

**EXECUTIVE BOARD
Committee Meeting Minutes**

Wednesday, November 29, 2017

IRMA Office

9:30 a.m.

PRESENT: Kathleen Gargano, Chair
Drew Irvin
Bridget Wachtel
Julia Cedillo
Lisa Scheiner

David Clark
Jessica Frances
Peggy Halik
Michelle Robbins

ALSO PRESENT: Margo Ely
Dan LeTourneau
Lisa Leban
Jennifer Swahlstedt

Susan Garvey
Rita Boserup
Keena Marks-Cutler
Michael Metzger

ABSENT: None

I. CALL TO ORDER

Chair Gargano called the meeting to order at 9:30 a.m. Roll was taken, and a quorum declared.

II. APPROVAL OF MINUTES

A. Meeting Minutes of September 27, 2017

Gargano asked if anyone had any comments/questions on the minutes. Hearing none, a motion was made by Halik and seconded by Frances to approve the September 27, 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
- 3rd Quarter Investment Performance Report
- Membership Recruitment Report
- Claims Operational Report
- Risk Management Services Report

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

III. CHAIR'S REPORT - GARGANO

Nominating Committee Report – Slate of Candidates for 2018 Officers - (Chair – Irvin)

Gargano mentioned that Irvin spent a lot of time along with Clark identifying people to serve. A motion was made by Wachtel and seconded by Cedillo to approve the 2018 Officers. The motion carried.

IV. COMMITTEE REPORTS

A. MEMBERSHIP RELATIONS COMMITTEE – WACHTEL

1. Workers' Compensation Focus Program – 3rd Quarter Reports
Wachtel gave an overview of the four (4) members in the program to the committee.
2. Village of Westchester Removal from WC Focus Program
Wachtel reported that based on their notice of withdrawal, we are recommending that they be removed from the Workers' Compensation Focus Program and that IRMA staff will identify a new member to replace Westchester, so staff can focus on another member who can benefit from the services. The Membership Relations Committee concurred with the recommendation. A motion was made by Clark and seconded by Cedillo to concur with Staff's recommendation to remove the Village of Westchester from the Workers' Compensation Focus Program effective 1/1/18. The motion carried.
3. Village of Lincolnshire Membership Application
Wachtel gave an overview of the Village of Lincolnshire's application for IRMA membership. If Lincolnshire was to come into IRMA, staff will need to make some adjustments to their coverage based on their participation in HELP. Staff's recommendation is to offer the Village of Lincolnshire membership in IRMA effective January 1, 2018 or later with flexibility provided to staff to make the necessary standard proposal adjustments based on actuarial calculations for tail coverage, prorations and credits for existing insurance coverage. It does appear that Lincolnshire got better pricing from the private insurance market. The Membership Relations Committee approved Lincolnshire for IRMA membership and IRMA staff has asked for us to carry that through to the Board of Directors. LeTourneau gave an update on the insurance quote Lincolnshire received. Lincolnshire will have a final agenda item at one of their meetings in December. After much discussion, a motion was made by Wachtel and seconded by Cedillo to concur with staff's recommendation. The motion carried.
4. Village of Mount Prospect Membership Application
Wachtel gave an overview on the Village of Mount Prospect's membership application. The Membership Relations Committee concurred with staff's recommendation to offer Mount Prospect IRMA membership effective January 1, 2018 with a similar flexibility that was mentioned in the Lincolnshire conversation. Ely commented that staff gave them a final quote last week with the tail and the HELP credit and they have not yet responded. After some discussion, a motion was made by Wachtel and seconded by Irvin

to approve the Village of Mount Prospect's Membership Application as presented. The motion carried.

5. West Central Consolidated Communications Membership Application
Wachtel stated this a dispatch center that is being formed by the Village of Riverside, Village of Brookfield, both of whom are IRMA members and the Village of North Riverside, who is not an IRMA member. The two sponsoring IRMA members have requested that the dispatch agency apply for membership in IRMA. Wachtel gave an overview of the membership application. The Membership Relations Committee approved membership as presented. After discussion, a motion was made by Irvin and seconded by Clark to concur with staff's recommendation to offer IRMA Membership to West Central Consolidated Communications effective January 1, 2018 or upon WCCC inception currently planned for February 27, 2018. Frances abstained. The motion carried.
6. Proposed Enhancements of IRMA's Long-Term Growth Plan
Wachtel stated that reviewing the membership growth policy statement is a 2017 MRC goal. The most recent IRMA member survey showed that membership supports the need for ongoing growth of the pool to remain a healthy, viable organization. With limited new member growth over the last few years, IRMA has begun to take a more assertive and proactive approach to marketing the Pool to prospective members who have a good loss history and promote risk management practices within their entities. As we know, we have been targeting not only the HELP communities, but we seem to be attracting more of these special districts, most notably public safety dispatch centers that overall need limited coverage and provide an overall low risk to the organization. The proposed changes to the policy fall in line with what we will call smart growth, where we are moving away from the passive recruitment and toward a proactive marketing strategy that includes direct solicitation of certain prospective members. The Membership Relations Committee approved the changes. Clark asked what the process would be to identify strong potential members? Ely commented that LeTourneau puts together a list for the MRC of who we are currently marketing and has updates on the status. Wachtel commented that's it more of who you may know in that community and making a phone call. After discussion, a motion was made by Wachtel and seconded by Clark to approve the policy statement as amended. The motion carried.
7. NSN Unemployment Administration Contract Extension
Wachtel mentioned that IRMA and our members continue to be happy with NSN for unemployment claims administration. They have proposed a new contract for 2018-2022. They started at a 5% annual increase and LeTourneau was able to get them to 3% annually for all five years. Their increase in the last 3 years has been very modest and we have been satisfied with their services. A motion was made by Wachtel and second by Gargano to accept this five-year proposal for NSN for unemployment claims administration. The motion carried.
8. IRMA Participation Program Review
Wachtel stated that the MRC had a discussion of the participation report including what does this mean, why are we tracking this and what is the

