

**EXECUTIVE BOARD  
Committee Meeting Minutes**

**Wednesday, March 2, 2016**  
**IRMA Office**  
**9:30 a.m.**

**PRESENT:** Kathleen Gargano, Chair  
Drew Irvin  
Bridget Wachtel  
Eileen Donahue  
Peggy Halik

Dave Clark  
Jessica Frances  
Julia Cedillo  
Steve Stricker

**ALSO PRESENT:** Margo Ely  
Mary Henzler  
Rita Boserup

Susan Garvey  
Dan LeTourneau  
Jackie Streid

**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 December 1, 2015**

Gargano asked if anyone had any comments/questions on the minutes. Hearing none, a motion was made by Wachtel and seconded by Irvin to approve the December 1, 2015 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**

#### **Welcome to 2016 Executive Board**

Gargano stated that the documents under this agenda item were informational for the Executive Board and trusted that everyone had read them. Gargano asked everyone to be sure to record the committee meeting dates on their calendars.

### **IV. COMMITTEE REPORTS**

#### **A. MEMBERSHIP RELATIONS COMMITTEE – WACHTEL**

##### **1. Announcement of 2016 Committee**

Wachtel stated that her committee's roster was on page 27 of the packet.

##### **2. Legislative Update**

Wachtel reported that there is not much currently happening legislatively. Wachtel stated that IRMA has spearheaded a coalition of Cogs to talk about workers' compensation reform. Ely reported that she has a good group of people who are excited about getting some workers' compensation reform accomplished in Springfield. Ely noted that there were three lobbyists on the conference call she initiated. Ely stated that she would keep the Executive Board informed as the group moves forward.

##### **3. Membership Request for Members' Consolidated Dispatching Center**

Wachtel reported that three IRMA members are forming a consolidated dispatching center -- Village of LaGrange, Village of LaGrange Park and Village of Western Springs. This item was talked about at the last Membership Relations Committee meeting. Wachtel commented that if you haven't taken the time to read through this material, you should. The Membership Relations Committee will be having further discussion on this at their May meeting.

Background on this is that three existing IRMA members are forming a consolidated dispatching center and they are interested in having their dispatch center become a member of IRMA. In 2005, IRMA put together some membership guidelines with respect to consolidated dispatch centers that can be found at the top of page 30 of the meeting packet. The report that Garvey put together in the packet talks about each of these guidelines in relationship to the dispatch center's request for membership.

Wachtel stated that there was quite a bit of discussion at the Membership Relations Committee meeting about whether or not this center would be considered a special district, and what is a special district. During the course of the discussion, the committee realized that we basically call anything that isn't a full municipality a special district. There was also some discussion on the origin of these particular guidelines as they were formed in 2005. The committee also talked about voting rights of special districts, which over the years has been a sensitive subject for the membership, because sometimes special districts have been perceived as a second vote for their sponsoring member communities. Wachtel stated that she believed there has been some discussion among the three members forming the

dispatch center that perhaps they wouldn't have a vote. This is something that the committee wants to talk further about because having members vote or not vote seems to be a very precedential decision. The committee talked about the center's determination of contribution into the pool. Obviously, they will be using 911 surcharge revenue to support their organization, but any additional financial responsibility will come back to each of those communities' general funds, so how does IRMA go about calculating their contribution.

The committee also talked about the duplication of coverage as well as some forms of coverage through IRMA that the center wouldn't need. For example, they are going to be operating in the Village of LaGrange police department building, so they will not have a building that they would be responsible for. They would have equipment and other property.

The committee talked about the structure of the organization and the fact that they are going to, through an intergovernmental agreement, have a Board of Directors. They have hired an Executive Director who will have all the hiring and firing authority to operate their center.

Wachtel stated that one of the committee members had a good suggestion for IRMA staff to take a look at whether or not we could run coverage for these types of centers similar to a municipal library. IRMA staff agreed to take a further look at this. Wachtel reported that the Membership Relations Committee will have further discussion on this and the Administration and Finance Committee will also be discussing this as well. This item will be back before the Executive Board and the full membership.

