

**BOARD OF DIRECTORS  
Meeting Minutes**

**Wednesday, June 21, 2017  
Westbrook Corporate Center Conference Room  
9:30 a.m.**

**I. CALL TO ORDER**

Chair Gargano called the meeting to order at 9:30 a.m. Ely called the roll and a quorum was declared.

**II. PRESENTATION OF IRMA LEADERSHIP AWARD TO STEVE STRICKER**

Ely gave an overview of Stricker's role at IRMA and presented him with a plaque.

**III. PRESENTATION OF THE 2016 IRMA MEMBER OUTSTANDING RISK MANAGEMENT PERFORMANCE AND RECOGNITION ZERO WORKERS' COMPENSATION AND VEHICLE ACCIDENT AWARDS**

LeTourneau presented a plaque to the following members for each of the following categories:

Outstanding Risk Management Performance

Village of Lisle – Large Member  
Village of Northfield – Small Member  
NEMRT – Special District

Zero Workers' Compensation and Vehicle Accidents

Village of Berkeley – Police Department  
Village of Clarendon Hills – Public Works Department  
Village of East Hazel Crest – Fire, Police and Public Works Departments  
Village of Kenilworth – Public Works Department  
Village of Lincolnwood – Fire Department  
Village of Sugar Grove – Public Works Department  
Village of River Forest – Fire Department  
Village of Tinley Park – Fire Department

**IV. PRESENTATION BY MILLIMAN REGARDING PREDICTIVE MODELING PROJECT**

Milliman gave a presentation to the Board on the Predictive Modeling Project. There were several questions by the Board and some discussion following those questions. A motion was made by Cedillo and seconded by Irvin to approve the predictive modeling project. The motion carried.

**V. CONSENT AGENDA**

Gargano mentioned there are a couple of items that members should read and they are: Member Recruitment Efforts on Page 9; Educational Summit on Page 28; as well as the Litigation Successes on Page 48. The litigation successes were discussed with the Executive Board and with IRMA staff to share this information periodically with the membership. A motion was made by Wachtel and seconded by Irvin to approve the Consent Agenda of June 21, 2017. A voice vote was called and the motion carried.

### **EXECUTIVE DIRECTOR/STAFF REPORT**

Ely introduced a new staff member, Dorothy Mucha, Claims Representative III in Workers' Compensation.

Ely mentioned that staff was at the ILCMA last week and saw many of you there and thought it was very productive and will keep the members updated on the recruitment. Gargano mentioned the couple of things to read on the consent agenda and wanted to point out the Early Intervention Program on page 30. Ely gave an overview of the program to the members.

## **VI. CHAIR'S REPORT**

### **A. Changes in IRMA Delegates/Alternates**

Gargano welcomed the following new Delegates/Alternates:

Janelle Terrance, Delegate – Bartlett  
Scott Skrycki, Alternate – Bartlett  
John Pape, Alternate – River Forest  
Tom Reasoner, Delegate – NEMRT  
Charles Ghiloni, Alternate - NEMRT

## **VII. ACTION ITEMS**

### **A. Change next BOD meeting from October 18, 2017 to October 16, 2017**

Gargano mentioned that the meeting would follow directly after the Educational Summit. A motion was made by Irvin and seconded by Halik to approve the meeting date.

### **B. Approval of Minutes of March 22, 2017**

A motion was made by Wachtel and seconded by Halik to approve the Board of Directors meeting minutes of March 22, 2017. A voice vote was called and the motion carried.

### **C. Review 2017 Claims to Contribution Report**

Wachtel gave a brief overview of the report to the members and that several members will be getting advisory letters on the performance along with a phone call from IRMA staff. A motion was made by Wachtel and seconded by Irvin to approve the 2017 Claims to Contribution report. The motion carried.

### **D. 2016 Member Participation Report**

Wachtel gave a brief overview of the report to the members. There was some conversation at the Membership Relations Committee and Executive Board on the value of this analysis. The committee asked staff to research the correlation of participation to

losses and to explore some positive incentives for participation. The Executive Board had some additional conversation on asking staff to review the criteria for participation including attendance at Ad Hoc Committees, Work Groups, the Education Summit, etc. and other forms of contributing to IRMA and revisit the purpose of monitoring member participation. There was also some discussion on the weight of each of these categories. A motion was made by Halik and seconded by Gargano to approve the 2016 Member Participation Report. The motion carried.

E. Actuarial Report – 12/31/16

Boserup gave the background on the actuarial report to the members. A motion was made by Clark and seconded by Velkme to approve the Actuarial Report. The motion carried.

