



MINUTES
ICRMA BOARD OF DIRECTORS MEETING
DECEMBER 7, 2023

A meeting of the Board of Directors was held Thursday, December 7, 2023 in El Segundo, California.

MEMBERS PRESENT:

Adelanto	Jessie Flores
Bell	Sergio Ibarra
Downey	James McQueen <i>(left at 12:06 p.m.; returned at 12:10 p.m.)</i>
El Monte	Rigoberto Gutierrez <i>(arrived at 10:23 a.m.)</i>
El Segundo	Sheryl Higa
Fullerton	Pamela Mackie
	Veronica Gutierrez <i>(left at 12:13 p.m.)</i>
Glendora	Rita Wendling <i>(arrived at 10:42 a.m.)</i>
	Marie Ricci <i>(arrived at 10:42 a.m.)</i>
Hawthorne	Alison Stevens <i>(left at 11:29 a.m.; returned at 11:45 a.m.)</i>
Huntington Park	Eduardo Sarmiento <i>(arrived at 10:50 a.m.)</i>
Inglewood	Debra Carter <i>(arrived at 10:23 a.m.)</i>
Lynwood	Patrick Matson
San Fernando	Erica Melton
South Gate	Jon Hamilton <i>(left at 12:13 p.m.)</i>
	Thurman Green

MEMBERS ABSENT:

Santa Ana

OTHERS PRESENT:

AdminSure	Kristen Vanscourt <i>(left at 12:13 p.m.)</i>
Eide Bailly	Brent Mason <i>(left at 12:13 p.m.)</i>
Gallagher	Susan Blankenburg <i>(left at 12:13 p.m.)</i>
	Anthony Carlton <i>(left at 12:13 p.m.)</i>
Johnson Schachter & Lewis	Kellie Murphy
Mainstream Unlimited	Bob May <i>(left at 12:13 p.m.)</i>
One Source	Louise Edler
RPA	Amber Anderson
	Tyler LaMantia
	Dani Rogacki
	Nilsa Quandt
Moss Adams	Arthur Ngo <i>(attended via teleconference; left at 10:33 a.m.)</i>
Olivarez Madruga Law Org. LLP	Tom Madruga <i>(arrived at 10:32 a.m.; left at 1:05 p.m.)</i>
Collins + Collins LLP	Howard Franco <i>(arrived at 12:05 p.m.; left at 12:26 p.m.; returned at 1:09 p.m.)</i>

1. CALL TO ORDER

President Sergio Ibarra called the meeting to order at 10:10 a.m. on Thursday, December 7.

2. ESTABLISHMENT OF QUORUM/INTRODUCTIONS

A quorum was established. Amber Anderson, Program Administrator, introduced Sheryl Higa (El Segundo) as the newest official member of the Board and Anthony Carlton, a recent addition to the Gallagher broker team.

3. PUBLIC COMMENTS

None.

4. APPROVAL OF AGENDA AS AMENDED

Motion by Erica Melton (San Fernando), seconded by Jessie Flores (Adelanto), to approve the agenda as posted. Motion passed unanimously by all voting members present, with representatives from Adelanto, Bell, Downey, El Segundo, Fullerton, Hawthorne, Lynwood, San Fernando, and South Gate voting "aye". El Monte, Glendora, Huntington Park, and Inglewood were not present.

5. CONSENT CALENDAR

Sergio Ibarra pulled Item J) Annual Communication of Renewal Timeline from the Consent Calendar for further discussion.

Motion by Jon Hamilton (South Gate), seconded by Alison Stevens (Hawthorne), to approve items: A) Minutes: October 2023 Board of Directors Meeting and Retreat, B) Reschedule: May 2024 Board of Directors Meeting, and C) New Board Member Approval: Risk Management Staff; and to receive and file items: D) Board Attendance as of December 2023, E) Approved Minutes: July and August 2023 Claims Committee Meetings, F) Disbursement Registers: October and November 2023, G) Quarterly Financials/Treasurer's Report as of September 30, 2023, H) Quarterly Investment Report as of September 30, 2023, I) Quarterly Risk Management Training and Universities, K) Meeting Agenda Annual Calendar Overview and L) RPA Contract Deliverables Status Report. Motion passed unanimously by all voting members present, with representatives from Adelanto, Bell, Downey, , El Segundo, Fullerton, Hawthorne, Lynwood, San Fernando, and South Gate voting "aye". El Monte, Glendora, Huntington Park, and Inglewood were not present.

