



ADMINISTRATION & FINANCE COMMITTEE
Meeting Minutes

Thursday, November 15, 2012
IRMA Office
9:30 a.m.

PRESENT: David Clark, Chair
Scott Anderson
John Prejzner
Dave Danielson
Janet Gorman
Kelly Amidei

ALSO PRESENT: Larry Bush
Mary Henzler
Laura Vesecky
Susan Garvey

ABSENT: George Schafer
Andriana Peterson
Dan Nisavic

I. CALL TO ORDER

Chair Clark called the meeting to order. Roll was taken and a quorum declared.

II. APPROVAL OF MINUTES – September 27, 2012

A motion was made by Danielson and seconded by Anderson to approve the Administration & Finance Committee Meeting Minutes of September 27, 2012. A voice vote was called and the motion carried.

III. ✓FINANCIAL REPORTS

- A. IRMA Financial Statements as of September 30, 2012
- B. IRMA Investment Portfolio as of September 30, 2012
- C. IRMA Payables for the period 9/14/12 – 11/1/12

Clark asked if anyone had any questions on any of the reports. Hearing none, a motion was made by Danielson and seconded by Prejzner to approve the Financial Reports. A voice vote was taken and the motion carried.

IV. 3RD QUARTER INVESTMENT PERFORMANCE REPORT

Vesecky noted that Brian Goding was not in attendance. Vesecky referred the committee to page 16 of the report that listed out all the returns by each of the managers. Vesecky commented that the good news is that year-to-date our total is above the benchmark by about 1%. Legg Mason and Mainstream still aren't looking great, but we said we were going to give them until the end of the year, so we will be talking about them at our first meeting in 2013. Vesecky reported that the funds have been moved from Denver to the new manager, Kayne Anderson.

Vesecky reported that she had received a call from Brian Goding. His firm, Fiduciary Consultants, is a small firm out of St. Louis that employs eight employees, including him. He just concluded a merger with Marquette Associates, which is from Chicago. Vesecky noted that we interviewed Marquette years ago. The combined firm will have 50

employees. Brian will still be handling everything and it will be pretty transparent to IRMA. The only benefit we will see is that they will have a lot more research people to be looking at funds. They will be staying in St. Louis and all the people from Fiduciary Consultants will be going to Marquette.

Clark asked if there would be new agreements with Marquette. Vesecky stated that she didn't know whether our agreement with Fiduciary Consultants would transfer or not. When Brian had done his agreement with us he had said that he would like to review that in three years. Sometime before the end of next year, he will be coming to the committee with a proposal for increased fees.

V. RECORD RETENTION & DISPOSITION POLICY

Garvey stated that it is a new requirement of our AGRIP Standards Recognition to have a record retention and disposition policy in place and approved by our Board of Directors. Garvey explained that we have had this policy all along, but never brought it to the Board for approval. There aren't any changes to it. Garvey stated that a question had been raised as to whether IRMA is subject to the local records act. Garvey explained that IRMA takes it along the lines of FOIA or the Open Meetings Act, in that we don't really fall into that definition of the public entity or public agency, but we do comply with the spirit of those acts.

The committee discussed the retention of personnel records, stating that they thought they needed to be retained permanently. Garvey stated that she would amend the policy by changing F and G under Length of Retention of Files to read "retained permanently."

A motion was made by Binder and seconded by Danielson to approve the Record Retention & Disposition Policy as amended. A voice vote was called and the motion carried.

VI. PERSONNEL POLICY REVISIONS

Garvey explained that at the last Board of Directors meeting a change was made to the Compensation Policy. As part of that change, staff went back and reviewed the personnel handbook to update it and make sure we were in compliance with all of the current laws. Garvey noted that there were not a lot of substantial changes. One area we made changes to was the harassment policy. The one we had was okay, but we had a labor counsel review and make changes to our model policy for the members, so we felt we might as well put it in our handbook. A small change was also made to FMLA regarding military leave that was required. The social media language that was put in the policy was recommended by our labor counsel to make sure we covered all the new cases that are coming up.

