



Serving County Government

Agenda Item # 17 Craig L. Nelson, Executive Director  
Date 11/4/20

MEMORANDUM

TO: NIRMA Member County Clerks  
FROM: Craig L. Nelson, Executive Director *cl*  
DATE: October 19, 2020  
RE: NIRMA Dividend and Membership Recommitment

RECEIVED  
2020 OCT 21 PM 1:04  
FILED IN COUNTY CLERK

I was pleased to recently announce that the NIRMA Board of Directors had declared the second largest membership dividend in its history, this time in the amount of \$1.5 million. This dividend is being distributed in two parts—\$1,000,000 which was already distributed by mail last month in the form of a regular dividend to those counties who have been a NIRMA member for at least five years, with the remaining roughly \$500,000 waiting to be distributed in the form of a recommitment dividend to those eligible member counties who recommit and extend their NIRMA membership.

**The recommitment portion of this dividend will be issued to any member county that, on or before December 31, 2020, recommit to membership in NIRMA for another three-year period—from July 1, 2021 (when your county’s current three-year membership expires) to June 30, 2024.** Since prompt action is requested, I want to provide the following quick recommitment checklist, supplementing a separate mailing that has gone out to all county board members among others, to assist in assuring a timely response.

CHECKLIST

1. Please confirm with your County Board Chair that he or she has received the enclosed information. The materials you will find enclosed include the Recombitment Resolution we are asking each eligible member County Board to adopt as well as the letter we have sent out to all NIRMA member County Board members in connection with this recommitment effort;
2. We would ask that the “NIRMA Recombitment” issue be placed on the County Board’s agenda for action as promptly as possible, and certainly sometime before the end of December;
3. The Recombitment Resolution enclosed must be approved by your County Board on or before December 31, 2020 for the recommitment portion of this dividend to be issued;
4. Please mail an official copy of the approved resolution directly to the NIRMA office for our records as soon as the resolution is adopted;
5. Once NIRMA has received an executed resolution, a dividend check will be issued and mailed to the county.

Do not hesitate to contact me should you have any questions whatsoever regarding this recommitment dividend. We appreciate the hard work and loyalty of the many that have made NIRMA the success that it is and we look to build upon that success with the recommitment of our members. Thank you!

Enclosures

cc: County Contact Persons

**BOARD OF DIRECTORS**

- |                                  |                                |                                     |                               |                                |                                |
|----------------------------------|--------------------------------|-------------------------------------|-------------------------------|--------------------------------|--------------------------------|
| Doris Karloff<br>Saunders County | Larry Cerny<br>Fillmore County | Beth Fiegenschuh<br>Cheyenne County | Jean Andrews<br>Dodge County  | Kathy Brandt<br>Morrill County | Tim McDermott<br>Saline County |
| Bonnie Moore<br>Sarpy County     | Jim Peterson<br>Cass County    | Becky Richter<br>Hamilton County    | Ron Schmidt<br>Madison County | R. Buddy Small<br>Brown County |                                |



Serving County Government

Craig L. Nelson, Executive Director

October 13, 2020

Bob Missel, Chair  
Dodge County Board  
427 N Birchwood  
Fremont, NE 68025

RE: NIRMA Dividend and Membership Recommitment

Dear Bob:

You might recall receiving a recent announcement regarding the NIRMA Board of Directors being pleased to announce that they had approved a \$1.5 million membership dividend, the second largest dividend in NIRMA's history and the 25th consecutive year such a dividend has been issued.

Of this \$1.5 million dividend, \$1,000,000 has already been sent out as a regular dividend to those eligible member counties who have participated in our program for at least five (5) policy years in accord with the dividend policy NIRMA has adopted. However, there remains \$500,000 yet to be distributed and that sum is designated as a recommitment dividend and will be distributed to those eligible member counties that act to now extend their membership in NIRMA. We make the request now because most members are in the final year of their current three-year membership agreement with NIRMA.

**It is important for you to know that the recommitment portion of the dividend offered is based on a premise that the eligible member county, on or before December 31, 2020, recommit for another three-year membership in NIRMA/II in order to receive this dividend.** This is consistent with the process extended by the NIRMA Board in 1996, 1999, 2002, 2005, 2008, 2011, 2014 and again in 2017 when all eligible members recommitted. Therefore, we ask that your county and the other member counties eligible to receive the recommitment portion of this dividend timely review and act upon this request.

I want to point out that this is a mutual commitment. In exchange for the county's recommitment, NIRMA is also committing itself to continuing to provide its coverages and services to Dodge County for this same time period. NIRMA's focus is county government and we are in this business for the long term as demonstrated by our more than three decades in business and the extended partnership with and ownership by our member counties since beginning operations and becoming Nebraska's first public entity risk management pool in 1988.

By your action to extend the county's membership with NIRMA, Dodge County will receive a recommitment dividend of **\$9,770** which will supplement the regular dividend of **\$19,541** previously distributed for a combined total of **\$29,311**. The recommitment dividend check will be mailed out once the recommitment resolution is received in our office. Dividend amounts will vary amongst members because the dividend is computed on a pro-rata basis using the individual equity balance of each county in comparison to the total equity held by all of the members of the pool. Counties have participated in NIRMA for varying lengths of time and have different loss histories so those equity and dividend amounts will understandably vary from county to county.