Garvey stated that staff would be sitting down again with the three municipalities to discuss this. Garvey noted that they haven't filled out a membership application yet. Staff wanted to bring it to the Membership Relations Committee first to see how the groundwork was and what committee members were thinking. The next time we go back to the Membership Relations Committee to discuss this, we will have an application and more background information.

LeTourneau commented that another discussion at the Membership Relations Committee was that the agency has to have a minimum of 3 years of operating experience to apply. Each of the three members have been with IRMA for quite some time and certainly have 3 years of operating experience within their IRMA municipalities. Will this count toward the center?

Ely noted that the timing of this is that the center would like an answer by the fall. We plan to have this to the full Board of Directors at the June 15th meeting. Ely pointed out that the dispatch center doesn't really need all our lines of coverage, but they want to become a member, so we are going to continue to work with them to see if that is a viable option.

Wachtel pointed out that the Membership Relations Committee would also be looking at the Membership Guidelines for Special Governmental Service Districts from 2005 and possibly modifying them.

4. 2015 Unemployment Claims Administration Summary Report

Wachtel reported that the Summary Report from NSN Employer Services shows that members are experiencing their fourth straight year of unemployment claim reductions, from 831 in 2011 to 298 in 2015. Wachtel commented that there continues to be satisfaction with NSN.

LeTourneau mentioned that NSN recently did an informational session for IRMA that was well attended by the membership. LeTourneau suggested that this could be done on an annual basis. Streid suggested that we could record it and then put it on the website as a webcast, so if someone misses the training, they can go to the website and listen to the webcast.

Ely mentioned that anytime you have an unemployment issue, you have a termination issue. If you have an employment/termination issue, we have the early intervention program and we would like to be involved in those decisions as a member is considering termination.

5. 2015 Member Participation Report

Wachtel stated that this report could be found on page 44 of the meeting packet. In comparing 2014 to 2015 we have had some movement amongst categories. There was a decrease in Category 2 participation and an increase in Category 3 participation. Some of the members in Category 3 have been there before and they will be getting special letters.

6. IRMA Onsite Summer Safety Intern Program Recommendation

Wachtel reported that IRMA has secured one intern already for this program, and staff is working on securing a second intern. Seven IRMA members will be receiving the services of the interns.

7. 2016 Membership Survey

Wachtel stated that the committee had been asked to look at the survey and provide some feedback. The only thing they asked to be included was some feedback on the IRMA service providers. Streid stated that staff would be reviewing this again later this week to make sure that we will be getting the feedback we want. Streid stated that this will go out to Delegate, Alternates and department heads. It was suggested that it also go out to the Claim Coordinators.

**B. TRAINING & EDUCATION COMMITTEE – DONAHUE**

1. Announcement of 2016 Committee

Donahue reported that the roster of her committee could be found on page 58 of the packet.

2. Announcement of 2016 Steering Committee Chairs

Donahue stated that the 2016 Steering Committee Chairs were listed on pages 59 and 60 of the packet.

3. 2016 Training Schedule

Donahue reported that the 2016 training schedule was on page 61 of the packet.

4. Update on EMS Training Program

Donahue stated that the committee talked about this at their meeting. IRMA had asked three vendors to come and present their products to the Sub-Committee. It turned out to be more of an advertising/promotional meeting. The consensus was to go back to the drawing board and issue a second RFP and see what was out there. The deadline was February 19th. Streid reported that they had two vendors send in RFPs. IRMA staff met yesterday to talk about the components that were submitted. Based on the content submitted, staff ended up choosing one of the submitters - Athletico. We will be talking to them to see if they would do a test pilot program for one of our Workers' Compensation Focus Program members.

5. Update on Grant Programs

Donahue noted that page 65 of the packet gave an update on Grant Programs. Donahue reported that there were six members interested in the Certified Flagger Grant Program and they have all been approved. There were no submissions yet for the Gate Lift Assistance Grant Program, but we are going to promote this at an upcoming Public Works Steering Committee meeting.

