



**EXECUTIVE BOARD
Committee Meeting Minutes**

**Wednesday, February 29, 2012
Westbrook Corporate Center Tower Two Conference Room
8:30 a.m.**

PRESENT: Ingrid Velkme, Chair
Drew Irvin
Paula Schumacher
Sharon Peterson
Scott Coren
Art Malinowski
David Clark
Brad Burke
Kathleen Gargano

**ALSO
PRESENT:** Larry Bush
Mary Henzler
Dan LeTourneau
Laura Vesecky
Susan Garvey
Jackie Streid

ABSENT: None

I. CALL TO ORDER

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

II. APPROVAL OF MINUTES

A. Meeting Minutes of November 30, 2011

A motion was made by Malinowski and seconded by Peterson to approve the Executive Board meeting minutes of November 30, 2011. A voice vote was taken and the motion carried with Irvin abstaining.

B. Reports in the Member Section of the IRMA Website

Velkme stated that there were several reports in the Member Section of the IRMA website for information.

III. CHAIR'S REPORT - VELKME

Welcome to 2012 Executive Board

Velkme welcomed everyone and thanked everyone for serving. Velkme reviewed the several documents and policies of interest to the Executive Board.

IV. COMMITTEE REPORTS

Velkme stated that Coren was running late for the meeting, so she would move to agenda item B. Training & Education Committee next.

B. TRAINING & EDUCATION COMMITTEE – PETERSON

1. Announcement of 2012 Committee

Peterson indicated that the 2012 roster for the Training & Education Committee was on page 30 of the meeting packet.

2. Clarification to the Training & Education Committee Statement of Responsibility

Peterson stated that the Training & Education Committee approved the terminology change to 1. e. renaming the Annual Risk Control Plan to the Annual Service Visit Plan. Streid noted that the terminology had been changed previously and the Statement of Responsibility was not revised at that time.

A motion was made by Irvin and seconded by Gargano to approve the clarification to the Training & Education Committee Statement of Responsibility. A voice vote was taken and the motion carried.

C. COVERAGE, CLAIMS & LITIGATION COMMITTEE - GARGANO

1. Announcement of 2012 Committee

Gargano explained that the roster for the 2012 Coverage, Claims & Litigation Committee could be found on page 33 of the meeting packet.

2. Clarification of Statement of Responsibility

Gargano explained that there were two changes being made to the Statement of Responsibility. Gargano explained that we don't always have an annual coverage workshop and we wanted to clarify that the committee would determine the necessity for a workshop on an annual basis and if needed facilitate the workshop.

Garvey stated that there was a question raised on the language in #6 of the Statement of Responsibility, in that the proposed change was somewhat confusing. Therefore, Garvey indicated she had new language to propose. Garvey explained that the theory behind #6 was that when you have a member appeal there may be coverage questions to go to the membership for review. Garvey stated that the new language reads, "Review coverage appeal decisions and make recommendations to the Executive Board regarding the need for coverage modifications, if any."

A motion was made by Irvin and seconded by Peterson to approve the modifications/clarifications to the Coverage, Claims & Litigation Committee Statement of Responsibility. A voice vote was taken and the motion carried.

3. Selection and Assignment of Panel Counsel

Gargano noted that the Coverage, Claims & Litigation Committee spent a great deal of time talking about this at their last meeting. This is one of the 2012 goals of the Executive Director – to work in conjunction with an ad hoc committee. It was determined that rather than use an ad hoc committee, it would go to the Coverage, Claims & Litigation Committee. As a result of the discussion at the Coverage, Claims & Litigation Committee meeting, an RFQ was going to be drafted and brought back to the committee for review.

Gargano stated that subsequent to the Coverage, Claims & Litigation committee going in that direction, she had a discussion with Chair Velkme regarding the fact that this might be better served by the Executive Board reviewing it rather than have the Coverage, Claims & Litigation Committee handle it. Gargano commented

that this is a big issue and it might be better to have people at the Executive level looking it at especially because of the background and history that many of the Executive Board members have with IRMA. When you look at the background of the members on the Coverage, Claims & Litigation Committee, the newer members have never even had to deal with counsel by virtue of their position.

