



MINUTES
ICRMA BOARD OF DIRECTORS MEETING
FEBRUARY 8, 2024

MEMBERS PRESENT:

Adelanto	Daniel Ramos
Downey	James McQueen
Fullerton	Pamela Mackie
	Veronica Gutierrez <i>(left at 12:30 p.m.)</i>
Glendora	Marie Ricci
Hawthorne	Samuel English
Huntington Park	Eduardo Sarmiento
Inglewood	Debra Carter <i>(arrived at 10:39 a.m.)</i>
San Fernando	Erica Melton <i>(left at 12:30 p.m.)</i>
	Sergio Ibarra
South Gate	Thurman Green

MEMBERS ABSENT:

Bell
El Monte
El Segundo
Lynwood
Santa Ana

OTHERS PRESENT:

Eide Bailly	Brent Mason <i>(left at 12:30 p.m.)</i>
Johnson Schachter & Lewis	Kellie Murphy
Mainstream Unlimited	Bob May
OneSource CMS	Louise Edler
Risk Program Administrators	Amber Anderson
	Tyler LaMantia
	Nilsa Quandt
	Dani Rogacki
Risk Management Services	Ken Maiolini <i>(via teleconference from 10:10 a.m. to 10:38 a.m.)</i>
Gibbons & Conley	Sean Conley <i>(arrived at 10:17 a.m., left at 12:48 p.m. and returned at 1:29 p.m.)</i>
McCune & Harber	Kenton Moore <i>(left at 1:19 p.m.)</i>

1. CALL TO ORDER

Vice President Eduardo Sarmiento called the meeting to order at 10:10 a.m.

2. ESTABLISHMENT OF QUORUM

A quorum was established.

3. INTRODUCTIONS

Amber Anderson, Assistant Executive Director, introduced Daniel Ramos (Adelanto), as this was his first attended Board meeting with ICRMA.

4. PUBLIC COMMENTS

None.

5. APPROVAL OF AGENDA AS POSTED

Motion by Marie Ricci (Glendora), seconded by Samuel English (Hawthorne), to approve the agenda as posted. Motion passed unanimously by all voting members present, with representatives from Adelanto, