



LOCAL GOVERNMENT LIABILITY POOL

MEETING INFORMATION

January 28, 2022 | 8:00 a.m.

Quarterly meeting held in-person in Cheyenne and online.

MEMBERS PRESENT

Brad Basse, Chairman, At-Large Member

Linda Ann Smith, Secretary, Council Member, City of Rawlins

Kelly Krakow, Treasurer, Mayor of Town of Albin

Bob King, Lincoln County Commissioner (excused)

Richard Grant, Jr., Converse County Commissioner

Jessica Weaver, Tongue River Community Center

Lindsey Woodward, Hot Springs County Weed & Pest Control District

STAFF PRESENT

Mike Todd, Executive Director

Torey Racines, General Counsel

Mary Augustin, Risk Management Consultant

Andrea Hixon, Risk Management Consultant

MaryBeth Oatsvall, Paralegal/Claims Manager

EXECUTIVE SUMMARY

Board members and the Local Government Liability Pool (LGLP) met in-person in Cheyenne and online to discuss topics related to board elections, terms of municipal elected officials and board officers, rules and regulations, establishing contribution rates, investment subcommittee report, sheriff's and chiefs law enforcement training proposal, and membership of non-governmental entities. The Board also discussed risk & loss reports, expenditures for October, November, and December of 2021. A portion of the meeting was held in executive session.

CALL TO ORDER

Chairman Basse called the meeting to order at 8:00 a.m.

WELCOME AND INTRODUCTIONS

New Board member, Lindsey Woodward, Hot Springs County Weed & Pest Control District was welcomed by the Board and introductions were made.

APPROVAL OF THE October 28, 2021, MINUTES

Treasurer Krakow made a motion that the Board approve both the general session and executive session minutes from the October 28, 2021, meeting. The motion passed by voice vote.

BOARD ELECTION & TERMS OF MUNICIPAL ELECTED OFFICIALS

Chairman Basse provided a brief explanation regarding Board elections and discussed terms for municipal elected officials and the original intent electing municipal board members in different election years. The Board agreed a coin toss would suffice to stagger the terms for Treasurer Krakow and Secretary Smith. The toss ended with Treasurer Krakow garnering the 3-year term and Secretary Smith with the 2-year term.

ELECTION OF BOARD OFFICERS

Chairman Basse also discussed Board officer elections. Treasurer Krakow made a motion that the Chairman, Treasurer and Secretary remain the same and that Richard Grant, Jr., Converse County Commissioner fill the Vice-Chairman position. The motion passed by voice vote.

PUBLIC HEARING - RULES/REGULATIONS & ESTABLISH CONTRIBUTION RATES

Director Todd provided an introduction regarding the amendments to the LGLP rules and regulations and explained public comment closed November 18. He also discussed contribution rates.

a. LGLP Rule & Regulation Amendments Public Hearing

Torey Racines, LGLP Legal Counsel discussed amendments to rules and regulations, posting the amendments to LGLP's website for public comment and noted that W.S. 16-3-103 doesn't control our Board but he noted LGLP being transparent as possible. Mr. Racines stated that LGLP had received two set of public comments via email. He noted comments submitted by Lee Arrington, Manager, Wheatland Irrigation District, and urged the Board to approve the changes submitted by Mr. Lee Arrington, which were stylistic.

He also discussed comments submitted by Gary Michaud, Administrator Fremont County Association of Governments, regarding Board member terms. The Board approved clarifying language regarding staggered terms. Mr. Racines provided discussion regarding the additional two comments submitted by Mr. Michaud. No board amendments were moved based on those comments.

Executive Director Todd discussed buying excess coverage and stated ordinary negligence doesn't expose LGLP to liability. He also discussed receiving two public comment calls. One specifically addressing removing the language concerning excessive claim history and noted the appeal process in Chapter XIV, Section 4.

Public Comment

No one from the public commented on this topic.

Board Action

After Board discussion regarding public comments submitted, Treasurer Krakow moved the Board approve the following amendments to LGLP's rules:

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|----------------------------------|---|
| Page 4-Section 5-line 2 | after "the" strike " aet " and insert " <u>LGLP Act</u> " |
| Page 6-Section 2-paragraph 2 | after "year." insert " <u>Board member terms shall be staggered so that at least two (2) positions are elected each year, but no more than three (3) positions are elected in any one (1) year.</u> " |
| Page 7-Section 1-line 2 | after "in" strike " this " insert " <u>the</u> " |
| Page 7-Section 1-subsection (c) | after "by" strike " this aet " insert " <u>the LGLP Act</u> " |
| Page 10-Section 3-subsection (c) | after "under" insert " <u>W.S. 1-39-110(b) or</u> " |
| Page 11-subsection (g) | after "the" strike " aet " insert " <u>LGLP Act</u> " |
| Page 14-Section 2-subsection (a) | after "the" strike " aet " insert " <u>LGLP Act</u> " |

The motion passed by voice vote with Member King excused.

a. Establishment of Contribution Rates for Members

Executive Director Todd provided an overview of AON's actuarial study. The overview included discussion regarding the projected bottom line, a confidence level of ninety-percent (90%) and projected loss rates trending relatively stable. He noted frequency and severity gross of member deductibles as trending up slightly compared to last year and frequency staying about the same but projecting downward. He also mentioned loss distribution is virtually identical to last year's report.

Public Comment

No one from the public commented on this topic.

After Board review of recommend percent rate change, rate relativities, projected financial position, reserves, surplus and contribution rates and Board discussion regarding COVID/AARP funds, Secretary Smith moved the Board keep the same rates (FY 22 Rates). The motion failed by voice vote with Chairman Basse, Members Grant and Weaver voting “no” and Member King excused.