Velkme reported that she had discussed this with Bush and he is in agreement with it. Gargano added that because the Executive Board set this as one of the 2012 goals, there is some understanding of what the desired outcome will be. Bush stated that he was fine with the Executive Board handling this. Irvin asked what the scope of review would be. Bush stated that it was the intent to bring back the RFQ to the next meeting of the Coverage, Claims & Litigation Committee, but now would be brought back to the June Executive Board meeting. Bush indicated that there would be interviews, but wouldn't know this until we receive back the RFQ.

Malinowski stated that this issue came up last year and two things were brought up. First of all, how does an individual attorney get on the IRMA "approved: list?" The second is another issue of what's the philosophy of a counsel that is pre-approved before IRMA takes on the claim – does that counsel continue to work on it now that IRMA is involved.

Bush noted that Malinowski's second issue is something totally different, and he believes that there would be a conflict in that situation. Bush stated that this will be discussed at the next meeting.

Bush stated that he didn't think any changes would go into effect until next year. Burke asked whether this would be mentioned at the upcoming Board of Directors meeting. Velkme noted that it would be.

Velkme asked Gargano to either send her committee members an email or call them to inform them that this issue was now going to the Executive Board. Gargano indicated that she would do so.

Irvin asked for clarification that we would be tackling both of Malinowski's issues at the June meeting. Bush stated that both issues would be discussed.

Burke stated that with the announcement at the Board meeting, he thought some background on why this is an objective -- why it comes up year after year – would be important for the general membership to have.

Gargano noted that at the CCLC meeting, they did have a resolution to the second issue about having your own counsel carry on in the process. The determination was as long as they made it onto the IRMA approved list, they should go along. Gargano stated that she thinks we should take that as the committee's recommendation.

Garvey suggested that we bring back a summary of the Coverage, Claims & Litigation Committee meeting minutes to the Executive Board.

4. Report of November 11, 2011 Corporate Counsel Meeting

Gargano stated that summary and notes from the November 11, 2011 Corporate Counsel meeting was in the packet and encouraged everyone to read it. Garvey

commented that the corporate counsels find these meetings very helpful, and it is beneficial in gaining a better working relationship with them.

Velkme asked whether the notes were going to be included in the Board packet and suggested that maybe the summary only be included.

Velkme started that Coren had arrived and asked him to give his report.

A. MEMBERSHIP RELATIONS COMMITTEE - COREN
1. Announcement of 2012 Committee

Coren stated that the Membership Relations Committee roster was on page 16 of the packet.

2. Prospective Member Fee for Service Policy

Coren stated that this has come up with some of our recruiting efforts, particularly Oak Park who is evaluating IRMA at this point and were interested in some of the services we provide. Coren explained that we have done this for a few other communities in the past. Staff has recommended a few changes to the program. In the past we had offered a two year program duration and staff is recommending one year with a one year extension subject to the Membership Relations Committee approval.

LeTourneau explained that a few years ago this policy went through the Membership Relations Committee, but did not go through the full Board for a vote. So we are bringing it back with the suggested changes.

A motion was made by Irvin and seconded by Gargano to approve the Prospective Member Fee for Service Policy with the suggested revisions. A voice vote was taken and the motion carried.

3. City of Prospect Heights Early Withdrawal Request

Coren reported that the City of Prospect Heights has submitted a request for early withdrawal and their Delegate, Alternate and Corporate Counsel attended the Membership Relations Committee meeting. Coren noted that in the past there has been some trouble between the City and IRMA's reinsurer. The City did not like the way the reinsurer handled payment for a fire in their City Hall. Coren noted that IRMA had offered to mediate, but the City did not accept that.

Coren stated that the City does comply with early withdrawal criteria, in that their five year claims to contribution ratio exceeds 100%. Staff and the Membership Relations Committee are recommending the approval of the City of Prospect Heights request for early withdrawal, effective April 30, 2012.

Velkme asked if they had paid their premium. Vesecky stated that they have paid for four months through April 30th, plus the administrative fees that they would be charged if they left early. Vesecky stated that IRMA is charging them interest on the balance like we do for any member who has an installment plan.

