



**EXECUTIVE BOARD
Meeting Minutes**

**Monday, June 10, 2013
IRMA Office
1:30 p.m.**

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

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

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 February 27, 2013 & April 2, 2013

A motion was made by Coren and seconded by Gargano to approve the Executive Board Meeting Minutes of February 27, 2013. A voice vote was called and the motion carried.

A motion was made by Irvin and seconded by Coren to approve the Executive Board Meeting Minutes of April 2, 2013. A voice vote was called and the motion carried.

B. Reports for information only, found in the Member Section of the IRMA Website

Velkme stated that the reports on the website were for information and asked if any had any questions. Hearing none, Velkme asked LeTourneau to update the Executive Board on the Membership Recruitment Report.

III. CHAIR'S REPORT - VELKME

The Chair did not have a report.

IV. COMMITTEE REPORTS

**A. MEMBERSHIP RELATIONS COMMITTEE – COREN
1. 2013 Claims to Contribution/Watchlist Report**

Coren reported that for the second year in a row, there aren't any members on the Watchlist. Members with five-year claims to contribution ratios greater than 100% decreased significantly from fifteen (15) to eight (8).

A motion was made by Irvin and seconded by Peterson to accept the 2013 Claims to Contribution/Watchlist Report. A voice vote was called and the motion carried.

2. IRMA Withdrawal Policies and Procedures

Bush stated that the Membership Relations Committee recommended approving the policies and procedures contingent upon the Governor signing the bill. However, there is really no reason to take this to a vote until after the Governor signs. In regards to an effective date, the way the bill reads, it wouldn't become law until after bylaws are changed. Theoretically, we really don't need to change bylaws for current members, since we do not have an annual renewal.

Bush noted that we will hold a discussion at the upcoming Board of Directors meeting, but will hold off on taking a vote until after the Governor signs.

3. IRMA Group Purchase of Services Program – Initial Evaluation

LeTourneau gave an overview of the draft spreadsheet outlining multiple proposals for services identified for possible pooled/group purchasing agreements. LeTourneau explained that he has looked at FMLA Administration Services, COBRA Administration Services, CDL & Non-CDL Drug Testing, Hearing Testing, and Background Checks. LeTourneau noted that in most cases, it is the top two listings under each service that may be brought in for a second interview, as needed. Recommendations will be brought back to the Membership Relations Committee. Bush added that all services would be on a pay as you use basis by the members and not become part of the IRMA rate.

4. Legislative Update

Garvey reported that the pooling legislation passed and stated that a copy of the legislation had been distributed. This is now waiting for the Governor's signature.

Garvey reported that the PSEBA legislation also passed; however, it doesn't really do much except set forth the process for collecting information to make the determination about what the actual exposure is on PSEBA. In essence, it is a delay tactic on the legislation.

Malinowski asked whether IRMA was planning on holding Conceal & Carry training and what that means to your membership. Garvey stated that staff will work on this. Palm noted that once the Governor signs the legislation, a municipality has ten days to decide whether they want to ban assault rifles. If they don't, then they can't go back later and ban them. Streid suggested that staff put something in the upcoming E-News and Bush agreed that it was a good idea.

B. TRAINING & EDUCATION COMMITTEE – PETERSON

1. Announcement of Annual Risk Management & Safety Initiative Program Awards

Peterson stated that page 36 of the packet listed the winners of the 2012 Outstanding Risk Management Performance awards and the Best Risk Management/Safety Initiative Program awards. Peterson reported that the awards would be presented at the June 26th Board of Directors meeting.

C. COVERAGE, CLAIMS & LITIGATION COMMITTEE – GARGANO

1. Guidelines for Use of Municipal Counsel

Gargano reported that the IRMA staff has prepared a policy and guidelines to provide for the use of municipal counsel. Gargano noted that this was in response to requests by several members.

Garvey added that this has come up on several occasions, especially in complex zoning and land use situations where the municipal counsel has been involved for an extended period of time and have a lot more background information. It didn't make a lot of sense to try and get IRMA's defense counsel up-to-speed, so the municipal counsel has been allowed to handle the case up to a certain point in the litigation.