6. Annual Review of Police Law Online Training Usage

Donahue stated that the committee discussed this at their meeting. The PCSC Liaison at the meeting stated that there wasn't much discussion at the PCSC meeting. The committee discussed the participation levels and why some of them are dropping off, and what the police chiefs and their officers think about this training. Donahue stated that in Lemont they are not real happy with the lack of timely training and the repetitive training. LeTourneau noted that these issues have been brought up with the vendor.

Irvin asked if there were any way to correlate training to losses. Ely noted that we could look into this.

Streid mentioned that we are promoting a program through the College of DuPage - - Soft Target Hardening Workshop -- that will be presented 3/22/16. She strongly encourages someone from every police department attend. They can attend live or through a webinar. The link was on the flyer recently sent out.

**C. COVERAGE, CLAIMS & LITIGATION COMMITTEE – CEDILLO**

1. Announcement of 2016 Committee

Cedillo stated that the roster for the Coverage, Claims & Litigation Committee was on page 71 of the packet and the committee has two new members.

## 2. Claims Audit Update

Cedillo reported that Northshore International Insurance Services (NiiS) will begin their on-site audit in late April/early May. The timeline for the audit was included in the packet, and shows a final audit report by June 1, 2016. The audit report will be presented at the CCLC September 15th meeting.

Cedillo stated that the committee asked that they see the draft report before it goes on to the Executive Board and Board of Directors. Garvey stated that the May CCLC meeting is before we will have the draft report. Garvey stated that once we get the draft report, if we need to we can email it to the CCL committee and they can comment on it. It will also go to the Executive Board in draft form.

## 3. Ad Hoc Committee on Mutual Aid Organizations Update

Cedillo explained that the issue that we are dealing with is that the agreements for mutual aid organizations/task forces are very inconsistent in their provision for defense and indemnification of both the participating members and the association itself. There were a couple of cases that IRMA handled that really brought this to light, in particular that a mutual aid organization or a task force associated with an agency is an entity that is actually suable. IRMA formed an Ad Hoc Committee to look at this issue.

Cedillo explained that there were two areas of focus and a third to include a legislative solution. One area of focus was whether we should fix the agreements to provide for defense and indemnification of the entity itself and also standardize the defense and indemnification language between the member of the task force and mutual aid organization for third party claims. The CCL Committee looked at some language and the redlined version is included in the meeting packet on pages 76-77. Since the CCL Committee looked at this there has been one modification made to the language recommended by the Police Chiefs Steering Committee.

Cedillo noted that when the CCL Committee looked at the language they looked at language that dealt with four different areas. One is that it isolates responsibility to the agency that was negligent or had poor performance. It also extended to employment benefits. Thirdly, the requestor was responsible if the task force is named in a suit. This is the one that was changed after the Police Chiefs Steering Committee's review. Fourthly, there are minimum insurance requirements.

Garvey explained that following the Police Chiefs Steering Committee, staff looked at the language again. We had it set up so that the defense and indemnification would be on the requesting entity. The concern was that with a task force you could have seven or eight different entities that are involved in the lawsuit and no one was looking at the entity. The consensus in the Ad Hoc Committee at that time was let's make the requesting agency responsible for the defense and indemnification. We talked about it a little bit more and thought it was a little bit burdensome for the requesting agency to have to do the indemnification as well because there were seven different entities as a part of that investigation and there is a judgment, they are all a part of that so they should all have some burden for that. We split it out so now the requesting agency will be responsible for the defense. If there is a judgment or a settlement, then the indemnification would be

split between all of those parties that were named as part of the lawsuit. That was the change that was made to the language.

Garvey noted that the intention of language is to give it to the members and say that this is best practices; this is what we would like to see. If you are getting involved in a mutual aid organization or task force, we would like you to give this to the rest of the group and try to get this language put in the agreement.

Gargano asked rather than put this on the members, why don't we try and work with MABAS and their divisions to try and get their agreements' language changed. Streid reported that in talking to her Fire Chiefs, they commented that the MABAS agreement is very old, and think that MABAS may be very willing to work with IRMA on changing the agreement's language. Garvey stated that she would touch base on this with Karl Ottosen, who is the attorney for MABAS.

