



**BOARD OF DIRECTORS
Meeting Minutes**

**Wednesday, June 26, 2013
Westbrook Corporate Center Conference Room
3:00 p.m.**

I. CALL TO ORDER

Chair Velkme called the meeting to order at 3:00 p.m. Bush called the roll and a quorum was declared.

II. APPROVAL OF MINUTES: March 13, 2013

A motion was made by Irvin and seconded by Peterson to approve the Board of Directors Meeting Minutes of March 13, 2013. A voice vote was called and the motion carried.

Reports for Information Only Found on the IRMA Website

Velkme asked if anyone had any questions on any of the reports on the website. Hearing none, Velkme moved to the next agenda item.

III. CHAIR'S REPORT - VELKME

A. Changes in IRMA Delegates/Alternates

Velkme announced the following changes to IRMA Member Delegates & Alternates.

Lynn McCammon, Alternate – Village of Winfield
James Lazansky, Delegate – Village of Stickney
David DeLeshe, Alternate – Village of Stickney
Shannon Andrews, Alternate – Village of Lake in the Hills

Velkme announced that an addition to the agenda, a Resolution Appointing an Authorized Agent to the Illinois Municipal Retirement Fund, would be voted on after the Administration and Finance Report.

IV. COMMITTEE REPORTS

A. MEMBERSHIP RELATIONS COMMITTEE – COREN

1. IRMA Withdrawal Policies and Procedures

Coren reported that this item had been brought to the Board's attention as we have been discussing this at the Membership Relations Committee and Executive Board level. Coren explained that there were some changes to the policy and procedures that we were looking at and also some legislation that has been considered by the State of Illinois; however, that legislation has not yet been signed by the Governor. Coren noted that there is really no urgency to make any changes at this time, but the Executive Board wanted to bring this back to Board of Directors to answer any questions that anyone had. We will most likely bring this back for a vote at either

the October or December Board meeting. Coren asked if anyone had any questions. There were none.

2. Legislative Update – Chuck Vaughn

Bush asked that this item be deferred, as Chuck Vaughn had not yet arrived at the meeting.

3. Presentation – 2013 State of the Membership Report

LeTourneau reported on the highlights of the Report:

- Members' overall five-year claims experience to IRMA contribution results for 2012 were the most favorable overall in more than 20 years.
- Members with five-year claims to contribution ratios greater than 100% decreased significantly from 15 to 8.
- For the second straight year there are no members recommend for or on the IRMA Watchlist.
- Total 2012 claims frequency decreased by 18% from 2011.
- Total undeveloped claims experience decreased by over 13% in 2012 and is 24% lower than 2008.
- Overall IRMA rate reduction of 4% for 2013 resulting in 10.6% rate reduction over the past two years. Additional rate reduction anticipated for 2014.
- Subrogation recovery of over 1.6 million in 2012.

a. Claims to Contribution/Watchlist Report

A motion was made by Peterson and seconded by Irwin to approve the Claims to Contribution/Watchlist Report. A voice vote was called and the motion carried.

b. Presentation – Excellence in Public Risk Management Awards

Peterson and LeTourneau presented awards to the following members:

- City of Rolling Meadows – Large IRMA Member
- Village of West Dundee – Small IRMA Member
- NEMRT – Special District Member

LeTourneau announced the following member departments that achieved a zero accident rate in both frequency and severity for both vehicle and work injuries in 2012. Each department will receive a certificate of recognition.

Berkeley Public Works Department
Clarendon Hills Fire Department
East Hazel Crest Fire Department
East Hazel Crest Public Works Department
Glencoe Public Safety Fire Department
Kenilworth Public Works Department
Lemont Public Works Department
Lincolnwood Fire Department
Palos Park Police Department
Willowbrook Public Works Department

B. TRAINING & EDUCATION COMMITTEE – PETERSON

1. Presentation – Best Safety Initiative Award Winners

Peterson and Streid presented the following members with awards for Best Risk Management/Safety Initiatives:

1st Place – Village of Homewood – Hydraulic Equipment/Furniture Mover

2nd Place – Village of Barrington – Special Events Application & Guide

3rd Place – Village of Woodridge – Crane Arm Safety Improvements

Streid noted that all submissions could be found on the IRMA website – Under Risk Management Services – Grants and Awards.