value. LeTourneau presented a thorough report and provided the MRC with 4 different options. He reported that there is not a strong enough correlation between the member participation and loss experience. After discussion, the MRC recommended that we leave the formula for participation alone, but we tie a minimum of two Board of Director's meetings a year, so you must hit that 50% to be considered for any of the grant programs that IRMA offers. Gargano thanked the committee for doing the study and was disappointed, not with the relationship to the financial one, but there continues to be members that don't attend the board of director's meetings. Boserup commented what about a penalty on the contribution, 5% if you don't show up. Halik asked what are we trying to accomplish by tracking participation. Gargano stated the members who don't attend meetings have no idea of what is going on in IRMA. Halik commented I think you are sending the wrong message and trying to solve a problem that does not exist. Gargano disagreed. This is made up of members and you are going to rate other people, because by giving a percentage and tracking attendance you are placing a value on it. When nothing happens to people that don't show up then you are sending a mixed message. Halik commented that we do a self-evaluation and ask those who are not participating, why they are not participating and what stops you from coming to the meetings. Ely commented in the next year we are looking at having a different software program for tracking training and attendance. This may give us some new ideas. What we really want is to reduce losses. If coming to meetings reduces losses, then it would make some sense to track participation, but staff believes that participation encompasses more, like using our Early Intervention Program and letting us know when you have something that is about to happen or that has happened that you need help with. Attendance at trainings regarding how to avoid injuries or lawsuits is as important as going to board meetings. Staff will report back some time in 2018 regarding opportunities to track participation in more meaningful ways. Frances asked about the MRC's recommendation to prohibit grants to members that have given notice of withdrawal. The IRMA grant program is an investment in members for their future reduction of losses. Why would a pool invest in a future reduction of losses to a member who will no longer be part of the organization in the following years? Ely commented that staff will figure this out, whether it's a contract/bylaw or a policy, and will bring it back to the Membership Relations Committee at their next meeting. The members of the Executive Board stated that, for eligibility for grants, participation is more than attendance at BOD meetings and directed staff to exercise discretion in measuring participation in this regard. The Executive Board directed that any member who provides a notice of withdrawal is not eligible for grants. A motion was made by Irvin and seconded by Wachtel. The motion carried.

B. ADMINISTRATION & FINANCE COMMITTEE – FRANCES

1. 2018 Final Budget

Frances reported the items to note is that the IRMA revenue base increased by essentially 12% overall, so that is significant. The decrease in the final budget was \$573,517. Some of the comments that came out of AFC regarding the budget was that we have a 30% increase for staff's health insurance. Staff will consider other health insurance and benefit options in 2018. A motion was made by Frances and seconded by Irvin. The motion carried.

2. 2017 Final Interest Income Credit
Frances reported the AFC is working on drafting a rate stabilization policy since we are recommending that we take \$5 million from the interest income credit for rate stabilization. After discussion, a motion was made by Clark and seconded by Gargano to approve the 2017 Final Interest Income Credit of \$7 million. The motion carried.

C. TRAINING & EDUCATION COMMITTEE – ROBBINS

1. Ballistic Protective Equipment (BPE) Grant – Program Update
Robbins commented their meeting was cancelled and this was just an update on the program. The BPE Grant went to the FCSC on 11/16/17 wherein the only criteria established for the grant was that it be first-come, first-serve.

D. COVERAGE, CLAIMS & LITIGATION COMMITTEE – CEDILLO

Cedillo commented their meeting was cancelled and had nothing to report.

V. EXECUTIVE DIRECTOR/STAFF REPORT

1. Village of Glenview Consultant Recommendation
Ely reported that Glenview has decided to leave HELP and go with private insurance rather than joining IRMA.
2. Calendar of 2018 IRMA Meetings
Ely commented on page 113 is a calendar of the 2018 meeting dates.
3. Schedule for 2018 AGRiP, PRIMA, RIMS Meeting Dates
Ely commented on page 114 there's the schedule of the 2018 AGRiP, PRIMA and RIMS meeting dates.

VI. ADDITIONS TO AGENDA

There were no additions to the agenda.

VII. EXECUTIVE SESSION

A motion was made by Irvin and seconded by France to move into Executive Session to discuss matters of: pending litigation pursuant to 5 ILCS 120/2(c)(11) respectively.

A roll call vote was called, and the motion carried.

Back in regular session, a motion was made by Irvin and seconded by Clark. A voice vote was called, and the motion carried.

VIII. CONFIRMATION OF NEXT MEETING

Gargano stated the next scheduled Executive Board meeting is Wednesday, February 28, 2018 at 9:30 a.m. at the IRMA office.

IX. 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

Jessica Frances
IRMA Chair