



## LOCAL GOVERNMENT LIABILITY POOL

### MEETING INFORMATION

October 26, 2023 | 8:00 a.m.

Quarterly meeting held in-person in Cheyenne and online.

### MEMBERS PRESENT

Brad Basse, Chairman, At Large Member

Richard Grant, Jr., Vice Chairman, Converse County Commissioner

Kelly Krakow, Treasurer, Mayor, Town of Albin

Lori Ibarra, Tri-City Parks & Recreation District, Administrator

Mike Bailey, City of Riverton Council Member (*via zoom*)

Hale Redding, Weston County Weed & Pest, District Supervisor

Lonnie Wright, Sheridan County Commissioner

### STAFF PRESENT

Torey Racines, Executive Director

Tom Thompson, Litigation Attorney

MaryBeth Oatsvall, Paralegal/Claims Manager

Pennie McDaniel, Administrative/Fiscal Assistant

Andrea Hixon, Risk Management Consultant

Cassidy Mueller, Risk Management Consultant

### EXECUTIVE SUMMARY

The Board met in-person in Cheyenne and online to discuss topics related to investments, confidentiality issues, entity additions/cancellations, budget review, banking issues, financial audit, and actuarial study. The Board also discussed risk & loss reports, expenditures for July, August, and September and received updates regarding hiring, Cyber Wyoming, LGLP's website and public officer training. A portion of the meeting was held in executive session.

### CALL TO ORDER

Chairman Basse called the meeting to order at 7:57 a.m.

### WELCOME AND INTRODUCTIONS

Brittany M. Wilson, CPA with McGee, Hearne & Paiz, LLP (MHP) was welcomed by the Board.

**APPROVAL OF THE AUGUST 3, 2023 MEETING MINUTES**

The Board considered the minutes from the August 3, 2023 meeting. Member Krakow moved that the minutes be revised on Page 6, by changing the signature block to “Richard Grant, Jr., Vice Chairman”. The Board approved the August minutes as revised by voice vote. The August 3, 2023 minutes were updated accordingly.

**AUDIT REPORT**

CPA Wilson summarized the MHP report related to its audit of the financial statements of LGLP for the year ended June 30, 2023. She briefly discussed MHP responsibilities, the overview of the planned scope and timing to the financial audit, accounting policies and practices, audit adjustments and management analysis and considerations.

CPA Wilson also touched on 2023 highlights and noted a decrease in non-capital assets and an increase in total liabilities. The audit included an overview of the Pool as a whole, nature of activities, policies, cash, cash equivalents and investments, property and equipment, reserve for Incurred But Not Reported (IBNR) claims, and Wyoming Retirement System retirement commitment.

CPA Wilson also noted various economic factors, such as anticipated claims, expenses, legal fees and return on existing investments regarding setting budget and contribution rates. CPA Wilson also discussed LGLP’s investment portfolio and noted the audit revealed the Pool was undercollateralized within its account with First National Bank of Omaha. She also noted that the Pool worked with FNBO to implement appropriate collateralization and was compliant with laws and statutes and stated that overall the audit went well.

**Public Comment**

No one from the public commented on this topic.

**Board Action**

After Board discussion, Member Grant moved that the Board accept the findings of the financial audit prepared by MHP. The motion passed by voice vote.

## **RISK & LOSS PREVENTION REPORTS**

Risk Management Consultant Hixon provided an overview of risk and loss prevention reports. The overview included updating the Board on training delivered, member visits and training attended during July, August, and September. Ms. Hixon also discussed future training plans for members.

### **Public Comment**

No one from the public commented on this topic.

### **Board Action**

No formal action was taken.

## **WYOSTAR**

Director Racines provided a brief overview of the Pool's investments in WYOSTAR 1 and 2.

Kalib Simpson, Deputy Chief Investment Officer with the Wyoming Treasurer's Office introduced himself and provided an overview of WYOSTAR 1 and 2. The overview included federal funds rate expectations; U.S. Treasury yield curve; WYOSTAR 1 and 2 portfolio characteristics; a review of investment performance and contributions; corporate sector allocation and Treasury updates. Deputy CIO Simpson also discussed risk/return profiles, as of September 30, 2023, and philosophies for WYOSTAR 1: the Pool should view the account as a checking account and WYOSTAR 2: fixed income.

