



**EXECUTIVE BOARD
Meeting Minutes**

**Monday, November 26, 2012
IRMA Office
1:30 p.m.**

PRESENT: Ingrid Velkme, Chair
David Clark
Kathleen Gargano
Sharon Peterson
Drew Irvin
Paula Schumacher
Scott Coren

**ALSO
PRESENT:** Larry Bush
Mary Henzler
Susan Garvey
Laura Vesecky
Dan LeTourneau
Jackie Streid

ABSENT: Art Malinowski
Eric Palm

I. CALL TO ORDER

Chair Velkme called the meeting to order. Roll was taken and a quorum declared.

II. APPROVAL OF MINUTES

A. Meeting Minutes of October 1, 2012

A motion was made by Coren and seconded by Gargano to approve the Executive Board meeting minutes of October 1, 2012. A voice vote was taken and the motion carried.

B. Reports for information only, found in the Member Section of the Website

Velkme noted that there was a problem with the formula used on the Member Participation Report, and staff will be revising that report. Velkme also asked that the Membership Recruitment Report be updated as the current report on the website was from August. LeTourneau stated that an October report was available and would be posted to the website.

III. CHAIR'S REPORT - VELKME

**A. Nominating Committee Report – Slate of Candidates for 2013 Officers
(Malinowski)**

Velkme reported that Malinowski was not in attendance to give this report. Bush stated that basically, there are no changes, noting that Chair Velkme has agreed to serve a second term. A motion was made by Irvin and seconded by Gargano to approve the recommended slate of candidates for 2013 Officers and send it to the Board of Directors for a vote. A voice vote was called and the motion carried.

B. Update on Defense Counsel RFQ Process (Malinowski)

Bush reported that there was nothing new since the last meeting where we talked about setting up interviews. However, because of difficulty getting everyone together during December, the interviews have been put off until January. Henzler reported that one full day of interviews had been confirmed on January 9th, and the two half-day dates have not been confirmed as yet.

IV. COMMITTEE REPORTS

A. MEMBERSHIP RELATIONS COMMITTEE – COREN

Lobbyist Vaughn Consulting Contract

Coren reported that Membership Relations Committee approved the consulting contract for Lobbyist Vaughn at the same fee structure during 2012 of \$2,000 per month. The committee discussed Vaughn's past performance and agreed that they were happy that he was aggressive when we needed him to be on pooling issues.

Velkme asked when the last time Vaughn came out to a Board meeting and gave an update. Garvey stated that it was last June. The committee decided that they wanted to have him come to the March 2013 Board meeting to give another update.

B. TRAINING & EDUCATION COMMITTEE – PETERSON

1. Subsidized Training

Peterson reported that the committee had talked about this at a past meeting and tabled it to their November 7th meeting because they had some questions that they needed answered. At the November 7th meeting, the committee approved moving forward with this and increasing the budget by \$7,000 for subsidized training of members by approved outside organizations. Bush added that staff is hoping to negotiate some discounts with these outside organizations.

2. Recommended IMAP Revisions & Level II Accreditation

Peterson reported that the committee approved revisions to the IMAP that were prepared by staff. Copies of the revisions had been attached to the meeting packet for review. One of the revisions was to add an IMAP Evaluation Preparation Checklist that can be sent out prior to the IMAP for members to prepare for the IMAP.

Peterson reported that the committee also approved introducing and implementing a newly created IRMA Level II Accreditation program. Peterson explained that currently every year, three members get awards based on a ranking in loss experience and having a good IMAP. The current program, Excellence in Public Risk Management, awards \$1,500 to the highest ranking member in each of three categories: large member, small member, and special district. These awards have been regularly won by a select small number of members in the past. The new

Level II Accreditation awards program, that will replace the Excellence in Public Risk Management award program, will allow each member to achieve the award based on actual risk management performance in two areas:

- Most recent onsite IMAP Percentage of Compliance = 95% or greater
- 5 Year Loss Severity to IRMA Target of 70% or less

The committee agreed that an award of \$1,500 would be a reasonable amount, and would have a budget impact comparable to the current Risk Management Award program.

Streid explained that the awards for this new program would not be awarded until 2014, so the budget stayed the same for 2013.

The committee discussed the amount of the new award and whether it was enough. It was determined to look at this again when preparations are being made for the 2014 budget, as there will be a better feel as to how many members might be eligible for the award.

3. IL Bone & Joint Institute Back Grant

Peterson reported that the committee discussed this and approved the recommendation of adding the IL Bone & Joint Injury Prevention Program to IRMA's Back Ergonomic Program. Peterson explained that IRMA's Back Ergonomic grant program currently includes the Back Safe and Police Kinesiology programs. We received eight applications for the grant for 2013, totaling \$8,720 which was added to the 2013 budget.

C. COVERAGE, CLAIMS & LITIGATION COMMITTEE – GARGANO

The Coverage, Claims & Litigation Committee had no report.

D. ADMINISTRATION & FINANCE COMMITTEE – CLARK

1. Record Retention & Disposition Policy

Garvey explained that this is a policy that has always been in place, but one of the new requirements of AGRiP's Advisory Standards Recognition program was to have this voted on by the Board of Directors. Clark noted that the Administration & Finance Committee approved the policy with amendments to F. and G. stating that personnel records and employment and personnel records of terminated employees shall be retained permanently.