Member Grant moved that contribution rates should be set at the recommended percent rate change of 0% for City, Towns and Counties with cops and -7% for all other members. The motion passed by voice vote with Secretary Smith voting “no” and Member King excused.

The Board also recognized the passing of Richard Rideout and his service to LGLP.

INVESTMENT SUBCOMMITTEE REPORT

Executive Director Todd explained that subcommittee members Basse, Weaver, and Mr. Racines met with Pete Klein regarding LGLP investments. Chairman Basse discussed reduction in fees and limited investments, risks and fees. Executive Director Todd urged taking no action and stated CD rates should go up with interest rates and returns increasing.

SHERIFF’S & CHIEF’S LAW ENFORCEMENT TRAINING PROPOSAL

Executive Director Todd discussed the proposal for implementation of legal based standards from Byron Oedekoven, Executive Director, Wyoming Association of Sheriffs and Chiefs of Police (WASCOP). The cost summary provided a breakdown of the proposal for training of peace officers and preventive measures. The proposal also included Wyoming adult jail guidelines, juvenile jail guidelines and Detention & Corrections Online Training Academy (DACOTA) training.

Mr. Racines discussed the concept of cost sharing with WARM and SSIP and noted that Mr. Oedekoven has done a lot of leg work getting Chiefs and Sheriffs on the same page.

The Board directed LGLP to move forward gathering more information and report back to during its April meeting.

Update on Nongovernmental Entities

Executive Director Todd discussed the letter sent to suspected nongovernmental entities following up with the members that were sent the letter. Mr. Racines also noted filing the finalized LGLP Rules & Regulations with clerks in every county and removing the suspect

nongovernmental entities from the Pool at renewal time and with two-thirds (2/3) vote of the Board.

RISK & LOSS REPORTS

Andrea Hixon, Risk Management Consultant, provided the Board with an overview of the number of members she and Mary Augustin, Risk Management Consultant had visited, training classes provided, policy reviews; conferences, and training classes attended.

Consultant Hixon discussed plans for the next quarter regarding trainings scheduled and streamlining the renewal application process for members. She also noted working with Cathy MacPherson on a checklist for employee terminations.

EXECUTIVE DIRECTOR'S REPORT

a. Entity additions/cancellations

Executive Director Todd provided an overview of the current member count and noted there were no additions or cancellations.

b. Budget review

Executive Director Todd provided an overview of LGLP expenditures and revenue for fiscal year 2021 for the months of October, November, and December. He also discussed investments risks, uncollateralized cash, bonds, and cd's.

Chairman Basse requested Board members participate in future discussion with RBC Wealth Management in anticipation for a future agenda item looking into investment strategy. Chairman Basse and Member Grant agreed to participate in discussions regarding a deeper dive in investments with Executive Director Todd and RBC. The Board also discussed growing the pool, being conservative in its approach and add backs.

Member Grant moved the Board approve the budget. The motion passed by voice vote with Member King excused.

Executive Director Todd also noted that the RFP for MHP was due and discussed the fee. After Board discussion, Secretary Smith moved to amend the contract with MHP and for LGLP to negotiate the fee. The motion passed by voice vote with Member King excused.

c. Entity employment terminations

Executive Director Todd discussed the ongoing collaboration with Cathy McPherson for developing an employee termination checklist.

EXPENDITURES FOR OCTOBER, NOVEMBER & DECEMBER (2021)

Executive Director Todd discussed LGLP's projected financial position gains, credit cards payments and settlements. He also discussed office purchases, training expenses, and consultant fees.

Treasurer Krakow moved to have the expenditures and financial reports approved and placed on file. The motion passed by voice vote with Member King excused.

EXECUTIVE SESSION

Secretary Smith moved the Board resolve itself into executive session at 11:16 a.m. to discuss current claims, litigation and personnel matters pursuant to W.S. 16-4-405. The executive session concluded at 12:55 p.m.

Treasurer Krakow moved to give LGLP authority on matters discussed during its executive session. The motion passed by voice vote with Member King excused.

OLD AND NEW BUSINESS***a. Legislation***

Mr. Racines discussed a draft bill sponsored by Senator Nethercott and noted the bill clarifies LGLP's statutory authority to cover liability that our members already face. One section of the current Act (W.S. 1-42-202(e)) indicates that LGLP may not pay more than \$500K per occurrence. He also noted two exceptions to this general rule.

First, under the WGCA, negligence of a healthcare provider under WGCA section 110(b) has a \$1 million cap. Therefore, members who have healthcare provider employees currently have exposure to \$1 million in liability; but \$500K of that exposure is not covered by LGLP. This bill would allow LGLP to cover the difference.

The second exception occurs under federal causes of action, for which there are no limits to liability. LGLP has insured its members beyond \$500K employing other parts of the LGLP Act as authority.

Public Comment

No one from the public commented on this topic.

b. Building Maintenance

Executive Director Todd briefly discussed the new HVAC system. He also noted a small leak in LGLP’s gutter and coordinating a fix.

c. Delene Applegate’s Retirement

Executive Director Todd recognized Delene Applegate and noted that this is her last Board meeting. The Board thanked Dee for her long tenure.

d. Local Government Liability Pool Amendments

Counsel Racines briefly discussed the draft legislation regarding Local Government Liability Pool amendments. He noted the draft bill clarifies program payment limits related to healthcare provider liability, corrects an incorrect citation, and specifies applicability. He stated the bill would be available on the legislature’s website in the following weeks.

NEXT BOARD MEETING ANNOUNCEMENT

The next board meeting will be held in-person and virtually at 8:00 a.m., on Thursday, April 28, 2022.

MEETING ADJOURNMENT

There being no further business the meeting adjourned at 1:00 p.m.

Respectfully submitted,



Brad Basse, Chairman, At-Large Member

Dated: 5/3/2022