



**BOARD OF DIRECTORS
Meeting Minutes**

***Monday, October 16, 2017
NIU Naperville
12:30 p.m.***

I. CALL TO ORDER

Chair Gargano called the meeting to order at 12:30 p.m. Ely called the roll and a quorum was declared.

II. CONSENT AGENDA

A motion was made by Irvin and seconded by Clark to approve the consent agenda of October 16, 2017. A voice vote was called and the motion carried.

EXECUTIVE DIRECTOR/STAFF REPORT

Ely welcomed both Lisa Leban, Senior Administrative Assistant and Gilma Nunez, Subrogation adjuster to IRMA.

III. CHAIR'S REPORT

A. Changes in IRMA Delegates/Alternates

Gargano welcomed the following new Delegates/Alternates:

Doug Pollock, Delegate – Burr Ridge
Evan Walter, Alternate – Burr Ridge
Tia Messino, Alternate – Carol Stream
Lisa Klemm, Alternate – Darien
Kay Argo, Delegate – Lemont
Patrick Carr, Delegate – Tinley Park
Denise Maiolo, Alternate – Tinley Park
Ellen Baer, Delegate – Western Springs

B. Announcement of Formation of Nominating Committee for 2018 Officers

Irvin stated that if anyone is interested in serving on the Nominating Committee or participating on a committee they should let him know or contact him if they have any questions.

IV. ACTION ITEMS

A. Approval of Minutes of June 21, 2017

A motion was made by Clark and seconded by Wachtel to approve the Board of Directors meeting minutes of June 21, 2017. A voice vote was called and the motion carried.

B. Revision to Exposure Base

Gargano stated that the Executive Board reviewed this after every standing committee discussed the item and agreed with the recommendation. This is an issue that Ely has brought forward based on communications that she has been having in member recruitment and retention efforts. Ely gave an overview to the board and mentioned this is an opportunity to look at the exposure base in order to enhance recruitment and retention efforts. After some discussion, a motion was made by Clark and seconded by Irvin to authorize the Executive Director to appoint an Ad Hoc Committee to explore options to change the “denominator” in the IRMA contribution formula. The motion carried.

C. Revised Reserving Practices – Withdrawn Members

Ely gave an overview of the revisions to the reserve fund policy for withdrawn members to the board. After some discussion, a motion was made by Clark and seconded by Wachtel to revise the Reserve Fund Policy to assure that claim costs are recouped from withdrawn members in the same manner as it is through the experience modifier for current members. The motion carried.

D. Approve New Investment Managers – Parametric and Neuberger Berman

Frances mentioned there are two new investment managers recommended, will take effect in January/February 2018. AFC met with both investment managers and after some discussion, the committee voted to split the investment between both investment managers. A motion was made by Irvin and seconded by Wachtel to approve investment managers Parametric’s Defensive Equity and Neuberger Berman’s U.S. Equity Index PutWrite Strategy. The motion carried.

E. Financial Auditor Recommendation

Frances reported that AFC received thirteen proposals, compared to two (2) proposals that were submitted during the 2008 audit RFP process. A committee was formed - Frances thanked both members and Finance Director Rita Boserup for their assistance. The committee and the AFC recommend Plante Moran be retained as the new IRMA auditor. A motion was made by Frances and seconded by Clark to approve the audit contract for Plante Moran. The motion carried.

F. Proposed 2018 Training Programs

Robbins mentioned that the training committee has decided to continue with the grants we currently have, and also offer new grants and pooled services to help members build their safety programs. Swahlstedt gave a presentation on the new training and grant programs being offered for 2018. A motion was made by Wachtel and seconded by Frances to approve the Proposed 2018 Training Programs. The motion carried.

G. Property Appraisal Report – Contract Extension

Cedillo mentioned the property appraisal contract with Marshall & Stevens is coming to an end and staff has reviewed its options for the continuation of this service to IRMA members. Staff looked to alternate providers and discovered that a new provider of this service would come at a considerably higher cost. Staff identified a way to lower Marshall & Stevens cost for the continuation of their services through an ongoing audit of current valuations. Cedillo gave an overview of the 2018-2022 contract pricing to the board. The action requested is to approve the five-year property appraisal contract extension with Marshall & Stevens at current contract terms for 2018-2022. A motion was made by Irvin and seconded by Wachtel. The motion carried.

H. 2018 Coverage Renewal

Cedillo mentioned the action being requested is to approve the attached proposed 2018 Excess/Reinsurance Coverage Renewal, effective November 1, 2017. Staff put together a comprehensive memo outlining the coverages. Overall, staff was able to obtain favorable rates in each of the areas. The renewal includes: an increase in liability limits to \$12 million for all members and optional liability coverage up to \$15 million, if so chosen by the member. Cedillo asked if there were any questions. Hearing none the action being requested is to approve the renewal for the upcoming year. A motion was made by Clark and seconded by Halik. The motion carried.

I. Additional Staffing – Accounting Assistant Position

Ely mentioned this was a request for the Finance Department for a new accounting assistant. Boserup gave the board background on the everyday duties in the department and the need for an assistant. A motion was made by Clark and seconded by Frances to concur with staff's recommendation to create one new full-time accounting assistant position, based on increased workload in the finance area. The motion carried.

J. 2018 Personnel Report

Frances mentioned we just approved the accounting assistant position with a salary range of \$40,000-\$56,000. The ranges are on page 77 and with a 3% merit increase and 2% adjustment to ranges for 2018. These ranges have been incorporated as part of the budget, which is the next item. A motion was made by Frances and seconded by Irvin to approve the staffing levels and the personnel report for 2018. The motion carried.

K. 2018 Preliminary Budget

Gargano mentioned the 2018 Preliminary Budget can be found on page 79 of the packet and that most of the items have been approved previously. The budget has increased by \$397,636, but we are planning to have a flat contribution rate. There are other expenses that have gone up significantly, one of which is the IMRF contribution due to recent staff retirements. One other item is the increased coverage to \$12 million. A motion was made by Clark and seconded by Irvin to approve the 2018 Preliminary Budget. The motion carried.

V. EXECUTIVE SESSION

A motion was made by Irvin and seconded by Clark to approve the Executive Session Meeting Minutes of June 21, 2017. The motion carried.

VI. ADDITIONS TO AGENDA

None

VII. CONFIRMATION OF NEXT MEETING

Wednesday, December 13, 2017 @ 9:30 a.m.
Westbrook Corporate Conference Center

VIII. ADJOURNMENT

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

Submitted by:

Approved by:

Margo Ely
Executive Director

Kathleen Gargano
IRMA Chair