



ADMINISTRATION & FINANCE COMMITTEE
Meeting Minutes

May 24, 2017
IRMA Office
9:30 a.m.

PRESENT: Jessica Frances, Chair
Darrell Langlois
Jason Bielawski
Barry Krumstok
Eric Helm
Lynn McCammon
Brad Bettenhausen
Larry Noller

ALSO PRESENT: Margo Ely
Donna Sluis
Brian Goding
Rita Boserup
Telly Panousis

ABSENT: Doug Haywood
Elizabeth Holleb

I. CALL TO ORDER

Chair Frances called the meeting to order, roll was taken and a quorum declared.

II. APPROVAL OF MINUTES: February 16, 2017

A motion was made by Krumstok and seconded by McCammon to approve the Administration and Finance Committee Minutes of February 16, 2017. A voice vote was called and the motion carried.

III. FINANCIAL REPORTS

- A. IRMA Financial Statements as of as of December 31, 2016
- B. IRMA Investment Portfolio as of December 31, 2016
- C. IRMA Payables for the period November 1, 2016 – December 31, 2016

Frances asked if there were any questions on any of the financial reports. Hearing none, a motion was made by Helm and seconded by Noller to approve the Financial Reports.

IV. ACTUARIAL REPORT AS OF 12/31/16

Boserup discussed that the Actuaries analyze claims twice a year and suggest a final loss fund rate in the fall. A motion was made by Krumstok and seconded by McCammon to accept the Actuarial Report. The motion carried.

V. 2016 AUDITED FINANCIAL REPORT – FISCHER

Fischer discussed GASB 72 and how it affects the disclosure for investments. Fischer also commented on looking into changing how IRMA calculates the unallocated loss adjustment expense (ULAE) in the future. A motion was made by Krumstok and seconded by Bielawski to accept the 2016 audited financial report. The motion carried.

VI. FIRST QUARTER INVESTMENT PERFORMANCE REPORT – GODING

Goding began with an overview of the U.S economy leading into the breakdown of different markets. Goding stated that fixed income has been showing low rates of return while equities are showing stronger returns. In the S&P 500, energy and telecom showed the lowest returns in the quarter with the remaining nine sectors showing

positive returns in the quarter. Goding then discussed IRMA's investment portfolio. Ending March 31, 2017 IRMA's Market Value is \$201,173,379 with a total fund composite of 4.1% in quarter one. Goding suggested that Crescent Bank Loans will be monitored due underperformance.

VII. OPTIONAL DEDUCTIBLE CREDIT RESERVE FUND POLICY AND PROCEDURE

A motion was made by Krumstok and seconded by Helm to accept the optional deductible credit reserve policy and procedure. The motion carried.

VIII. ARREST, PROSECUTION, CONVICTION CONTINGENCY RESERVE LOAN FUND POLICY AND PROCEDURE

A motion was made by Krumstok and seconded by McCammon to accept the APC fund policy. The motion carried.

IX. REVISED ZONING DEDUCTIBLE

Ely gave a brief explanation of the current policy and the changes to be implemented. A motion was made by Helm and seconded by McCammon to revise the zoning deductible policy. The motion carried.

X. STAFFING REVISION FOR A FULL TIME SUBROGATION ADJUSTER

Ely discussed the combination of a part time subro adjuster that will be combined with a part time claims processor for a full time position. A motion was made by Krumstok and seconded by Helm to approve the staffing revision for a full time subrogation adjuster. The motion carried.

XI. BYLAW AMENDMENT CLARIFYING BOARD AUTHORITY REGARDING STAFFING

A motion was made by Helm and seconded by Langlois to approve the Bylaw Amendment Clarifying Board Authority Regarding Staffing. The motion carried.

XII. PREDICTIVE MODELING PROPSOAL

The Predictive Modeling will be presented by Milliman at the June Board Meeting. Ely stated that IRMA will be the first pool to use this model according to Milliman. A motion was made by Krumstok and seconded by Helm to approve the Predictive Modeling Proposal. The motion carried.

XIII. POTENTIAL INTEREST INCOME CREDIT FOR 2017

Boserup stated that the maximum interest income credit for 2017 could be \$15,837,579. A firm number will be available at the end of the year. No action is required.

XIV. SEGREGATION OF DUTIES

No action required.

XV. ISSUE RFP FOR AUDITOR SELECTION

An RFP will be sent out June 1st for audit services with a deadline of July 17th. Volunteers to review proposals are Lynn McCammon and Darrell Langlois.

XI. ADDITION TO AGENDA

None

XII. EXECUTIVE SESSION

A motion was made by Krumstok and seconded by McCammon to move into Executive session for the purpose of discussing matters of: review pending litigation and personnel pursuant to 5 ILCS 120/2(c) (11) and (1) respectively. A roll call vote was called and the motion carried.

XIII. CONFIRMATION OF NEXT MEETING

Frances announced that the next meeting of the Administration & Finance Committee would be held on Wednesday, September 14, 2017 at 9:30 a.m. at the IRMA office.

XIV. ADJOURNMENT

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

Submitted by:

Approved by:

Rita Boserup
Director of Financial Services & Administration

Jessica Frances
Chair, Administration & Finance Committee