Garvey stated that it was staff's intention to send this to the full Board for information at their March meeting. Garvey stated that maybe we could put together more of directional memo to the Board so they can take this and decide how they are going to go forward. Wachtel stated that she thought it should be a directional memo to managers. There is such a varied group at the Board meeting that this may never get back to the right person.

LeTourneau suggested that after the Board meeting, we could discuss the process going forward in addition to legislative options. This topic could also be discussed again at the April Police Chiefs Steering Committee meeting.

After further discussion, Cedillo recapped that the language will go to the Board of Directors' March meeting. After that, there will be a letter going out to managers. In both of these reports there will be some more simplified language so there is a better understanding of what's at stake in regards to liability. Wachtel stated that in the memo that goes out to the municipalities, you highlight a couple of cases, so that managers who are not active in IRMA realize that this is based on real situations.

Ely stated that perhaps we should run this past the Police and Fire Chiefs Steering Committees one more time and then bring it to the June Board meeting.

#### **D. ADMINISTRATION & FINANCE COMMITTEE – FRANCES**

##### **1. Announcement of 2016 Committee**

Frances reported that the committee roster was on page 79 of the packet and the committee has three new members this year.

##### **2. Hay Group Compensation and Organizational Structure Report**

Frances stated that there was a lot of discussion at the Administration & Finance Committee. The Committee has asked that it be continued at their next meeting. They want to look at the Directors positions and how they are classified and the ranges. Some of the discussion that surrounded the ranges was looking at the low end of the range and, if we are not going to be hiring people at the low end, then why is it even there.

3. 2015 Budget Adjustment

Frances stated that the Administration and Finance Committee are recommending approval of the \$18,000 budget adjustment. This will be reported to the full Board at their next meeting. Gargano asked whether the \$10,000 number that can be authorized by the Executive Director in the Budget Policy could be looked at and maybe increased. Gargano stated that there are some managers with \$20,000 authorization. Ely stated that staff will look into this. Gargano commented that the Budget Policy was last approved in 1994 when \$10,000 was a lot more money than today's money.

Irvin stated that staff should ask the auditor about this and find out what their opinion is -- should the Budget Policy be revised to increase the \$10,000 authority of the Executive Director, or should we continue as we currently do for budget adjustments.

4. Impact of GASB 68 on FY15 Financial Statements

Frances stated that this was just a disclosure for IRMA regarding the impact of GASB 68 on FY-15 Financial Statements and will not have any impact on the cash.

5. Formation of Sub-Committee to Study Discounting the Loss Fund

Frances reported that the Administration and Finance Committee discussed and approved the formation of a sub-committee, which will be chaired by Dave Clark. Jessica Frances, Douglas Haywood, Margo Ely, Rita Boserup and Dan LeTourneau will serve on the committee. Milliman will also be on the committee.

**V. EXECUTIVE DIRECTOR/STAFF REPORT**

**A. AGRiP Recognition Awarded to IRMA for Compliance with the AGRiP Advisory Standards for Public Risk Management**

Ely reported that IRMA was recently awarded recognition for compliance with the AGRiP Advisory Standards for Public Risk Management.

**B. 2016 AGRiP/RIMS/PRIMA Conferences**

Ely stated that the listing of 2016 AGRiP/RIMS/PRIMA Conferences was in the meeting packet and if any of the Executive Board members were interested in attending one of the conferences they should contact Mary Henzler.

**VI. ADDITIONS TO AGENDA**

There were no additions to the agenda.



**VII. EXECUTIVE SESSION**

A motion was made by Wachtel and seconded by Cedillo to go into Executive Session for the purpose of discussing pending litigation and an employee's performance review pursuant to 5 ILCS 120/2(c) (11), and (1), respectively. A roll call vote was taken and the motion carried.

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A motion was made by Irvin and seconded by Wachtel to approve the \$1.1 million recommended settlement in the case discussed in Executive Session.

**VIII. CONFIRMATION OF NEXT MEETING**

Gargano stated the next scheduled Executive Board meeting is Thursday, May 26, 2016 at 1:30 p.m. at the IRMA office.

**IX. ADJOURNMENT**

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

Submitted by:

Approved by:

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Margo Ely  
Executive Director

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Kathleen Gargano  
IRMA Chair