



ADMINISTRATION & FINANCE COMMITTEE Meeting Minutes

November 13, 2018
IRMA Office
12:30 p.m.

PRESENT: Eric Helm, Chair
Jason Bielawski
Brad Bettenhausen (Via phone)
Elizabeth Holleb
Bettina O'Connell
Lynn McCammon, Vice Chair
Barry Krumstok (Via phone)
Larry Noller
Colleen Nigg
Tom Kuehne

ALSO PRESENT: Margo Ely
Donna Sluis
Brian Goding, Marquette Assoc.
Rita Boserup
Telly Panousis

ABSENT: None

I. **CALL TO ORDER**

Chair Helm called the meeting to order at 12:30 p.m., roll was taken, and a quorum declared.

II. **APPROVAL OF MINUTES: September 25, 2018**

A motion was made by Kuehne and seconded by Nigg to approve the Administration and Finance Committee Minutes of September 25, 2018. A voice vote was called and the motion carried.

III. **FINANCIAL REPORTS**

Helm asked if anyone had any questions or comments on the financial reports. Hearing none, a motion was made by Noller and seconded by Bielawski to approve the Financial Reports. The motion carried.

IV. **3rd QUARTER INVESTMENT PERFORMANCE REPORT – GODING**

Goding gave an overview of the 3rd Quarter Investment Performance Report to the committee. There was some discussion on the Lazard Composite performance and Goding mentioned that Marquette will add them to the watchlist.

Goding handed out the Asset Allocation spreadsheet to the committee and is recommending withdrawing \$2M from Loomis Sayles, \$2M from Western Assets and \$1M from Crescent Capital and transfer this \$5M to the Northern Trust Short-Term Bond Fund. After some discussion, a motion was made by Holleb and seconded by Kuehne to approve the changes reflected on the Asset Allocation sheet dated November 9, 2018. The motion carried.

V. 2018 FINAL INTEREST INCOME CREDIT

Helm reported this item is to direct staff to return \$11,000,000 of the 2017 interest income credit to the membership in December. At the last meeting, the committee directed staff to allocate \$20 million of the interest income to a "Contingency Fund", the purpose of which will be determined and discussed at a future 2019 Strategic Workshop. There has been quite a bit of discussion regarding this matter and it was opened up for further discussion or comments. Helm asked when the strategic workshop would be. Ely commented either in the spring or fall. A motion was made by McCammon and seconded by Noller to return \$11,000,000 back to the membership via interest income credit in December. The motion carried.

VI. RATE STABILIZATION COMPARISON

Helm reported that it was discussed at the last meeting regarding looking at the rate stabilization and for direction from the committee. Boserup mentioned in the packet that there are seven (7) different options going from the extreme of 0 and up to \$5,000,000 in rate stabilization usage funds. Referencing the summary sheet and also how it effects each member, Boserup mentioned that we need some ideas in which direction we want to go. Rate stabilization is tied together with the budget on page 58 of the packet, so staff needs to enter a number for rate stabilization. This will be discussed as part of the strategic plan. After a lengthy discussion, a motion was made by McCammon and seconded by Kuehne to apply \$2.5M to the 2019 budget for rate stabilization and revisit this calculation. The motion carried.

VII. 2019 FINAL BUDGET

Boserup mentioned there were some minor changes to the budget. A motion was made by Krumstok and seconded by Holleb to approve the 2019 Final Budget of \$36,258,963. The motion carried.

VIII. DEDUCTIBLE BILLING PROCEDURE CHANGE

Ely reported that right now we do deductible billings on a monthly basis. Depending on timing, sometimes a bill is issued each month for a couple of months and then the next month we are sending you money back because we collected from subrogation. The idea is to do one deductible billing per claim on an annual basis or at the close of the claim. After some discussion, it was agreed to add this to the AFC Goals for 2019 and perform a more thorough analysis.

IX. AFC MEETING DATES FOR 2019

Helm mentioned the dates for 2019 and to mark their calendars.

X. WEBSITE REDESIGN – MEMBER FORUM

Sluis gave a demonstration of the new Member Forum on the IRMA website that was added as a new feature during the website redesign.

XI. ADDITIONS TO AGENDA

None

XII. CONFIRMATION OF NEXT MEETING

Helm announced that the next meeting of the Administration & Finance Committee would be held on Tuesday, February 19, 2019 at 9:30 a.m. at the IRMA office.

XIII. ADJOURNMENT

A motion was made by Kuehne 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

Eric Helm
Chair, Administration & Finance Committee