

**EXECUTIVE BOARD
Committee Meeting Minutes****Wednesday, June 1, 2017
IRMA Office
9:30 a.m.**

PRESENT: Kathleen Gargano, Chair
Jessica Frances
Julia Cedillo
Steve Stricker

Drew Irvin
Bridget Wachtel
Eileen Donahue

**ALSO
PRESENT:** Margo Ely
Dan LeTourneau
Donna Sluis
Jennifer Swahlstedt

Susan Garvey
Rita Boserup
Keena Marks-Cutler

ABSENT: David Clark
Peggy Halik

I. CALL TO ORDER

Chair Gargano called the meeting to order at 9:35 a.m. Roll was taken and a quorum declared.

II. APPROVAL OF MINUTES**A. Meeting Minutes of March 1, 2017**

Gargano asked if anyone had any comments/questions on the minutes. Hearing none, a motion was made by Irvin and seconded by Frances to approve the March 1, 2017 meeting minutes. A voice vote was called and the motion carried.

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

<http://www.irmarisk.org/Publications/IRMA-Reports.aspx>

- IRMA Financial Statements
- IRMA Investment Portfolios
- IRMA Payables
- 4th Quarter Investment Performance Report
- Membership Recruitment Report
- Claims Operational Report
- Risk Management Services Report
- Quarterly Member Participation Report

Gargano asked if anyone had any comments or questions regarding the reports on the website. There were none.

III. CHAIR'S REPORT - GARGANO

Gargano complimented IRMA staff on Village of Arlington Heights and it is a wonderful accomplishment for all of you and for IRMA.

IV. COMMITTEE REPORTS

A. MEMBERSHIP RELATIONS COMMITTEE – WACHTEL

1. **Review of 2017 Claims to Contribution Report**
Wachtel stated on page 6 is the Claims to Contribution Report. This report compares a member's actual total incurred claims experience with their loss fund contributions for each individual year, along with a five-year summary claims to contribution ratio. There are a handful of members that will be receiving advisory letters, including Olympia Fields, West Dundee, West Chicago Fire Protection District, Indian Head Park, Park Forest and Clarendon Hills. At the committee level, we discussed making phone calls along with the letters and having some conversation with the members. Overall observations and conclusions starting on page 13, members' overall five-year claims experience to IRMA loss fund contribution decreased from 62.90% for 2015 to 61.47% for 2016. Members with five-year claims to contribution ratios greater than 100% increased from 9 in 2015 to 11 in 2016. The pool did experience a small decrease in the overall five-year claims to loss fund contribution ratio. All four (4) Worker's Compensation Focus Program members will continue in their second year in the program as of April 1, 2017. There was some discussion on those that are receiving advisory letters and the trends. A motion was made by Wachtel and seconded by Gargano to approve the 2017 Claims to Contribution Report. The motion carried.
2. **2016 Member Participation Report**
Wachtel reported that the participation report starts on page 15. This is an annual report that categorizes the members into 3 different categories. At our May meeting, the Committee asked staff to research some positive incentive for increased participation. For the time being, everyone will receive their letter stating their level of participation. Gargano asked when was the last time we looked at the member participation concept and how we give points and what qualifies. It is easier for staff who work in larger organizations to get away and attend meetings. It seems the expectations need to be modified to the current work life. Irvin commented that it sounds like we need to build on the next generation for future Risk Managers for the next 2 decades and looking at the value associated with levels of participation. Staff will look at this and bring it back to the Membership Relations Committee. After much discussion on increasing participation, a motion was made by Wachtel and seconded by Irvin to approve the 2016 Member Participation Report. The motion carried.
3. **Consideration of Microsite for Member Recruitment Efforts**
Wachtel reported that Words and Pictures did a presentation to the committee on the Microsite to be part of our marketing efforts. As part of the 2017 budget the Membership Relations Committee had approved \$9,000 for

recruitment expenditures. To date we have spent about \$13,000 primarily on the Arlington Heights recruitment. However, based on our recent decision on the Annual Education Summit reducing it to a half day, staff has identified that approximately \$10,000 is available for this project. The representative from Word and Pictures also proposed a comprehensive website re-design. However, the MRC directed staff to conduct a RPP process for the website re-design.

4. 2017/2018 IRMA Marketing Plan – Follow-Up
Wachtel reported that this was for information only. The next marketing effort is to target the HELP pool members that are listed in the memo over the next year. IRMA staff will be attending more conferences and will be attending the 2017 ILCMA Summer Conference in Galena.
5. Taser Study Opportunity
Wachtel reported that LeTourneau has been working with Axon to secure a no cost Taser Study for the Carol Stream Police Department in which Carol Stream is one of our Workers' Compensation Focus Program member with high frequency and severity of police officer injuries in combative encounters with arrestees. Axon will provide them with Tasers and the necessary training, and an academic professional to conduct the study over a 2-year period. There was much discussion on the Workers' Compensation Focus Program meeting where this topic was discussed. Letourneau. Their police chief is considering the study offer and potential benefits.
6. Workers' Compensation Focus Program – 1st Quarter 2017
Wachtel gave a brief overview of each of the Workers' Compensation Focus Program members starting on Page 24 of the packet. The committee recommended that all focus group members be offered a 100% Lexipol Grant for Police and/or Fire policy manual development.
7. 2017 IRMA Onsite Summer Safety Internship Program
Wachtel mentioned that on page 27 is the report of the summer safety program, showing the communities that had requested an intern.