A motion was made by Coren and seconded by Clark to approve the City of Prospect Heights request for early withdrawal, effective April 30, 2012. A voice vote was taken and the motion carried.

4. Term of IRMA Chair

Coren explained that this has come up through some of the past Chairs in that the one year term seems to go by very quickly. Just as you are starting to become familiar with the position, the year is up and a new Chair is elected and starts the learning process all over again. Coren noted that the Membership Relations Committee talked about this. Our bylaws already allow for a two year term. The Membership Relations Committee decided that if the Nominating Committee feels that a Chair should be nominated for a 2nd term, they should encourage that. The only negative is that if you are a Chair-Elect for two years, then a Chair for two years and then the Past Chair for two years, it is a six year commitment.

A motion was made by Coren and seconded by Burke to retain the current language in the bylaws, but encourage the nominating committee to fully promote two year terms for the Chair. A voice vote was taken and the motion carried.

5. Legislative Update

Garvey reported that staff has been working with Senator Haine and the IML. Senator Haine is very interested in resolving some of these issues. He has said that changing the definition of catastrophic injury isn't going to happen this year. It isn't our intent to not try and do it at all, but his perspective is that it won't be this year. We have provided Senator Haine with some suggestions to try and mitigate some of the costs to the membership. A couple of those include if an injured employee obtains a subsequent job, then they take the new job's insurance and are off the member's insurance, even if they lose that job. Another suggestion was to make a qualification as to the level of disability they would be entitled to PSEBA and basing that on some AMA guidelines. Garvey stated that there is a new case that just came out of the Supreme Court that really lessened the definition of emergency. One of the things that we wanted to do is to tighten up the definition of emergency. Senator Haine has introduced a vehicle bill, so we are still working with the IML and cogs to see if we can get something to Senator Haine.

Garvey reported that in regards to the eavesdropping legislation, Representative Nekritz has introduced an eavesdropping legislation that basically says that citizens can audiotape police, but has specifically said she does not want it reciprocal. Garvey stated that our lobbyist, Chuck Vaughn, is talking to other legislators to try and push our position that it should be reciprocal.

Velkme asked whether staff would be providing letters to the members on both PSEBA and the eavesdropping legislation that they can send to their legislators. Garvey stated that staff will put together letters and get them out to the membership.

6. Review 2011 Member Participation Report

Coren stated that letters will be going out to the IRMA members regarding their participation during 2011. The full report was included in the packet.

D. ADMINISTRATION & FINANCE COMMITTEE – CLARK

1. Announcement of 2012 Committee

Clark stated that the roster of the Administration & Finance Committee was on page 52 of the meeting packet.

2. GFOA Certificate of Achievement

Clark reported that IRMA has received a Certificate of Achievement for Excellence in Financial Reporting for the CAFR for fiscal year ending December 31, 2010. Clark stated that the committee reviewed the comments listed on page 55 of the packet. Vesecky noted that she will have to call regarding the first comment and the 2nd comment would be fixed.

Velkme stated that she wanted to call an Executive Session. A motion was made by Irvin and seconded by Peterson to move out of the regular meeting and into Executive Session. A voice vote was taken and the motion carried.

Upon coming back to the regular meeting following the Executive Session, the meeting agenda was resumed.

V. EXECUTIVE DIRECTOR/STAFF REPORT

Bush reported that he would be giving an overview of IRMA's claim history at the Board meeting.

VI. ADDITIONS TO AGENDA

VII. CONFIRMATION OF NEXT MEETING

Velkme reported that the next meeting of the Executive Board was scheduled for Thursday, June 7, 2012. Staff noted that the meeting was scheduled for 1:30 p.m., but the 9:30 a.m. time was now available. The consensus was to move the time of the June 7, 2012 Executive Board meeting to 9:30 a.m.

VIII. ADJOURNMENT

A motion was made by Coren and seconded by Peterson to adjourn the meeting. A voice vote was taken and the motion carried.

Submitted by:

Approved by:

Larry Bush, Executive Director

Ingrid Velkme, IRMA Chair