
MINUTES
ICRMA BOARD OF DIRECTORS MEETING
April 11, 2024

MEMBERS PRESENT:

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| Adelanto | Jessie Flores |
| Bell | Rickey Manhabal (<i>arrived at 10:40 a.m., left at 1:15 p.m.</i>) |
| Downey | James McQueen |
| El Segundo | Rebecca Redyk |
| Fullerton | Pamela Mackie |
| | Veronica Gutierrez (<i>left at 1:16 p.m.</i>) |
| Glendora | Marie Ricci (<i>arrived at 10:11 a.m., left at 1:16 p.m.</i>) |
| | Rita Wendling (<i>arrived at 10:11 a.m.</i>) |
| Hawthorne | Samuel English (<i>left at 1:15 p.m.</i>) |
| Huntington Park | Eduardo Sarmiento |
| Inglewood | Debra Carter (<i>arrived at 10:20 a.m.</i>) |
| Lynwood | Patrick Matson |
| Santa Ana | Aarti Kaushal |
| San Fernando | Sergio Ibarra |
| South Gate | Thurman Green |

MEMBERS ABSENT:

El Monte

OTHERS PRESENT:

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| AdminSure | Kristen Vanscourt (<i>left at 12:24 p.m.</i>) |
| Eide Bailly | Devin Sinner (<i>left at 1:05 p.m.</i>) |
| | Michael Torcaso (<i>left at 1:05 p.m.</i>) |
| Frost Brown Todd LLP | Liam Felsen (<i>joined at 1:16 p.m., left at 1:36 p.m.</i>) |
| | Raul Salinas (<i>joined at 1:37 p.m., left at 1:50 p.m.</i>) |
| Gallagher | Susan Blankenburg (<i>left at 1:16 p.m.</i>) |
| Huntington Park | Jeff Jones (<i>left at 1:16 p.m.</i>) |
| Johnson Schachter & Lewis | Kellie Murphy |
| Kutak Rock LLP | Edwin Richards (<i>joined at 1:16 p.m., left at 1:36 p.m.</i>) |
| | Jeff Gerardo (<i>joined at 1:16 p.m., left at 1:36 p.m.</i>) |
| Mainstream Unlimited | Bob May |
| OneSource CMS | Louise Edler |
| Risk Program Administrators | Amber Anderson |
| | Tyler LaMantia |
| | Nilsa Quandt (<i>left at 1:16 p.m.</i>) |
| | Dani Rogacki |

1. CALL TO ORDER

President Jessie Flores called the meeting to order at 10:03 a.m.

2. ESTABLISHMENT OF QUORUM

A quorum was established.

3. INTRODUCTIONS

Dani Rogacki, Interim Executive Director, introduced Aarti Kaushal (Santa Ana) and Jeff Jones (Huntington Park), as this was their first attended Board meeting with ICRMA.

4. PUBLIC COMMENTS

None.

5. APPROVAL OF AGENDA AS AMENDED

Staff recommended the Board move Open Session item K – Workers’ Compensation Third Party Administrator Discussion to after Closed Session.

Motion by Eduardo Sarmiento (Huntington Park), seconded by Pamela Mackie (Fullerton), to approve the agenda as amended moving Item K: Workers’ Compensation Third Party Administrator Discussion to after closed session. Motion passed unanimously by all voting members present. Bell, Glendora & Inglewood were not present.

6. CONSENT CALENDAR

Sergio Ibarra requested to pull Item J) RPA Contract Deliverables Status Report.

Motion by Eduardo Sarmiento (Huntington Park), seconded by Sam English (Hawthorne), to approve items A) Minutes of the February 8, 2024 Board Meeting and B) Disbursements Registers: February and March 2024; and to receive and file items: C) Legal Bill Review Services Update: Sterling and SimpleLegal, D) Initiation of Workers’ Compensation Claims Audit for 2024, E) Procurement Update: Actuarial Services Contract with Bickmore, F) Board of Directors Attendance Record to Date, G) Approved Claims Committee Minutes: January 24, 2024, H) Quarterly Risk Management Fund Balance as of March 31, 2024 and I) Annual Calendar Overview. Motion passed unanimously by all voting members present Bell, Glendora & Inglewood were not present.