J. Annual Communication of Renewal Timeline

Dani Rogacki, Interim Executive Director and Amber Anderson, Program Administrator, gave a brief overview of the 2024-25 renewal timeline stating that the annual trend increase for all property will be completed prior to launching the renewal questionnaires the week of December 12, at a 4.5% increase.

Motion by Sergio Ibarra (Bell), seconded by Pam Mackie (Fullerton), to receive and file Item J) Annual Communication of Renewal Timeline. Motion passed unanimously by all voting members present, with representatives from Adelanto, Bell, Downey, El Segundo, Fullerton, Hawthorne, Lynwood, San Fernando, and South Gate voting "aye". El Monte, Glendora, Huntington Park, and Inglewood were not present.

6. OPEN SESSION**A. Financial Statements with Independent Auditor's Opinion for June 30, 2023**

Arthur Ngo, Senior Manager, Moss Adams, presented the Auditor's Report for the fiscal year ended June 30, 2023. Mr. Ngo expressed his opinion that the financial statements present fairly in all material respects the financial position of ICRMA and that management has selected and applied sufficient accounting policies appropriately and consistent with those of the prior year. He also noted that management's estimate of the unpaid claim and reserve liabilities, based upon actuarial assumptions and management judgements are reasonable. Ngo also reported that disclosures in the financial statements are consistent clear and understandable and that he encountered no significant difficulties during the audit.

Brent Mason, Eide Bailly Senior Manager, provided a brief review of the financial audit process, reviewing five-year trends, and significant asset and liability variances.

Motion by Erica Melton (San Fernando), seconded by Rita Wendling (Glendora), to receive and file. Motion passed unanimously by all voting members present, with representatives from Adelanto, Bell, Downey, El Monte, El Segundo, Fullerton, Glendora, Hawthorne, Inglewood, Lynwood, San Fernando, and South Gate voting "aye". Huntington Park, was not present.

B. Appointment of Claims Committee Members

Ms. Anderson advised the Board of two vacant spots on the Claims Committee, made available due to two (2) members of the Claims Committee reaching retirement prior to completion of their terms: Debbie Scott-Leistra (Santa Ana) in September 2023 and Alison Stevens (Hawthorne) who is retiring in January 2024.

As the ICRMA Bylaws allow for the Board President to fill Committee vacancies by appointment, President Sergio Ibarra did so, then asked the Board to approve Rigoberto Gutierrez, El Monte and Erica Melton, San Fernando as Claims Committee members for terms expiring June 30, 2026.

Motion by Jon Hamilton (South Gate), seconded by Pam Mackie (Fullerton), to appoint Rigoberto Gutierrez and Erica Melton to the Claims Committee to complete the vacated terms of Debbie Scott-Leistra and Alison Stevens. Motion passed unanimously by all voting members present, with representatives from Adelanto, Bell, Downey, El Monte, El Segundo, Fullerton, Glendora, Hawthorne, Inglewood, Lynwood, San Fernando, and South Gate voting "aye". Huntington Park was not present.

C. Approval of Assistant Executive Director

Tyler LaMantia, RPA advised the Board of the vacant position of Assistant Executive Director outlined in Exhibit E of RPA's Administrative Services contract, entitled Compensation Structure. Mr. LaMantia described Ms. Anderson's qualifications, and how the job duties of an Assistant Executive Director and Executive Directors integrate in order to provide optimum support to the pool.

Motion by Rita Wendling (Glendora), seconded by Jon Hamilton (South Gate), to appoint Amber Anderson as Assistant Executive Director of ICRMA. Motion passed unanimously by all voting

members present, with representatives from Adelanto, Bell, Downey, El Monte, El Segundo, Fullerton, Glendora, Hawthorne, Huntington Park, Inglewood, Lynwood, San Fernando, and South Gate voting “aye”.

