



**BOARD OF DIRECTORS  
Meeting Minutes**

**Wednesday, March 19, 2014  
Westbrook Corporate Center Conference Room  
9:30 a.m.**

**I. CALL TO ORDER**

Chair Irvin called the meeting to order at 9:30 a.m. Bush called the roll and a quorum was declared.

**II. APPROVAL OF MINUTES – December 18, 2013**

A motion was made by Coren and seconded by Velkme to approve the Board of Directors meeting minutes of December 18, 2013. A voice vote was called and the motion carried.

**Reports for Information Only Found on the IRMA Website**

Irvin asked if anyone had any questions on any of the reports. Hearing none, Irvin moved on to his report.

**III. CHAIR'S REPORT - IRVIN**

**A. Welcome to 2014 Board of Directors**

Irvin noted that the documents in the packet under this agenda item were for information only.

**B. Changes in IRMA Delegates/Alternates**

Irvin welcomed new Delegates, Pat Chamberlin from the Village of Sugar Grove and Marlo Kemp from the Village of Hazel Crest.

**C. Recognition**

**1. Outgoing Chair**

Irvin presented that Outgoing Chair Award to Ingrid Velkme and thanked her for the two years of service she gave to IRMA as Chair.

**2. Outgoing Standing Committee Chairs**

Irvin presented the Outgoing Standing Committee Chairs awards to Kathleen Gargano, outgoing Chair of the Coverage, Claims & Litigation Committee from 2011-2013, and Sharon Peterson, outgoing Chair of the Training & Education Committee from 2010-2013.

**3. Outgoing Standing Committee Participation – Certificates**

Bush read the names of the outgoing Standing Committee members and noted that they would all be receiving certificates of appreciation.

**D. Executive Director Search Committee (Sigman)**

A motion was made by Velkme and seconded by Clark to move out of regular session and into Executive Session. A voice vote was called and the motion carried.

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A motion was made by Coren and seconded by Velkme to approve the Executive Director Agreement for Margo Ely. A voice vote was called and the motion carried.

**IV. COMMITTEE REPORTS**

**A. MEMBERSHIP RELATIONS COMMITTEE – COREN**

**1. Announcement of 2014 Committee**

Coren stated that the roster for the 2014 Membership Relations Committee was on page 19 of the meeting packet.

**2. 2014 Market Comparison Study**

Coren noted that the 2014 IRMA Market Comparison Study has been completed by JLT Towers Re and was for information only. The study was very favorable to IRMA and Coren suggested that members share the study with their Boards.

**B. TRAINING & EDUCATION COMMITTEE – DONAHUE**

**1. Announcement of 2014 Committee**

Donahue stated that the 2014 roster of the Training & Education Committee was on page 24 of the packet.

**2. 2014 Training**

Donahue stated that the 2014 IRMA Training Schedule could be found on page 25 of the meeting packet. Subsidized training was listed on page 26 and free training for Cook County members was listed on page 27.

**3. Update on Grant Programs**

Donahue reported that page 28 of the packet contained an update on the IRMA grant programs and added that the Training & Education Committee had approved to add the Post-Offer Functional Screen to the Injury Prevention Grant Program.

**4. IMAP Awards Presentation**

The following awards were presented:

IRMA Level II Accreditation during 2013 Awarded Engraved Plaque & \$1,500	Village of Wilmette 99% - IMAP Percentage of Compliance 58.61% - 5 year Loss Severity to IRMA Target
IMAP Accreditation during 2013 Awarded Engraved Plaque	City of Countryside 87% - IMAP Percentage of Compliance
IMAP Reaccreditation during 2013 Awarded Engraved Plaque	City of Crystal Lake 97% Village of Hanover Park 97% Village of Western Springs 96% Village of LaGrange 96% Village of River Forest 94% Village of Lake Zurich 90%
IMAP Reaccreditation (Self-Evaluation) 2014 Awarded Certificate of Recognition	Village of Addison 99% NEMRT 98% Village of Sugar Grove 95% City of West Chicago 94% Village of Glencoe 91% Village of Morton Grove 91% Village of Villa Park 90% Carol Stream FPD 88% Village of Lemont 88% Village of Lake Bluff 88%

**C. COVERAGE, CLAIMS & LITIGATION COMMITTEE – CEDILLO**

**1. Announcement of 2014 Committee**

Cedillo stated that the roster of the 2014 Coverage, Claims & Litigation Committee could be found on page 30 of the meeting packet.