Item J) RPA Contract Deliverables Status Report

Mr. Ibarra requested staff provide an update on the RPA Contract Deliverables Status Report to show website updates and marketing efforts made for the next meeting.

Motion by Sergio Ibarra (San Fernando), seconded by Thurman Green (South Gate) to receive and file item J) RPA Contract Deliverables Status Report. Motion passed unanimously by all voting members present. Bell, Glendora & Inglewood were not present.

7. OPEN SESSION**A. ICRMA Marketing Updates – Recent Conference Attendees**

Amber Anderson, Assistant Executive Director, gave an update on recent conferences that have been attended by Staff and Board members. Board Members, Thurman Green (South Gate) and Patrick Matson (Lynwood) provided feedback of their experiences at the recent conferences.

Information only.

B. Approval of Updates to the Liability Defense Panel

Ms. Anderson, along with Louise Edler, Liability Program Manager, stated that at the March 13, 2024 Claims Committee meeting, a request was submitted to add two attorneys to the Liability Defense Panel. The Committee reviewed the credentials provided for Ms. Castronovo and Ms. Keuper of the firm Seki, Nishimura & Watase, PLC, and recommend their addition to the panel.

Motion by Pamela Mackie (Fullerton), seconded by Sergio Ibarra (San Fernando), to approve the Claims Committee's recommendation to add Nicole Castronovo and Janet Keuper and clerical updates to the Liability Defense Panel. Motion passed unanimously by all voting members present. Bell & Inglewood were not present.

C. Liability Memorandum of Coverage for 2024-25

Ms. Rogacki presented suggested revisions to the Liability MOC for 2024-25.

The following proposed revisions are being submitted for consideration:

- Updated date references to reflect new coverage period
- Updated the name of the Department of Fair Employment and Housing to Civil Rights Department (Section VI- Conditions, 3. Duties in the Event of an Occurrence or Claim, o. WRONGUL EMPLOYMENT PRACTICES) to reflect name change of administrative agency.
- Removing sentence “and that reporting to the Member's own TPA is not alone sufficient.” from Section VI-Conditions 3. Duties in the Event of an Occurrence section.

Motion by Eduardo Sarmiento (Huntington Park), seconded by Aarti Kaushal (Santa Ana), to approve the 2024-25 Liability Memorandum of Coverage with suggested updates. Motion passed unanimously by all voting members present. Bell & Inglewood were not present.

D. Workers' Compensation Memorandum of Coverage for 2024-25

Ms. Rogacki presented suggested revisions to the Workers' Compensation MOC for 2024-25.

The following proposed revisions are being submitted for consideration:

- Updated date references to reflect new coverage period
- Updated the language in the Settlement section to be consistent with the bylaws and practice.

Motion by Jessie Flores (Adelanto), seconded by Pamela Mackie (Fullerton), to approve the 2024-25 Workers' Compensation Memorandum of Coverage. Motion passed unanimously by all voting members present. Inglewood was not present.

E. Auto Physical Damage Memorandum of Coverage for 2024-25

Ms. Rogacki presented suggested revisions to the Auto Physical Damage MOC for 2024-25.

- Policy dates and references to the Hanover policy will be updated.
- For newly acquired/leased vehicles clarified the language that they need to be added to the Statement of Values within 4 months of acquisition.
- Cancellation and Termination: removed the last sentence as it was redundant and could not point to a specific provision in the Bylaws.
- Other Governing Documents: as a member of ICRMA the Governing documents apply to all members. This does not need to be restated in the MOC.
- Reporting Claims and Member Cooperation: did not reference Section 4, which applies to loss reporting notice – added this and the stipulation that members should cooperate with scheduling of newly acquired vehicles.
- Added language that the TPA Adjuster could appeal a decision by the Claims Committee.