Garvey noted that we added the compensation policy that used to be a separate policy and added it to the handbook, removing the midpoint requirement. We also moved the dress code policy into the handbook.

Garvey explained that there was a change to the vacation accrual. We put a section in for senior non-management individuals. We changed the accrual of vacation to start accrual of vacation time when they start, as an incentive to get good people. This

change was also made for managerial employees. We also changed the beginning accrual from two weeks to three weeks for senior non-management individuals.

Garvey noted that we had the policy reviewed by labor counsel and she made a few minor word changes, but nothing substantive.

After a brief discussion, a motion was made by Danielson and seconded by Binder to approve the Personnel Policy Revisions. A voice vote was called and the motion carried.

VII. COMMUNICATION FROM IRMA'S FINANCIAL AUDITOR

Vesecky explained that this is just the standard communication from McGladrey.

VIII. IRMA EMPLOYEE HEALTH INSURANCE

Bush referred to the handout that was distributed.

Bush explained that staff has had a lot of discussions with our broker on the health insurance because the increase this year was high, but in light of the fact that we had a real substantial decrease the previous year, it's really been stable over two years. Bush stated that staff had the broker go to market to see what else was out there, explaining that we don't have the full results because it has to be underwritten. Bush stated that the broker has told us that there will be many changes coming next year, as there are a number of things that Blue Cross as well as others are doing as a result of the Health Affordability Act. Bush noted that there are some things we could do to try and reduce the cost, but with so many changes almost certainly coming a year from now, he really didn't want to put the staff through changes two years in a row. If we had looked at this two years ago and saw that we would be at the same price, we would have been very happy.

Bush stated that staff is recommending that we stay with our current carrier for the 2013 year.

After a brief discussion, a motion was made by Binder and seconded by Anderson to approve staff's recommendation for the Employee Health Insurance for 2013. A voice vote was taken and the motion carried.

IX. 2013 FINAL BUDGET

Vesecky explained that the summary that was in the meeting packet was correct, but the detail was incorrect; therefore, a revised detail had been distributed as a handout. Vesecky noted that this will increase by \$13,000 for the health insurance.

Vesecky noted that the main changes from the preliminary budget were for Training & Education. The Training & Education Committee has agreed to do some subsidized training, so we would subsidize our members for training done outside of IRMA. The feeling is that if there is other qualified training out there, why should IRMA duplicate the effort? The budget for that is \$7,000. The Training & Education Committee also put in another grant similar to grants we have had through Back Safe, but they are also using Illinois Bone & Joint grants. They put in \$8,720 for those grants. We also had to change the webinar service, so there is a slight increase for that. The budget will be amended to add \$13,000 for the health insurance.

A motion was made by Danielson and seconded by Anderson to approve the 2013 final budget with the amendment of \$13,000 for health insurance. A voice vote was called and the motion carried.

X. 2012 INTEREST INCOME CREDIT

Vesecky reported that staff is recommending a \$3,400,000 Interest Income Credit this year.

A motion was made by Danielson and seconded by Prejzner to approve staff's recommendation of a \$3,400,000 Interest Income Credit. A voice vote was called and the motion carried.

XI. AFC MEETING DATES FOR 2013

Clark reminded those committee members who would continue to serve on the committee in 2013 to mark their calendars with next year's meeting dates.

XII. INVESTMENT NEWSLETTERS

Clark noted that the Investment Newsletters could be found on the IRMA website.

XIII. ADDITIONS TO AGENDA

Clark indicated that he would like to add a short Executive Session at the end of the meeting.

XIV. CONFIRMATION OF NEXT MEETING

Clark stated that the next Administration & Finance Committee would be held on Thursday, February 14, 2013 at 9:30 a.m. at the IRMA office.

XV. ADJOURNMENT

A motion was made by Binder and seconded by Danielson to adjourn the regular meeting and move into Executive Session. A voice vote was taken and the motion carried.

Submitted by:

Laura Vesecky
Director, Financial Services & Administration

Approved by:

Dave Clark, Chair
Administration & Finance Committee