**2. Clarification of Law Enforcement Activities**

Cedillo stated that this item was strictly a clarification in the Public Officials Liability (POL) Coverage Document to mirror the language that is in the General Liability Coverage Document. A motion was made by Clark and seconded by Coren to approve the clarification/modification in the POL Exclusion regarding law enforcement activities. A voice vote was called and the motion carried.

**3. IRMA Appeal 2013-01 – Summary**

Garvey indicated that the summary of Appeal 2013-01 was for information only.

**D. ADMINISTRATION & FINANCE COMMITTEE – CLARK**

**1. Announcement of 2014 Committee**

Clark stated that the roster of the 2014 Administration & Finance Committee could be found on page 37 of the meeting packet.

**2. Outsourcing/Revenue Base Deductions**

Clark stated that this item would require a Bylaw vote, and was one of the outcomes of the organization's 2013 planning workshop where there was concern expressed that members are seeing more and more opportunity for outsourcing certain services. In looking at the revenue base exclusion document, it was determined that there were some opportunities there to provide some flexibility.

Clark stated that this was discussed at several 2013 Administration and Finance Committees and was presented to the Board at their December 2013 meeting for information only. It has been determined that a revenue base deduction should be allowed for outsourced functions that meet the following conditions:

- The intent is to transfer the risk to the contractor and the contract contains preapproved indemnity language or IRMA's suggested indemnity language.
- The contract is not for construction.
- The total value of the contract is more than 5% of the members' revenue base at the time of application for deduction.

Clark also noted that another item that was clarified in December is that the payment has to be made by the member. Clark noted that the proposed bylaw language is highlighted on pages 43-46 of the meeting packet.

Bush stated that if this passes, he wanted to point out specifically on the last page of the bylaw (pg. 46) (d) IRMA has approved in writing the request for a revenue base deduction at the time contract goes into effect. Bush stated that for a contract that goes into effect in 2014, we don't look at the data until 2015 when we are calculating the 2016 revenue base. If a member brings to our attention in 2015 a contract that went into effect in 2014 that they now want a revenue base deduction for, it will be too late. IRMA needs to review the contract in advance to make sure it is truly transferring the risk. Bush stated that this would be emphasized again in the direct communication that will be sent out on this.

A motion was made by Clark and seconded by Velkme. Bush called the roll and the motion carried with one "no" vote.

**V. EXECUTIVE DIRECTOR/STAFF REPORT**

Bush stated that this would be his last meeting as IRMA's Executive Director. As he had talked about before, IRMA is in really good shape. We have had four decreases in our contribution rate in a row. Our contribution rate is now more than 25% less than what it was in 2009. The loss fund rate is the lowest it has been since 1991. Bush stated that the credit goes to everyone in the room. The single most important factor is there has been a great reduction in the number of claims. There are a number of reasons for that, one of which is that this is a national trend, not just for IRMA, but the decrease is far more substantial for IRMA than typical. It is looking very good for another Interest Income Credit this year. Our investments are doing great and our losses are good.

Bush stated that he feels that he has given to the organization a lot of what he can and stated he was sure that Ely will come in with fresh eyes and see additional ways to improve things and make things better. With the membership staying involved and Ely and the fantastic IRMA staff, the organization will continue to be successful into the future.

**VI. EXECUTIVE SESSION**

This item was handled earlier in the meeting.

**VII. ADDITIONS TO AGENDA**

There were no additions to the agenda.

**VIII. CONFIRMATION OF NEXT MEETING**

Irvin stated that the next Board of Directors Meeting was scheduled for Wednesday, June 25, 2014 at 9:30 a.m. at the Westbrook Corporate Center Conference Room.

**IX. ADJOURNMENT**

A motion was made by Palm and seconded by Clark to adjourn the meeting. A voice vote was called and the motion carried.

Submitted by:

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Larry Bush  
Executive Director

Approved by:

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Drew Irvin  
IRMA Chair