Motion by Sergio Ibarra (San Fernando), seconded by Sam English (Hawthorne), to approve the 2024-25 Auto Physical Damage Memorandum of Coverage. Motion passed unanimously by all voting members present. Inglewood was not present.

F. Property Memorandum of Coverage for 2024-25

Ms. Rogacki presented the following suggested revisions to the Property MOC for 2024-25.

- Policy dates and references to the Allianz policy will be updated.
- Updated the section on Inspections, Audits and Appraisals: the appraisal process should be part of the Underwriting and Administration policy as it applies to all members of the pool and not just those participating in the property program.
- Language was added to clarify that that members agree to allow ICRMA to conduct appraisals.
- For newly acquired property, language was added to state it needs to be added to the Statement of Values within four (4) months of acquisition.
- Cancellation and Termination: removed the last sentence as it was redundant and could not point to a specific provision in the Bylaws.
- Other Governing Documents: as a member of ICRMA the Governing documents apply to all members. This does not need to be restated in the MOC.

- Reporting Claims and Member Cooperation: did not reference Section 4, which applies to loss reporting notice – added this and the stipulation that members should cooperate with appraisals and scheduling of newly acquired property.
- Added language that the TPA Adjuster could appeal a decision by the Claims Committee.

Motion by Pamela Mackie (Fullerton), seconded by Rita Wendling (Glendora), to approve the 2024-25 Property Memorandum of Coverage. Motion passed unanimously by all voting members present. Inglewood was not present.

G. Review and Approve Risk Control Plan for 2024-2025 Program Year

Bob May, Mainstream, presented the Risk Control Plan for 2024-2025 Program Year.

Motion by Jessie Flores (Adelanto), seconded by Thurman Green (South Gate), to approve the Risk Control Plan for 2024-2025 Program Year. Motion passed unanimously by all voting members present.

H. Report from Ad Hoc Committee on Broker Services Contract Review

Kellie Murphy, ICRMA General Counsel. and Debra Carter, Inglewood, reported on the Ad Hoc Committee's Broker Services Contract Review.

Motion by Pamela Mackie (Fullerton), seconded by Sergio Ibarra (San Fernando) to approve a 5-year contract, to conduct an RFP for broker services in year 4, , and to amend the motion to approve a 3-year contract with a 1-year extension for years 4 and 5. Motion passed unanimously by all voting members present.

I. Risk Management Contract Hours

Dani Rogacki advised that according to the Mainstream & ICRMA contract, Mainstream is obligated to provide all services within a limit of 500 hours for the program year from July 1, 2023, to June 30, 2024. On the memo, it was stated as of March 31, 2024, a total of 447.95 hours has been calculated. Prior to the meeting an error was identified to a previous invoice updating Mr. May's hours through March 31, 2024 to 423.20.

The Administrative Team was directed to provide an outline of Mr. May's contract hours focusing on travel time and travel reimbursements for discussion at the May Board meeting.

Discussion only.

J. Property Appraisals Update

Ms. Rogacki reviewed the importance of property appraisals and what they provide. To ensure competitive pricing is received and to define the scope of services for the next round of appraisals, the Administration Team recommended issuing an RFP. The RFP will be issued by

the end of the 23-24 Program Year with volunteers from the Board to serve on an Ad Hoc Committee to score bids and provide recommendations.

The following Board Members volunteered to be on the Ad Hoc Committee for Property Appraisal RFP: Debra Carter (Inglewood), Veronica Gutierrez (Fullerton) and Sergio Ibarra (San Fernando).

Motion by Sergio Ibarra (San Fernando), seconded by Pamela Mackie (Fullerton), to approve initiation of a request for Proposals for property appraisals. Motion passed unanimously by all voting members present.