D. Broker Stewardship Report for 2023-24

Susan Blankenburg, Gallagher, presented the Broker Stewardship Report for program year 2023-24. Some focal points of the presentation were as follows:

- Earth Movement & Flood renewed at a 29% rate increase for the current \$100M limit.
- Excess Workers’ Compensation rate remained flat with Safety National.
- Workers’ Compensation Buffer rate increased 4% over expiring.
- Property policy renewed with a 17% rate increase, however the rate continues to remain below \$0.05.
- Equipment Breakdown policy is in its third year of the three year rate guarantee, therefore the renewal premium was adjusted for TIVs only.
- Primary Crime is in its final year of a three-year term. The excess carrier quoted a flat renewal.
- Auto Physical Damage renewed with a 5% rate increase.
- Great American provided a winning Cyber liability quote that came with a 21% rate reduction as compared to only a 4% rate reduction offered by the incumbent.

Ms. Blankenburg then gave an overview of the upcoming carrier meetings and how the Broker and Administration teams collaborate on providing annual presentations of the pool to excess coverage partners.

Motion by Eduardo Sarmiento (Huntington Park), seconded by Marie Ricci (Glendora), to receive and file the Broker Stewardship Report for 2023-24. Motion passed unanimously by all voting members present, with representatives from Adelanto, Bell, Downey, El Monte, El Segundo, Fullerton, Glendora, Hawthorne, Huntington Park, Inglewood, Lynwood, San Fernando, and South Gate voting “aye”.

E. ICRMA Strategic Planning Session Follow-Up

Ms. Rogacki briefly reviewed the deliverables developed from the Strategic Planning retreat facilitated by Andrew Ranson in October 2023. A single-page laminated GPS System (Guide for Proposed Strategies) was provided to the Board at the meeting, with Ms. Rogacki noting that due to a small error in the document, updated versions would be provided at the Board meeting in February.

Motion by Jon Hamilton (South Gate), seconded by Rigoberto Gutierrez (El Monte), to receive and file. Motion passed unanimously by all voting members present, with representatives from Adelanto, Bell, Downey, El Monte, El Segundo, Fullerton, Glendora, Hawthorne, Huntington Park, Inglewood, Lynwood, San Fernando, and South Gate voting “aye”.

F. ICRMA Marketing Update: Recent Conference Attendance & Prospect List

Ms. Rogacki provided a summary of recent conferences attended by staff and Board members. Board members who attended the conferences referenced by Ms. Rogacki gave a summary of

what they learned/gained from attending those conferences. As part of the ICRMA deliverables, the Administration Team was tasked with developing a risk management profile of the ideal member and create a prospect list, an update for which Ms. Rogacki reviewed.

Information only. No action required.

G. ICRMA Website: Project Plan Proposal

Ms. Rogacki reminded the Board that ICRMA currently contracts with Zadro Web (Zadro) for webpage hosting services. Zadro also provides web design services, and the Administration team has asked Zadro to provide us with a Web Services Proposal for a redesign of ICRMA.org in accordance with the overall marketing plan. Ms. Rogacki reviewed the estimated budget and timeline for completion.

Motion by Rigoberto Gutierrez (El Monte), seconded by Debra Carter (Inglewood), to approve project plan for ICRMA website redesign. Motion passed unanimously by all voting members present, with representatives from Adelanto, Bell, Downey, El Monte, El Segundo, Fullerton, Glendora, Huntington Park, Inglewood, Lynwood, San Fernando, and South Gate voting “aye”. Hawthorne was not present.

H. Revisions to the Litigation Management Policy and Procedures

Ms. Anderson stated the revisions proposed to the LMPP are part and parcel to the improvement of the legal bill review services project. Ms. Anderson briefly reviewed the proposed revisions provided in the Board materials, noting that Exhibits would be further updated following approval of the revised version presented.

It was suggested the LMPP include a timeframe (45 days) for the completion of the provision of closing reports by attorneys.

Motion by Pamela Mackie (Fullerton), seconded by Eduardo Sarmiento (Huntington Park), to approve proposed revisions to the Litigation Management Policies and Procedures. Motion passed unanimously by all voting members present, with representatives from Adelanto, Bell, Downey, El Monte, El Segundo, Fullerton, Glendora, Hawthorne, Huntington Park, Inglewood, Lynwood, San Fernando, and South Gate voting “aye”.