B. ADMINISTRATION & FINANCE COMMITTEE – FRANCES

1. Actuarial Report – 12/31/16
Frances reported that we are potentially looking at 1.71% increase for next year, which is a preliminary estimate. A motion was made by Irvin and seconded by Gargano to approve the Actuarial Report. The motion carried.
2. 2016 Audited Financial Report
Frances reported the committee met with the auditor and discussed the financials as they are currently presented. A motion was made by Irvin and seconded by Wachtel to approve the 2016 Audited Financial Statements. The motion carried.
3. Optional Deductible Credit Reserve Fund Policy and Procedure
Frances reported that last year, staff recommended a new procedure whereby members have the option to deposit some of their optional deductible credit into

a separate fund earning investment interest. The attached policy reflects this new procedure. A motion was made by Frances and seconded by Cedillo to approve the Optional Deductible Reserve Fund policy and Procedure. The motion carried.

4. Arrest, Prosecution, and Conviction Contingency Reserve Loan Fund Policy and Procedure

Frances reported the Board agreed to create this fund for false conviction cases spanning a number of years where a claim year is not always clear. The attached policy reflects this new fund. Irvin asked how this is considered when new members come into the pool? Rita commented that it is a journal entry from the members' reserve. Since it's being paid back to a particular year when the case is resolved, it's not allocated to specific members. Ely commented it's not a real financial impact to the pool because it's simply a loan. It's a loan that was taken out of the interest income credit last year. After much discussion, a motion was made by Frances and seconded by Irvin to approve the Arrest, Prosecution and Conviction Contingency Fund Policy and Procedure. The motion carried.

5. Staffing Revision for a Full Time Subrogation Adjuster

Frances reported that the AFC approved staff's recommendation to hire a full time subrogation adjuster and eliminate a part-time position, keeping overall staffing flat. The next agenda item gives Ely greater flexibility to hire within budget and staffing levels. A motion was made by Frances and seconded by Cedillo to approve the Staffing Revision for a Full Time Subrogation Adjuster. The motion carried.

6. Bylaw Amendment Clarifying Board Authority Regarding Staffing

Frances reported this is the bylaw amendment clarifying the board authority regarding staffing. You will notice the change within it is the salary ranges and staffing levels through the annual budget approval. Ely had required some clarification with regards to how it was previously drafted whether she had the authority to hire someone at a higher range based on their qualifications. A motion was made by Frances and seconded by Irvin to approve the bylaw amendment adding in the language salary ranges and staffing level through the budget. The motion carried.

7. Predictive Modeling Project

Frances reported the committee wanted to make sure the data the CCLC is receiving is valuable to them then we would like to move forward. Based on the proposal they provided, it should be noted that they gave us essentially a \$20,000 credit for the first year based on the work they are doing. Based on the feedback from that committee, we decided that we wanted to move forward with the 3-year commitment. Ely commented Milliman will be at the Board meeting in June to give a presentation. After much discussion, a motion was made by Frances and seconded by Cedillo to approve the Predictive Modeling Project. The motion carried.

8. Segregation of Duties

Frances reported this was for information only. The segregation of duties needed to be updated. It was discussed with the committee and no additional comments or changes were recommended.

9. Issue RFP for Auditor Selection

Frances thanked Langlois and McCammon for volunteering to be on the panel to review the proposals. There were some discussions at the AFC level to what type of auditor to target and will be looking at who we were sending the proposals out to.

10. Potential Interest Income Credit

Frances reported right now we are looking at \$4,201,715 million. Once again it is preliminary. However, there is still some additional review and it could be subject to change.

C. TRAINING & EDUCATION COMMITTEE – DONAHUE

1. 4th Educational Summit

Donahue reported that the annual summit is being held on October 16th. The committee did discuss some of the suggested changes and concurred to make it a half day and workshop based and eliminate the keynote speaker. Swahlstedt mentioned that the memo outlines the topics recommended.

2. Early Intervention Program Update

Swahlstedt gave an overview of the Early Intervention Program to the committee to provide feedback to further improve and expand training and risk prevention services. Wachtel mentioned this would be great topics for the Board meetings or for special presentations.

D. COVERAGE, CLAIMS & LITIGATION COMMITTEE – CEDILLO

1. Coverage Amendment – Village of Arlington Heights

Cedillo reported this item is to approve a coverage amendment for Arlington Heights. The amendment itself provides self-insured retention of \$2 million from June 1, 2017 to May 1, 2018 until Arlington Heights coverage under HELP expires. The first layer is \$2 million and would be covered under this revision change. HELP will provide coverage from \$2 - \$12 million and IRMA will then again take coverage from \$12-\$15 million. IRMA's pool SIR is currently at \$3 million, a coverage amendment is necessary to specify the lesser amount. A motion was made by Irvin and seconded by Frances to approve the coverage amendment for the Village of Arlington Heights. The motion carried.

2. Revision to Zoning Deductible

Cedillo reported this is to approve the modification in the zoning deductible and coverage document to provide for the stacking of the zoning deductible on top of the chosen deductible amount by the member. Cedillo gave an overview of the deductible to the committee. After much discussion, a motion was made by Stricker and seconded by Frances to approve the modification to the zoning deductible in the coverage document that would allow for the stacking of the zoning deductible on top of the member chosen deductible. The motion carried.

EXECUTIVE DIRECTOR/STAFF REPORT

V. EXECUTIVE SESSION

Redmond v. Village of Hillside, et.al.

The Board authorized settlement of this case for up to \$1.5 million.

Lopez v. Carpentersville

The Board authorized settlement of the case for up to \$3.5 million.

VI. ADDITIONS TO AGENDA

There were no additions to the agenda.

VII. CONFIRMATION OF NEXT MEETING

Gargano stated the next scheduled Executive Board meeting is Thursday, September 27, 2017 at 9:30 a.m. at the IRMA office.

VIII. ADJOURNMENT

A motion was made by Irvin and seconded by Frances 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