



**EXECUTIVE BOARD
Meeting Minutes**

**Wednesday, March 4, 2015
IRMA Office – 9:30 a.m.**

PRESENT: Drew Irvin, Chair
Ingrid Velkme
Bridget Wachtel
Eileen Donahue
Kathleen Gargano
Steve Stricker
Julia Cedillo

ALSO PRESENT: Margo Ely
Jackie Streid
Mary Henzler
Susan Garvey
Dan LeTourneau
Rita Boserup

ABSENT: David Clark
Peggy Halik

I. CALL TO ORDER

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

II. APPROVAL OF MINUTES – December 3, 2014

Irvin requested that a typo be corrected on page 4 of the minutes. A motion was made by Cedillo and seconded by Velkme to approve the amended minutes. A voice vote was called and the motion carried.

III. CHAIRS REPORT

A. Welcome to 2015 Executive Board

Chair Irvin welcomed the 2015 Executive Board, making note that Steve Stricker is one of the newest members representing the small IRMA members.

Chair Irvin asked if anyone had any questions on the welcome documents included in the meeting packet. Gargano commented that in the document "IRMA Officers Statement of Responsibility," it states that the Chair Elect shall be responsible for coordinating the strategic planning workshops in conjunction with the Chair and IRMA staff. Gargano noted that we have not held a strategic workshop in several years and thought that perhaps this statement should be taken out of the document. Ely noted that the issues that would have been discussed in a strategic workshop were now being studied by individual task forces. In further discussion, the Executive Board recommended revising pronouns to be gender neutral.

A motion was made by Gargano and seconded by Cedillo to approve the recommended revisions to the IRMA Officers Statement of Responsibility. A voice vote was called and the motion carried.

B. Task Force on Contribution Structure – Update

Ely reported that the task force has had two meetings. At the most recent meeting, the actuaries presented a lot of information targeted to the question of whether larger members subsidize smaller members. Ely stated that the answer is, no. The task force agreed with the actuarial finding and concluded that there should be no more analysis of that issue.

Ely stated that another question addressed was whether revenue is a good predictor of risk, and the answer was, yes. There will be no further analysis needed on this issue.

Ely reported that the two issues that staff is bringing back to the task force are: 1) Looking at whether we should have a pilot program that is similar to Glencoe where it provides a path for those members that should be moving to a higher deductible, including a financial plan setting reserves at a sufficient level to provide confidence to members; 2) A question with respect to achieving more accountability on workers' compensation claims. The conclusion is that workers' compensation is more predictable and controllable than general liability. We are looking at creating a new report that identifies opportunities for improvement in workers' compensation for particular members.

Ely stated that staff would be bringing back recommendations to the task force at their next meeting, and thought that we may be ready with a report for the Executive Board for their May meeting.

Ely commented that one recommendation coming out of the task force will be to eliminate the \$250,000 deductible and we will not be individually rating members moving forward.

IV. COMMITTEE REPORTS

A. MEMBERSHIP RELATIONS COMMITTEE – WACHTEL

1. Announcement of 2015 Committee

Wachtel stated that the roster for the Membership Relations Committee was in the meeting packet and the committee welcomed 3 new members.

2. 2014 Unemployment Claims Administration Summary Report

Wachtel reported that the number of unemployment claims have been decreasing since 2011, when it was at its high at about 830. We are down to 348 in 2014. The feedback on NSN continues to be positive.

3. 2015 IRMA Onsite Summer Safety Internship Program

Wachtel reported that the Membership Relations Committee discussed the 2015 IRMA Onsite Summer Safety Internship Program. We received eight applications, five of which were new member applications. There is one qualified intern for 2015. It was the recommendation of the committee that we assign the five new applications to the summer intern program for this year. IRMA staff will provide

resources for the other three members who applied, and keep their applications for consideration in 2016, as needed.

B. TRAINING & EDUCATION COMMITTEE – DONAHUE

1. Announcement of 2015 Committee

Donahue reported that the roster for the committee was in the packet and there were four new members on the committee.

2. 2015 IRMA Training Schedule

Donahue reported that the training schedule was on page 33 of the meeting packet. Donahue also noted that the date for the Education Summit has been set for October 29.

3. Annual Service Visit Plan for 2015

Donahue noted that the visits planned for 2015 begin on page 35 of the meeting packet. Donahue explained that these have not been scheduled with the communities, but IRMA contacts the communities as the time comes up. Irvin asked what drives the visits. Streid answered that some occur every so many years, such as Boiler & Machinery and Hazard Survey Visits, and the onsite visits are generated by the Risk Management Department in looking at what is needed by the member.

Irvin commented that coming out of the Task Force report, we would be looking at communities that have higher workers' compensation claims and have IRMA staff visit them and direct them to specific training. Ely stated that she feels that the training approach has been more voluntary and routine. What will probably be recommended from the Task Force is that for those members who are on a probation list due to their high workers' compensation experience over a period of years, part of the remedial plan will include specific training targeted at reducing losses.