F. 2016 Comprehensive Audited Financial Report

Boserup reported that the bylaws require that we have a financial audit every year. The report was handed out along with the required communications, accounting estimates, recorded audit adjustments, and the control deficiency letter. A motion was made by Clark and seconded by Wachtel to approve the 2016 Comprehensive Audited Financial Report. The motion carried.

G. Optional Deductible Credit Reserve Fund Policy and Procedure

Boserup mentioned there were 5 members who chose to participate in the optional deductible credit reserve fund in the beginning of 2017, so we had to memorialize a procedure for that money. Boserup gave an overview of the policy and the procedure. A motion was made by Clark and seconded by Irvin to approve the Optional Deductible Credit Reserve Fund Policy and Procedure. The motion carried.

H. Arrest, Prosecution, and Conviction Contingency Reserve Loan Fund Policy and Procedure

Gargano commented that this was a creative solution and pleased that IRMA staff is considering different models from what we have been doing before. Garvey gave the members a background of the policy and procedure. A motion was made by Irvin and seconded by Clark. The motion carried.

I. Staffing Revision for a Full Time Subrogation Adjuster

Ely reported that this was a request to revise a part time adjuster to a full time adjuster position that will be dedicated to pursuing subrogation recoveries for the pool. We will then eliminate a part time administrative assistant position. It maintains a flat overall headcount and it is within the approved budget. The next agenda item proposes a bylaw amendment so that these kinds of revisions which are budget and staffing level neutral don't require board approval. A motion was made by Irvin and seconded by Clark to approve the revised Personnel Report, eliminating a part-time administrative assistant position and revising a part-time Claims Representative I into a full-time Claims Representative II. The motion carried.

J. Bylaw Amendment Clarifying Board Authority Regarding Staffing

Ely gave an overview to the members of the 3 documents attached (Budget Policy, the Bylaws and the Personnel Handbook. This bylaw amendment is clarification so that the bylaws are explicit about what the board's authority is and what the Executive Director's authority is and that it is to make it clear that the staffing level is flat and it's within the budget that the Executive Director has the authority. If there is a change to staffing levels or a requirement that the personnel budget be amended that will still be at the Board of Directors level of approval. A motion was made by Irvin and seconded by Clark to approve the Bylaw Amendment Clarifying Board Authority Regarding Staffing. The motion carried.

K. Coverage Amendment – Village of Arlington Heights

Cedillo mentioned this is a coverage amendment which is an adjustment to the coverage levels specific to Arlington Heights to accommodate their transition into IRMA. The adjustment is to tailor the SIR to \$2 million for a period of about 1 year. A motion was made by Irvin and seconded by Gargano to approve amendments to the IRMA coverage documents for Arlington Heights. The motion carried.

L. Revision to Zoning Deductible

Cedillo gave an overview of the zoning deductible and the revision to the coverage document to the committee. After much discussion on the questions that were asked, a motion was made by Irvin and seconded by Clark to approve the modification to the IRMA Zoning deductible in the coverage document in order to provide for the stacking of the zoning deductible on the member's chosen deductible to be effective January 1, 2018. The motion carried.

M. Nomination of Replacement for Small Member Delegate to Executive Board

Gargano mentioned this is to nominate Lisa Scheiner of the Village of River Forest for an At-Large Executive Board Member-Small Member to finish out the term of Steve Stricker, who is retiring. A motion was made by Irvin and seconded by Cedillo to approve Lisa Scheiner of the Village of River Forest to finish the term of the At-Large Executive Board Member-Small member vacated by the retirement of Steve Stricker. The motion carried.

**VIII. EXECUTIVE SESSION**

A motion was made by Wachtel and seconded by Frances to move into Executive Session to discuss matters of: pending litigation and personnel pursuant to 5 ILCS 120/2(c), (11) and (1) respectively. Roll was called and the motion carried.

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**IX. VOTES ON EXECUTIVE SESSION ITEMS**

➤ **Executive Director's Performance Review**

A motion was made by Irvin and seconded by Cedillo to approve the recommended salary increase for the Executive Director as outlined in her Performance Evaluation. A voice vote was called and the motion carried.

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**X. ADDITIONS TO AGENDA**

None

**XI. CONFIRMATION OF NEXT MEETING**

Monday, October 16, 2017 @ 12:30 p.m.  
NIU – Naperville

**XII. ADJOURNMENT**

A motion was made by Irvin and seconded by Clark 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