A motion was made by Peterson and seconded by Coren to approve the Record Retention & Disposition Policy as amended by the Administration & Finance Committee and forward it to the Board of Directors for approval. A voice vote was taken and the motion carried.

2. Personnel Policy Revisions

Clark reported that the last time this policy was revised was in 2008. Although there were quite a few changes made to this document, the concern of the Administration & Finance Committee at their meeting was whether the changes appear to have a financial impact on IRMA or would be a change in the way IRMA operates. As far as the operating items, the majority of revisions were clarifications. As far as the financial impact, there was a change in the vacation schedule for senior professionals. Vesecky explained that it was difficult to recruit and retain senior professionals with only two weeks vacation, so the policy was changed to give them three weeks; however, they would not get an additional week until they have been with IRMA for ten years. Now they start with two weeks, at five years, they get a third week, and at ten years, they get a fourth week. The idea is to give them three weeks to start, to make it easier to recruit.

Garvey stated that there weren't very many substantive changes. One change is to the Harassment Policy. Garvey explained that we had sent out our model policy to Laner Muchin and Jill O'Brien made some minor changes to it, so staff thought since we are sending the model policy out to our members, maybe we should have the same policy in our employee personnel policy. There were some small changes under FMLA to the military leave section that were required by law. The social media policy was revised with language from Laner Muchin. Garvey noted that there were a couple of policies that were outside the personnel policy. The compensation policy, as well as the dress code policy, was included in the Personnel Policy.

The committee discussed the fact that the personnel policy doesn't contain much discretion on the part of the Executive Director, and they felt that there needs to be some discretion on the Executive Director's part. Bush noted that when the policy was revised in 2008, that discretion was removed. Gargano stated that she felt that something needed to be added to the policy that gives the Executive Director discretion for all the recruitment in regards to vacation time.

Irvin suggested that where it says, "Executive Director or the Director of _____," it would be cleaner to state "Executive Director and his or her designee." The committee agreed with this suggestion. Vesecky noted that in the Harassment section, it would be better to have a particular person listed, and the committee agreed with this.

A motion was made by Irvin and seconded by Gargano to approve the Personnel Policy revisions with the amendments suggested on discretion of Executive Director and using "his or her designee" rather than a specific Director in all sections except the Harassment section. A voice vote was called and the motion carried.

3. 2013 Final Budget

Clark reported that changes from the preliminary budget include:

- Increase for health insurance of \$13,000, based upon renewals. The effective change from 2011 is 0.4%.

- Includes \$7,000 for subsidized training
- Includes \$8,720 for Illinois Bone & Joint grants
- Includes an increase in the budget for the webinar service from \$1,750 to \$2,500

Clark reported that the result of these additions is an increase in the budgeted expenses of \$29,470. A motion was made by Coren and seconded by Peterson to approve the 2013 Final Budget. A voice vote was taken and the motion carried.

4. Interest Income Credit

Clark reported that staff is recommending and the Administration & Finance Committee approved a 2012 Interest Income Credit of \$3,400,000. A motion was made by Irvin and seconded by Peterson to approve the 2012 Interest Income Credit. A voice vote was called and the motion carried.

V. EXECUTIVE DIRECTOR/STAFF REPORT

Bush reported that the calendar of Board, Standing Committee and Steering Committee meetings for 2013 was in the packet. Velkme questioned the 6/10/13 Executive Board meeting start time and it was determined that the calendar was in error. The correct time should be 1:30 p.m. Henzler indicated that she would revise the calendar for the Board of Directors packet.

VI. ADDITIONS TO AGENDA

2013 Optional UST Program (Effective 1/1/13)

LeTourneau stated that we just received an update on the UST program, noting that it is an optional coverage program with a 1-1-13 inception date. The main issue is that there is a change in coverage for tanks that were installed in 1980 or prior. Across the board for any tank of that age, Chartis added an exclusion for pollution conditions discovered upon removal of the older tanks. It is almost a given that there is going to be pollution when they are removed. We tried to get Chartis to remove the exclusion, but they wouldn't budge. As an alternative solution, it was proposed to eliminate the coverage exclusion by increasing the deductible for these older tanks from \$25,000 to \$50,000. LeTourneau stated that he had Towers Watson check into other carriers, and no one came close to what Chartis was offering. The recommendation that will go to the Board of Directors is to continue with the program through Chartis, but add \$50,000 deductible for any tank installed in 1980 or prior in order to retain coverage for pollution conditions discovered during removal. LeTourneau added that the overall pricing isn't changing.

VII. CONFIRMATION OF NEXT MEETING

Velkme stated that the next Executive Board meeting would be held on Wednesday, February 27, 2013 at 9:30 a.m. at the IRMA office.

VIII. ADJOURNMENT INTO EXECUTIVE SESSION

A motion was made by Gargano and seconded by Coren to adjourn the regular meeting and move into Executive Session to discuss the Executive Director's Performance Evaluation. A voice vote was taken and the motion carried.

Submitted by:

Larry Bush
Executive Director

Approved by:

Ingrid Velkme
IRMA Chair