L. Prioritization of Risk Management Service Offerings

Ms. Anderson provided an overview of current and potential Risk Management Service offerings. Staff compiled a following list of items requested by various member representatives for the Board to review and prioritize for the coming budget year:

Occu-Med Services
Benchmark Analytics for Police Departments
Sidewalk Study
Vector Solutions LMS
KnowB4 Cyber Security Training

The Administration Team will be sending out a survey to gage the interest of each member as well as identify which members are correctly using any of the listed services.

Discussion only.

The Board took a lunch break at 11:52 a.m. and reconvened at 12:24 p.m.

M. Proposed Meeting Dates for 2024-25

Ms. Anderson presented the proposed meeting schedule for the 2024-25 program year as follows:

- August 22, 2024
- December 4-5, 2024 (Meeting & Strategic Planning Retreat)
- March 6, 2025
- May 15, 2025
- June 18, 2025

A discussion followed regarding meeting locations for the coming year. Ms. Anderson reminded the Board of the requirement to hold meetings within the geographic confines of a Member City, and

the Board agreed that an exception for the annual Strategic Planning Retreat should be considered. It was articulated that current meeting venue in Downey is working well for everyone.

Motion by Sergio Ibarra (San Fernando), seconded by Eduardo Sarmiento (Huntington Park) to approve Board meeting dates for the 2024-25 program year and maintain Downey as ICRMA's primary meeting location. Motion passed unanimously by all voting members present.

N. Broker Renewal Strategy for 2024/25

Susan Blankenburg, Broker, provided the annual Broker Renewal Strategy, with an in-depth review of prior year highlights as well as expected developments regarding the annual costs of each coverage line in the coming program year.

No action taken – information only.

O. Preliminary 2024-25 Budget Guidance

Ms. Rogacki provided a brief overview of the preliminary 2024-25 budget, stating the draft budget will be provided by Eide Bailly at the May Board meeting. The Preliminary Budget will not only aggregate all anticipated program costs but will also allocate the following costs by member:

1. Member City exposure changes:

- For example, if the actual payroll (as reported on the DE-9s) has increased by 5%, the member city's contribution in programs using payroll as an exposure basis will likely increase at least 5% solely because of the exposure change. Any rate change will further impact the final cost.
- Similarly, each member's Statement of Values has been increased 4% simply to account for the increased costs of construction.

2. Changes in losses:

- Because ICRMA's cost allocation formula uses a rolling 10-year loss horizon, if the member city has a "good year" dropping off, and a "bad" year now rolling into the formula, your costs in that program may increase (and vice-versa).

No action taken – information only.

P. Granted Settlement Authority

Kellie Murphy, ICRMA General Counsel, reported on two matters where settlement authority was previously granted and has since been finalized.

- Flynn v. Inglewood - the Board approved a settlement of \$15 million by unanimous vote with all members present at the December 7, 2023 board meeting.

- King v. South Gate – the Board approved a settlement of \$375,000 by unanimous vote with all members present at the January 24, 2024 board meeting.
- Enache v. South Gate - the Board approved a settlement of \$130,000 by unanimous vote with all members present at the October 12, 2023 board meeting.

No action taken - Information only.

The Board took a break at 1:05 p.m.

7. CLOSED SESSION

The Board entered into closed session at 1:16 p.m.

8. REPORT FROM CLOSED SESSION

The Board reconvened to open session at 2:08 p.m.

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

MOVED OPEN SESSION ITEM

K. Workers' Compensation TPA Discussion

Ms. Rogacki gave a verbal update regarding a request from a member to add an additional Workers' Compensation TPA Service provider. The Board directed the Administration team to engage in an RFQ for Workers' Compensation TPA services.

Motion by Thurman Green (South Gate), seconded by Eduardo Sarmiento (Huntington Park), to approve initiation of an RFQ for workers' compensation TPA services. Motion passed unanimously by all voting members present.

9. CLOSING COMMENTS

None.

10. ADJOURNMENT

President Jessie Flores adjourned the meeting at 2:14 p.m.