



ADMINISTRATION & FINANCE COMMITTEE
Meeting Minutes

February 19, 2020
IRMA Office
9:30 a.m.

PRESENT: Eric Helm, Chair
Elizabeth Holleb (Via Phone)
Al Stonitsch
Scott Bordui
Shane Johnson, Vice Chair
Tom Kuehne
Carrie Dittman
Heather McGovern

ALSO PRESENT: Margo Ely
Lisa Leban
Brian Goding
Rita Boserup
Telly Panousis

ABSENT: Jack Knight
Bettina O'Connell

I. CALL TO ORDER

Chair Helm called the meeting to order at 9:30 a.m., roll was taken and a quorum declared. Since there were some new people on the committee, Helm asked everyone to introduce themselves.

II. APPROVAL OF MINUTES: November 14, 2019

A motion was made by Kuehne and seconded by Stonitsch to approve the Administration and Finance Committee Minutes of November 14, 2019. A voice vote was called and the motion carried.

III. APPOINTMENT OF VICE CHAIR

A motion was made by Kuehne and seconded by Dittman to appoint Shane Johnson as the Vice Chair. The motion carried.

IV. WELCOME TO THE 2020 ADMINISTRATION & FINANCE COMMITTEE

Helm commented there are various items that are linked to the website. Kuehne made note to particularly look at the Contingency Fund Policy and Procedure, since this comes up every year. Ely commented this was approved last year and was created by this committee and gave an overview of the policy with some discussion.

V. FINANCIAL REPORTS

Boserup gave an overview of the reports to the committee. A motion was made by Johnson and seconded by Dittman to approve the Financial Reports. The motion carried.

VI. 4TH QUARTER INVESTMENT PERFORMANCE REPORT

Goding gave an overview of the 4th Quarter Investment Performance Report to the committee.

Goding went over the recommended amounts of the Asset Allocation spreadsheet to the committee. A motion was made by Kuehne and seconded by McGovern to approve the allocation of \$4,000,000. The motion carried.

VII. ADMINISTRATION & FINANCE COMMITTEE OBJECTIVES

Boserup gave an update on items 3 & 4 of the 2019 Objectives Accomplishments. and an overview of the 2020 Goals & Objectives. After some discussion, it was recommended to add a goal #4 for 2020 to oversee and assist in the recruitment of the new Finance Director. A motion was made by Stonitsch and seconded by Dittman to approve both the 2019 Goals and Objectives Accomplishments and the 2020 Goals and Objectives. The motion carried.

VIII. REVISIONS TO PERSONNEL HANDBOOK

Ely gave an overview of the changes in the personnel handbook. There was much discussion on parental leave raising questions such as whether a grandparent who takes guardianship of a grandchild would qualify for this paid leave benefit, whether we can legally impose a claw back provision requiring the employee to stay with IRMA for a year thereafter, whether there really are costs for this benefit, whether IRMA would need to hire an outside person to assist for absences, what would happen if there were multiple people on paid parental leave, whether the benefit should be the same for fathers and adoptive mothers, whether government entities should provide this benefit at this time or wait. Staff will gather any government policies that provide parental leave and get a legal opinion on the claw back issue. In addition, make revisions that define eligible employees, mandate that FMLA runs concurrently with the leave, and provide a claw back provision. A motion was made by Dittman and seconded by Kuehne to approve the revisions to the personnel handbook removing item 3.b. Paid Parental Leave. The motion carried.

IX. NEW IT POSITION

Ely reported last year the AFC and the full membership approved the 2020 budget in addition of \$150,000 for IT functions. Heidi Voorhees from GovHR met with our Finance Department and gave us a report that recommends that we have an IT position as well as a Finance Director. Currently, we have no staff with any IT background or experience. We are looking to expand our data analytics and to have this data to help our members reduce their claims. We are recommending to having this position added to staff. A suggestion was to have an RFP for the IT systems management contract in 2021. Ely reported that staff will bring back to the next meeting a memo in response to the concerns raised regarding the Finance Director job position. After much discussion, a motion was made by Stonitsch and seconded by Kuehne to approve staff's recommendation. Bordui abstained and would like to review all the job descriptions. The motion carried.

X. POTENTIAL REVISION TO CONTRACT & BYLAWS AND MEMBER RESERVE FUND POLICY AND PROCEDURE FOR WITHDRAWN MEMBERS – DISCUSSION

Ely reported that the membership directed a few years ago that member recruitment should be a high priority and prior to that time, recruitment efforts depended on who called us or if members have referred them to us. We have found, when I visit the withdrawn members, they ask why you are still holding our money. We send them a letter every year that says how much we are still holding. We must keep a reserve for every claim year that's open. Ely referred to page 132 of the packet and gave an example of Bloomingdale FPD that left in 2000 and we are keeping their money 20 years later because there is one claim year from 1998. Boserup mentioned that the remaining Bloomingdale FPD membership year closed in 2019 and Bloomingdale FPD will get their full reserves back in June after the audit. Boserup gave an overview of each of the options included in the memo. For discussion, we are proposing that some membership years be "conditionally closed", which would be years where there is either no claim activity, the remaining claim

is in excess recovery, or the claim is in subrogation. Those conditionally closed years would not be allocated investment income or losses to prevent the balances from being reduced. IRMA is looking at an alternative to the current flat 25% reserve holdback one size fits all. Another point is whether the \$3M withdrawn member reserve balance should be held in a conservative investment fund to prevent loss of principal. The ideas were discussed by the committee and staff will bring this back to the next committee meeting.

XI. CLAIMS AUDIT DEDUCTIBLE COMMENT (INFORMATIONAL ONLY)

Boserup reported staff does a claims audit every 3 years. The results were brought to the CCLC. The CCLC suggested that the AFC look at the one comment regarding deductibles. Boserup wrote up an analysis recommending that this suggestion not be implemented as it is not workable for IRMA.

XII. ADDITIONS TO AGENDA

None

XIII. CONFIRMATION OF NEXT MEETING

Helm announced that the next meeting of the Administration & Finance Committee would be held on Wednesday, May 27, 2020 at 9:30 a.m. at the IRMA office.

XIV. ADJOURNMENT

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

Submitted by:

Approved by:

Rita Boserup
Director of Financial Services & Administration

Eric Helm
Chair, Administration & Finance Committee