This dividend, when added to the previous dividends issued by NIRMA, will bring to **\$638,751** the cumulative dividends received by Dodge County since the NIRMA program began, and will increase to **\$23.5 million** the total dividends issued by NIRMA since 1994. We are able to do this because of NIRMA's success, the outstanding loyalty and hard work of our member counties, and the exceptional financial condition of both pools. As of June 30, 2020, NIRMA and NIRMA II had combined total assets of more than \$59 million, liabilities of \$20.3 million, leaving nearly **\$38.8 million** being designated as the Member Fund Balance and representing the equity ownership of our members.

**BOARD OF DIRECTORS**

Doris Karloff Saunders County	Larry Cerny Fillmore County	Beth Fiegenschuh Cheyenne County	Jean Andrews Dodge County	Kathy Brandt Morrill County	Tim McDermott Saline County
Bonnie Moore Sarpy County	Jim Peterson Cass County	Becky Richter Hamilton County	Ron Schmidt Madison County	R. Buddy Small Brown County	

BOB MISSEL  
OCTOBER 13, 2020  
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Any decision to recommit and accept that portion of this dividend is a determination to be made solely by each respective member county board. We fully respect that process. Any such dividend actually accepted and paid will be deducted from that county's individual member equity balance. Please note, the member equity account of any county choosing not to recommit will be unaffected by this dividend and any amounts in that account will remain unchanged and available for that county if eligible when future dividends or distributions are made though, if not extended, be also aware your county's membership in NIRMA would be slated to conclude June 30, 2021.

NIRMA continues to provide the broadest coverages and services available designed to meet the ever-changing needs of our members, and at a stable cost, which is especially important with the ever-present financial challenges being faced by counties and other local governments. This is undoubtedly among the reasons NIRMA continues to grow, with 18 new members added in just the past five years, with the most recent, Furnas County, voting unanimously to join just last month. I believe there are a number of compelling reasons for Dodge County to extend its membership in NIRMA and hope your County Board feels the same way.

If so, at your earliest convenience, and certainly before the end of December, please place on your board agenda the item of NIRMA recommitment. A recommitment resolution is enclosed for those purposes. If the resolution is adopted by your County Board, please have a copy sent immediately to the NIRMA office. **Once again, this must be completed no later than December 31, 2020, in order to receive the recommitment portion of this dividend.**

On behalf of the NIRMA Board of Directors, we again ask Dodge County to consider extending its participation in your very successful member-owned and directed program. Should you have any questions, do not hesitate to contact me. Thank you!

Sincerely,



Craig L. Nelson  
Executive Director

CLN: sml

Enclosure

cc: County Board (w/enclosure)  
County Clerk (w/enclosure)  
Contact Person (w/enclosure)

**RESOLUTION  
FOR AMENDMENT AND ADDENDUM TO  
NIRMA/NIRMA II INTERGOVERNMENTAL/INTERLOCAL AGREEMENTS**

**WHEREAS,** \_\_\_\_\_ County has previously entered into Intergovernmental/Interlocal Agreements with various other Nebraska Counties and other public agencies to form and participate in the Nebraska Intergovernmental Risk Management Association (NIRMA) and the Nebraska Intergovernmental Risk Management Association II (NIRMA II) as authorized by the Intergovernmental Risk Management Act (Neb.Rev.Stat. §44-4301 et seq.) and the Nebraska Interlocal Cooperation Act (Neb.Rev.Stat. §13-801 et seq.); and

**WHEREAS,** Counties and other Public Agencies as defined in Neb.Rev.Stat. §44-4303 are allowed to participate in said cooperative undertakings; and

**WHEREAS,** the Legislature has found that proper risk management requires the spreading of risk so as to minimize fluctuation in insurance needs and that benefits can be derived through the pooling of insurance purchasing by local government, and

**WHEREAS,** NIRMA and NIRMA II have provided coverages to the County in a cost effective way which meet and exceed that provided by standard insurance carriers; and

**WHEREAS,** NIRMA and NIRMA II provide risk management services such as loss prevention, safety audits, claims and litigation management, and coverages tailored to address loss exposures counties and other related public entities face not economically available from other sources; and

**WHEREAS,** these coverages and risk management services are essential for the continued effective and efficient use of county taxpayer dollars; and

**WHEREAS,** the current Intergovernmental/Interlocal Agreements will expire on June 30, 2021, and

**NOW, THEREFORE, BE IT RESOLVED** that the \_\_\_\_\_ County Board hereby:

1. Extends its commitment to participate in NIRMA and NIRMA II for the period July 1, 2021 through June 30, 2024; and
2. Declares that this Resolution shall serve as an amendment and addendum to the previous Intergovernmental/Interlocal Agreements entered into by the County Board, said Intergovernmental/Interlocal Agreements readopted by and incorporated herein by this reference as amended.

After motion duly made by member \_\_\_\_\_ and seconded by member \_\_\_\_\_, the following members voted by roll call vote in favor of passage and adoption of said Resolution: \_\_\_\_\_.

The following members voted against the same: \_\_\_\_\_.

The following members were absent or not voting: \_\_\_\_\_.

**PASSED AND APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 2020.

Attest: \_\_\_\_\_ County Board

\_\_\_\_\_  
County Clerk

By: \_\_\_\_\_  
Chairperson/Presiding Officer