In using municipal counsel for the few times we have, there have been some issues. There has been some confusion with billing, as municipal counsel bills much differently than IRMA's defense counsel. Garvey reported that staff has drafted a Use of Municipal Counsel Policy and Guidelines to ensure that decisions to use municipal counsel are consistent.

A motion was made by Peterson and seconded by Coren to approve the Use of Municipal Counsel Policy and Guidelines. A voice vote was called and the motion carried.

D. ADMINISTRATION & FINANCE COMMITTEE – CLARK

1. Actuarial Report as of 12/31/12

Clark reported that up to now the actuaries doubted whether the claim trends were real. The report shows on page 52 that the selected 2014 rate is 1.956 and reflects a decrease of 6.83% from the 2013 rate. Vesecky added that this is the rate for the loss fund.

A motion was made by Gargano and seconded by Irvin to accept the 12/31/12 Actuarial Report. A voice vote was called and the motion carried.

2. 2012 Audited Financial Report

Clark reported that Mark Tomaw of McGladrey had presented this report this morning at the Administration & Finance Committee meeting. Clark reported that assets grew by \$1.5 million. There was only one minor deficiency which had to do with a routine wire transfer that wasn't reported to the Administration & Finance Committee. Overall, the auditor gave IRMA a clean opinion.

A motion was made by Irvin and seconded by Malinowski to approve the 2012 Audited Financial Report. A voice vote was called and the motion carried.

3. Financial Auditor Contract Extension

Clark reported that our current auditor, McGladrey has submitted a proposal to continue to perform IRMA's audit through the 2014 financial statements. They are

proposing to complete the work at no increase and have capped their out-of-pocket expenses at \$3,000.

A motion was made by Irvin and seconded by Peterson to approve the McGladrey contract extension for the 2013 and 2014 year. A voice vote was called and the motion carried.

4. IRMA Personnel Handbook – Part-Time Employee Vacation

Clark stated that this is a correction to the IRMA Personnel Handbook to establish a ratio for the accrual of vacation time for part-time employees instead of having them on par with the full-time employees. Accrual will be based on the actual hours worked by the part-time employee. A motion was made by Coren and seconded by Irvin to approve the change to Part-Time Employee Vacation in the IRMA Personnel Handbook. A voice vote was called and the motion carried.

5. 2013 Potential Interest Income Credit

Clark stated that in looking at the current formula and the 2008 deficit, this would not be a year where we would be issuing an Interest Income Credit. However, the following year (2009) there will be a transfer of almost \$20 million into the Members' Reserve, which will be available for an Interest Income Credit. Rather than go two years without a credit and then issue a very large credit in 2015, staff is recommending and the Administration & Finance Committee approved these extenuating circumstances of providing an Interest Income Credit in 2013. Vesecky added that we don't have an exact number, but this can be determined in the fall once we have a better idea of what the loss fund will be and the investment income for the year.

6. Revenue Base Deductions – Outsourced Functions

Clark reported that there are a couple of recommendations that came out of the Outsourced Functions survey. Staff is proposing that deductions be permitted in certain circumstances: 1) Allow for deduction of garbage fees paid to an independent contractor regardless of how those fees are collected; and 2) Allow for deduction of other outsourced functions that meet certain conditions. Clark stated that the revised bylaw will be brought to the October Executive Board and Board of Directors meetings for a vote.

Irvin asked whether staff will put together a paper that will show what will change for IRMA if recommendations are accepted. Bush stated that he plans to do this. His plan was to have discussion at the October Board of Directors meeting and take a vote at the December meeting.

V. EXECUTIVE DIRECTOR/STAFF REPORT

There was no report.

VI. EXECUTIVE SESSION

A motion was made by Irvin and seconded by Peterson to move into Executive Session. A voice vote was called and the motion carried.

A motion was made by Peterson and seconded by Irvin to move back into the regular meeting session. 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

Velkme announced that the next meeting of the Executive Board would be October 10, 2013 at 9:30 a.m. at the IRMA office.

IX. ADJOURNMENT

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

Submitted by:

Approved by:

Larry Bush, Executive Director

Ingrid Velkme, Chair