### **Public Comment**

No one from the public commented on this topic.

### **Board Action**

No formal action was taken.

## EXECUTIVE DIRECTOR'S REPORT

### *a. Entity additions/cancellations*

Director Racines discussed the addition of six (6) new members. He noted other member changes as four (4) members merged with existing members and two (2) member entities dissolved.

### *b. Banking update*

Director Racines noted that LGLP has successfully transitioned to its new account number. The transition was necessary due to an FNBO merger leading to LGLP and another FNBO customer having the same bank account number. LGLP's old account is now closed and all business is transacted under the new account.

### *c. Website*

Director Racines indicated that LGLP's new website is now active.

### *d. Fiscal training*

Director Racines noted that the Public Officer training offered by the Department of Audit deadline is June 30, 2024.

### *e. Actuary Relativity Study update*

Director Racines updated the Board regarding the relatively study being completed by AON. He noted the last study was a decade ago. He discussed LGLP's current rating sheet for FY24 compared it to two drafts of the potential updated relatively rates based on the current study. One draft based on current study calls for steep increases to rates of certain entity types. The second draft levels out the increases across entity types by adding the steep increase entities to the "other" category. Racines explained that these examples are merely a preview to the January rate setting hearing and that no decision need to be made at this time.

### **Board Action**

No formal action was taken. However, after Board discussion the Board requested a breakdown of ten (10) year claim payouts for categories listed on the current rating sheet and a breakdown of premiums generated by relativity categories.

***f. Upcoming Board Elections***

Director Racines discussed the upcoming board member election. He stated that nominations were in and that ballots would go out via email to members November 1, with a deadline of December 15.

***g. Budget Review***

Director Racines provided highlights of fiscal year month-by-month, revenues, and expenditures. He noted computer fees were slightly higher due to the purchase of 3 new laptops, claims and attorney fees are lower and contribution income as roughly the same from this time last year and overall snapshot of September 30 investments better than last year.

**EXECUTIVE SESSION**

Member Grant moved the Board resolve itself into executive session at 10:53 a.m. to discuss current claims, litigation and personnel matters pursuant to W.S. 16-4-405. The executive session concluded at 12:41 p.m.

**Board Action**

Member Redding moved the Board to authorize the settlement authority regarding LGLP Claim Nos. #AA220053 and #EO220007 as requested by Director Racines in executive session. The motion passed by voice vote.

**EXPENDITURES FOR JULY, AUGUST & SEPTEMBER**

Director Racines provided a brief overview of the bill payment list, credit card expenditures and banking statements.

**Board Action**

Member Krakow moved the Board approve the expenditures for July, August, and September 2023. The motion passed by voice.

**OLD OR NEW BUSINESS**

*a. Office Walls*

Director Racines discussed the Ross Construction quote for \$9,675.00 to create an enclosed office space for Cassidy Mueller, LGLP's new Risk Management Consultant.

**Board Action**

Member Grant moved the Board approve the expenditure for the creation of a new office space, with the limit not to exceed \$15,000.00. The expenditure should be listed on Budget Report Line item 30. The motion passed by voice.

**INVESTMENT COMMITTEE**

Chairman Basse discussed implementing a subcommittee to focus on investments strategies.

**Board Action**

Member Redding moved that the Board establish a subcommittee to focus on investment strategies. Chairman Basse and Member Bailey were nominated to report back to the Board with recommendations. The motion passed by voice vote.

**NEXT BOARD MEETING ANNOUNCEMENT**

The next board meeting will be held in-person and virtually at 8:00 a.m., on Thursday, January 25, 2024.

**MEETING ADJOURNMENT**

There being no further business the meeting adjourned at 1:03 p.m.

Respectfully submitted,



Brad Basse, Chairman

Dated: 1-24-24