C. COVERAGE, CLAIMS & LITIGATION COMMITTEE – GARGANO

1. Guidelines for Use of Municipal Counsel

Gargano explained that the membership has expressed to IRMA staff that there are certain times when they would like their defense counsel staff to continue on a case and response to that request, staff has drafted a policy and guidelines to follow in such cases. A motion was made by Clark and seconded by Peterson to approve the Use of Municipal Counsel Policy and Procedures. A voice vote was called and the motion carried.

D. ADMINISTRATION & FINANCE COMMITTEE – CLARK

1. Actuarial Report – as of 12/31/12

Clark explained that this report is used to determine the Loss Fund Reserves in the 2012 financial statements. This report is also used to determine the selected rate for the 2014 year. The rate on a preliminary basis is \$1.956. The final rate will be determined in September and brought back to the Board of Directors later in the year.

A motion was made by Coren and seconded by Palm to accept the 12/31/12 Actuarial Report. A voice vote was called and the motion carried.

2. 2012 Comprehensive Audited Financial Report

Clark stated that it was another good year for IRMA. Clark directed everyone to the Section on Management Discussion and Analysis which gives a summary of what occurred and what changed from the prior year. Clark stated at the Administration and Finance Committee internal controls were discussed with staff.

A motion was made by Irvin and seconded by Palm to accept the 2012 Comprehensive Audited Financial Report. A voice vote was called and the motion carried.

3. IRMA Personnel Handbook – Part-Time Employee Vacation

Clark explained that this was a correction to the IRMA Personnel Handbook in regards to the accrual of vacation for part-time employees. The change has part-time employees accruing vacation on the actual hours worked and not the same accrual as full-time employees. A motion was made by Coren and seconded by Irvin to approve the change to the IRMA Personnel Handbook on vacation accrual for part-time employees. A voice vote was called and the motion carried.

4. 2013 Potential Interest Income Credit

Clark stated that this was for information only. Staff has indicated that since the Members' Reserve for current members is less than 20% of liabilities, under the Members' Reserve Policy, there should be no Interest Income Credit issued for 2013. However, in a subsequent year, there will be a transfer of almost \$20 million into the Members' Reserve, which will be available for an Interest Income Credit. Staff is suggesting that the Administration & Finance Committee consider this to be extenuating circumstances and provide an Interest Income Credit in 2013. Clark stated that this will go back to the Administration & Finance Committee in the fall for discussion.

Bush introduced Rita Boserup, IRMA's new Director of Finance and Administration.

Velkme stated that a copy of the Resolution Appointing an Authorized Agent to the Illinois Municipal Retirement Fund was distributed and a vote needed to be taken. A motion was made by Irvin and seconded by Gargano to appoint Rita Boserup, Director of Finance and Administration as the Authorized Agent to the Illinois Municipal Fund. A voice vote was called and the motion carried.

V. EXECUTIVE DIRECTOR/STAFF REPORT

Bush reminded everyone that an announcement had been sent out on the Preferred Provider Program that is a Workers' Compensation program that has recently been introduced in the State of Illinois, whereby Members can refer their injured employees to specific doctors. Bush noted that we are working very closely with Corvel, IRMA's Medical Bill Reviewer, who is managing this program. Bush stated that we should realize a substantial savings by using this program. IRMA will be hosting two webinars, the first one scheduled for July 18th, and encourages all members to attend.

VI. EXECUTIVE SESSION

A motion was made by Irvin and seconded by Malinowski to move into Executive Session. A voice vote was called and the motion carried.

A motion was made by Peterson and seconded by Irvin to move back into the regular meeting. A voice vote was called and the motion carried.

VII. ADDITIONS TO AGENDA

There were no additions to the agenda.

VIII. CONFIRMATION OF NEXT MEETING

Velkme announced that the next meeting of the Board of Directors is scheduled for Wednesday, October 30, 2013, at 9:30 a.m. at the Westbrook Corporate Center Conference Room

IX. ADJOURNMENT

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

Submitted by:

Larry Bush, Executive Director

Approved by:

Ingrid Velkme, IRMA Chair