I. Third Party Administration Service Contracts

Ms. Rogacki reminded the Board that at the October 2023 Board meeting approval was granted to move forward with negotiations of ICRMA's Third Party Administrator (TPA) contracts.

Ms. Rogacki advised the Board that all TPA service providers are asking for a minimum of 5% increase for the renewal. Each AdminSure contract includes a provision that the agreement should be re-negotiated at the start of each annual service year if a Member's claim frequency changes by +/-10%. The proposal for Carl Warren is for a 5% increase with a four (4) year extension. They agreed to a goal of achieving a score of 88% on their annual audits to receive the 5% and proposed subrogation services to the ICRMA members on a declining scale as part of their proposal. There is no cost to ICRMA if members choose to utilize Carl Warren subrogation services.

It was also requested that the Board allow Ms. Rogacki to work with Legal Counsel to draft the new agreements.

Motion by Thurman Green (South Gate), seconded by Rita Wendling (Glendora) to approve renewal of Third Party Administration service contracts with: 1) AdminSure - Liability, 2) AdminSure - Workers' Compensation (WC) TPA and WC Program Management, 3) AdminSure - Property & Auto Physical Damage, and 4) Carl Warren - Liability. Motion passed unanimously by all voting members present, with representatives from Adelanto, Bell, Downey, El Monte, El Segundo, Fullerton, Glendora, Huntington Park, Inglewood, Lynwood, San Fernando, Santa Ana, and South Gate voting "aye".

J. Design Immunity/Dangerous Conditions Project Update

Bob May, Loss Control Director, reviewed the Design Immunity program's progress to date since implementation in December 2022.

Motion by Eduardo Sarmiento (Huntington Park), seconded by Jon Hamilton (South Gate) to receive and file. Motion passed unanimously by all voting members present, with representatives from Adelanto, Bell, El Monte, El Segundo, Fullerton, Glendora, Huntington Park, Inglewood, Lynwood, San Fernando, Santa Ana, and South Gate voting "aye". Downey was not present.

K. AGRiP – Discussion of Full Membership

Ms. Rogacki reviewed ICRMA's current AGRiP dues being paid as a CAJPA affiliated pool. The percentage of CAJPA affiliated pools will be increasing from 60% to 65% of full member dues this year and will continue to increase over the next few years. Staff recommends ICRMA become a full member of AGRiP to take part in all the benefits AGRiP has to offer for the pool. These benefits include: increased visibility of ICRMA, the ability to apply for and obtain Advisory Standards for Recognition, becoming a voting member and eligible for representation on the AGRiP Board of Directors. With a full membership a designee must be assigned, and Ms. Rogacki recommended to appoint Amber Anderson as the designee.

Motion by Thurman Green (South Gate), seconded by Erica Melton (San Fernando), to approve full membership participation in AGRiP and appointment of Amber Anderson as the designee. Motion passed unanimously by all voting members present, with representatives from Adelanto, Bell, Downey, El Monte, El Segundo, Fullerton, Glendora, Hawthorne, Huntington Park, Inglewood, Lynwood, San Fernando, Santa Ana, and South Gate voting "aye".

The Board took a break at 12:13 p.m. and reconvened at 12:25 p.m.

7. CLOSED SESSION

The Board entered into closed session at 12:26 p.m. to discuss the following items:

- A. Discussion of Claims Pursuant to Government Code Section 54956.95.
- Flynn v. Inglewood (GL)

B. Conference with Legal Counsel Regarding Existing Litigation pursuant to Government Code Section 54956.9(d)(1):

- Hermosa Beach v. ICRMA

8. REPORT FROM CLOSED SESSION

The Board reconvened to open session at 1:30 p.m.

Kellie Murphy, General Counsel, stated no reportable action was taken.

9. CLOSING COMMENTS

Staff and the Board recognized Alison Stevens for her years of service on the Board of Directors and Claims Committee, as she is retiring at the end of 2023.

10. ADJOURNMENT

President Sergio Ibarra adjourned the meeting at 1:31 p.m.