Community Center

STAFF PRESENT

Mike Todd, Executive Director
Torey Racines, General Counsel
Bill Miller, Loss Prevention Manager
Judi Just, Loss Prevention Representative
Shuler Boone, Claims Representative

EXECUTIVE SUMMARY

Board members and the Local Government Liability Pool (LGLP) met online to discuss topics related to WYOSTAR I and II accounts, cybersecurity insurance, reports and reviewed expenditures for January, February, and March. The Board also discussed rules and regulations, policies, employment laws and contracts, and budget. A portion of the meeting was held in executive session.

CALL TO ORDER

Chairman Brad Basse called the meeting to order at 8:00 A.M.

WELCOME AND INTRODUCTIONS

Mike Todd introduced Kalib Simpson, Senior Investment Analyst with the Wyoming State Treasurer’s office and Ray Gallegos from HUB International.

APPROVAL OF THE OCTOBER 29, 2020 MINUTES

Treasurer Krakow made a motion that the Board approve both the general session and executive session minutes from the January 28, 2021 Board meeting. The motion passed unanimously.

WYOSTAR II OVERVIEW

Kalib Simpson, Senior Investment Analyst, Wyoming State Treasurer's Office, outlined the differences between the WYOSTAR I and WYOSTAR II accounts. Both accounts are managed by J.P. Morgan Asset Management. Mr. Simpson discussed WYOSTAR II as an extension of WYOSTAR I and stated it offered more risk for a higher rate of return. He explained neither WYOSTAR account is FDIC-insured and are subject to capital loss.

Mr. Simpson further discussed the average yield of WYOSTAR I as 0.13 percent, the average yield of the WYOSTAR II as 0.53 percent as of February 28, 2021 and the average yield on a one-year treasury note currently six and one-half basis points or 6/100 of a percent. He stated the composition of the two accounts were quite different because approximately half of WYOSTAR I was invested in U.S. agencies and over 92 percent of WYOSTAR II being invested in corporate and non-corporate financial bonds. Mr. Simpson stated the difference between WYOSTAR I and WYOSTAR II was 40 basis points.

CYBERSECURITY INSURANCE OVERVIEW

Ray Gallegos, HUB International, discussed cybersecurity coverage and protections from threats and incidents relating to a breach, coverage options and verified that cyber extortion was covered in the policy presented in the quote. He stated cybersecurity insurance as coverage specifically designed to protect a business or organization from a range of threats and incidents relating to a breach event such as liability claims involving the unauthorized release of information, invasion of privacy and/or copyright/trademark violations in a digital, online, or social media environment, failures of computer security that result in deletion/alteration of data, transmission of malicious code, denial of service, etc.

Mr. Gallegos further discussed coverage amounts up to \$5 million, depending on how many records were kept and explained the \$1 million coverage amount may not be enough. He also discussed the HUB International specialty team based in Chicago, its risk management services, and he verified that cyber extortion was covered in the policy presented in the quote. He also discussed the deductible amount but was unsure regarding per occurrence or whether it was for each coverage section. He stated the premium was based on annual operating expenditures.

WYOSTAR INVESTMENT CONSIDERATION

Chairman Basse discussed investing in WYOSTAR II and suggested investing the amount the Board had set aside in the reinsurance account.

After a brief discussion, Secretary Smith moved to transfer five million (\$5,000,000.00) from WYOSTAR I general operating account to the WYOSTAR II account. The motion passed unanimously.

CYBER SECURITY INSURANCE CONSIDERATION

Executive Director Todd discussed waiver of immunity, cybersecurity and the need to come up with a policy to make the LGLP network more secure. Director Todd stated storing network information on the cloud was something to consider as there is redundant backup, and that the claims software is cloud-based. After Board discussions, Secretary Smith moved that LGLP procure cybersecurity insurance. The motion failed with Chairman Basse, Treasurer Krakow, Members Grant, King and Weaver voting “no.”

Chairman Basse suggested Executive Director Todd provide the Board with more information regarding storage to the Cloud versus an individual server and discussed two areas of exposure: a breach which would open the Pool to liability to its members and the extortion component. The Board also directed Executive Director Todd to reach out to other companies providing cybersecurity insurance coverage and report back to the Board with quotes.

LOSS PREVENTION REPORT

Bill Miller, LGLP Loss Prevention Manager, discussed harassment trainings, board trainings, and on-site visits ramping up in June. He also reported receiving 472 renewal applications, 6 percent reduction in payroll and a 16 percent reduction in contributions.

Judi Just, LGLP Prevention Representative, reported members had shown interest in BLR (Business and Legal Resources) safety videos.