4. Update on Grant Program

Streid stated this was informational and showed how many members applied in 2014 and how many submissions have been received in 2015. Streid pointed out that two programs for the Fire Service, the Equipment Program and Lexipol, have been added for 2016.

5. Annual Review of Police Law Institute Online Training Usage

Donahue noted that this report shows the usage of the Police Law Institute On-Line Training Program and the difference between 2013 and 2014. Streid stated that IRMA will be renewing this contract, which expires at the end of the year. This was a 5-year contract, and the Police Chiefs Steering Committee is recommending that we renew for another 5-years at the same dollar amount.

C. COVERAGE, CLAIMS & LITIGATION COMMITTEE – CEDILLO

1. Announcement of 2015 Committee

Cedillo stated that her committee welcomed four new members and the roster was on page 47 of the meeting packet.

2. Coverage Modifications

Cedillo stated that the action being requested is to approve two recommendations. One is to approve the Professional Services Exclusion in the Public Officials Liability (POL) and General Liability (GL) coverage to include additional medical professionals. The second recommendation is to modify the POL to exclude civil fines and penalties from the coverage.

Cedillo explained that in modification in Amendment #3 of the POL and Amendment #12 of the GL coverage, broadens the exclusions to apply to “nursing professionals or physician assistants ... that are licensed in Illinois.”

With regard to the Exclusion 11 of the POL, the recommendation is to broaden the language to include “other governmental authority or awarded by a Court or other administrative agency.”

Cedillo reported that the Coverage, Claims & Litigation Committee approved both recommendations with one motion at their February 5th meeting. A motion was made by Cedillo and seconded by Gargano to approve the coverage modifications as presented. A voice vote was called and the motion carried.

3. Litigation Successes

Cedillo stated that Executive Director Ely has provided highlights of recent litigation successes, which is a nice, new addition to the committee's reports.

D. ADMINISTRATION & FINANCE COMMITTEE – CLARK

In Clark's absence, Ely gave this report.

1. Announcement of 2015 Committee

Ely stated that for information, the committee's 2015 Roster is on page 57 of the meeting packet.

2. Office Lease Negotiations

Ely stated that staff has been negotiating a new lease because we thought there was an opportunity to get a lower rate. We did get a better rate and there were also a few other issues that we wanted to have addressed. One issue is ventilation in our server room and the landlord has agreed to install a ventilation system that is going to cost them about \$25,000. Another issue is that for a long time IRMA staff has felt that security at the front door is an important consideration. The landlord has agreed to put in a key pad system at the front door.

Ely reported that the negative to the lease is with respect to a new base year. Ely stated that she has never seen a lease with a full gross rent and that is what we currently have. That is because at the time of the negotiation, the building had high vacancies so the building gave us a full gross rent, which means that we have not had to contribute to operating expenses or real estate taxes. Ely stated that we think the complex is being fixed up a bit to sell, and so they are interested in renewing the leases and are not allowing anyone to have full gross rent. Our rental rate for 2015 is \$26.00 a square foot. In 2016 that rate will include whatever the operating expenses and real estate taxes are for this year. There is a chart attached to the packet memo where our broker has calculated out the increase in the square foot rate for the term of the new lease.

Another area we tried to negotiate was our free access to the conference center. We currently are able to utilize the conference center 10 days per year at no cost. The landlord has refused to allow more than 4 days per year at no cost in the new lease amendment. However, they have agreed to honor our existing provision for the term of our existing lease, through December 31, 2016.

Ely noted the landlord doesn't want to do a retro to January 1, 2015, so the lease will begin on May 1, 2015. However, they are giving us the financial reduction in the month of May 2015, which is around \$5,000.

A motion was made by Wachtel and seconded by Gargano to approve staff's recommendation to enter into the amended lease and present the lease extension at the March 18, 2015 Board of Directors meeting. A voice vote was called and the motion carried.

V. EXECUTIVE DIRECTOR STAFF REPORT

➤ AGRIP/RIMS/PRIMA Conferences for 2015

Ely explained that this was for information and noted that the AGRIP Fall Education Forum is being held in Chicago this year.

VI. EXECUTIVE SESSION

A motion was made by Wachtel and seconded by Gargano to move into Executive Session to discuss matters of review of closed session minutes from last meeting, pending litigation and the performance review of Ely pursuant to 5 ILCS 120/2(c) (21), (11), and (1), respectively. A roll call vote was taken and the motion carried.

Back in regular session, a motion was made by Velkme and seconded by Gargano to approve the Executive Session Minutes of December 3, 2014. A voice vote was called and the motion carried.

A motion was made by Gargano and seconded by Wachtel to approve staff's recommendation for settlement authority in the Rivera case. A voice vote was called and the motion carried.

VII. ADDITIONS TO AGENDA

There were no additions to the agenda.

VIII. CONFIRMATION OF NEXT MEETING

Irvin stated that the next meeting of the Executive Board is scheduled for Wednesday, May 27, 2015 at 1:30 p.m., at the IRMA office.

IX. ADJOURNMENT

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

Submitted by:

Approved by:

Margo Ely
Executive Director

Drew Irvin
IRMA Chair