REPORTS

New Members/Cancellations

Executive Director Todd announced the Southeast Wyoming Economic Development District and the Lingle Rural Fire Joint Powers Board dissolved since the last Board meeting.

Budget Review

Executive Director Todd summarized the budget report from the previous quarter. He also discussed training, audit expenses and provided an overview of the expenditures and revenues. Executive Director Todd discussed the computer expense account as near the budgeted amount due to purchases of 3 computers for LGLP staff. He stated training expenses were at 74 percent of the budgeted amount which is the cost of the annual online training fees and the excess amount has not been utilized for additional licenses.

Legislation

Torey Racines, LGLP Legal Counsel, stated that the Joint Judiciary Committee had met at the end of the legislative session to discuss several items. Particularly of interest a recent Supreme Court opinion held that Section 1-39-110 of the Governmental Claims Act (Act) which was commonly known as the “medical malpractice waiver,” was not limited to medical malpractice but could be ordinary negligence of a health care provider. The opinion was significant because Section 1-39-110 was the only Section of the Act that had a higher cap of \$1 million, as opposed to \$250,000 per claimant and \$500,000 aggregate.

Counsel Racines discussed a proposed bill that could remove the ability of governmental entities to insert a clause in contracts to preserve immunity. The bill stems from a couple of cases involving WYDOT.

EXPENDITURES FOR JANUARY, FEBRUARY, AND MARCH

Executive Director Todd discussed LGLP’s projected financial position gains, credit cards payments and settlements. Member Richards moved to have the budget and financial reports be approved and placed on file. The motion passed unanimously.

RULES/REGULATIONS/STATUTES

LGLP rules and regulations were discussed in executive session.

EMPLOYMENT LAW AND CONTRACTS

Executive Director Todd discussed employment issues, pending lawsuits and providing members guidance via a checklist. He stated that by providing members with guidance via a checklist the hope would be to curb some of the issues LGLP is experiencing with employee termination claims and litigation.

Executive Director Todd also discussed coverage for contractual agreements, the numerous requests to review contracts and collaborating with the Wyoming Attorney General’s Contract Division. After Board discussion, the Board agreed that contract assistance would be great service, if members understood that contractual issues were not covered.

ERRORS AND OMISSIONS INSURANCE

Executive Director Todd discussed legal action protections under state law and advising members. He also discussed federal law and how the Pool could be drawn into legal actions. Mr. Racines further discussed that it was not stated in writing whether the Pool was a member of LGLP or is a contributor. He explained that federal claims lodged against an individual person left the employees without LGLP coverage. Also, if LGLP were sued for having an unconstitutional policy, it would come out of the Pool's pocket. He further explained the gap was a federal lawsuit against an individual employee, the scope of duties was broader than course of employment.

After some discussion, Don Richards moved to require LGLP indemnify and defend its employees and board members in any lawsuit alleging a violation or negligence in the course and under the scope of their duties. The motion passed unanimously.

VEHICLE TRADE POLICY

Chairman Basse discussed adding a vehicle policy. After some discussion, it was decided not to adopt a vehicle trade policy because the Board approves the budget, and any new purchase of a vehicle would be covered in that request.

EXECUTIVE SESSION

Secretary Smith moved the Board resolve itself into executive session at 10:44 a.m. to discuss personnel issues and current litigation matters. The executive session concluded at 1:24 pm.

Secretary Smith moved to authorize the settlement of two claims. The motion passed unanimously. Secretary Smith moved to authorize the hiring of a paralegal. The motion passed unanimously. Secretary Smith moved to authorize COLA raises and staff raises. The motion passed unanimously.

BUDGET HEARING

Executive Director Todd provided an overview of each line item of the budget. Secretary Smith moved the Board accept the budget as presented. The motion passed unanimously.

OLD AND NEW BUSINESS

Building Maintenance – Landscaping and Window Treatments

Executive Director Todd reported that a bid would be necessary for landscaping outside the office. He also discussed obtaining different window treatments for the windows on the west side of the office building, repainting upstairs offices and replacement of the

HVAC system.

Electronic Signatures

Executive Director Todd discussed the process for using electronic signatures on checks, adding Mr. Racines as an authorized person to sign checks, in case he was not available. Secretary Smith moved to add Mr. Racines as an authorized person to sign checks in Executive Director Todd's absence. The motion passed unanimously.

NEXT BOARD MEETING ANNOUNCEMENT

The next board meeting will be held in-person and virtually at 8:00 a.m., on Thursday, August 5, 2021.

MEETING ADJOURNMENT

There being no further business the meeting adjourned at 1:56 p.m.

Respectfully submitted,



Brad Basse, Chairman, At-Large Member

Dated: 8-9-21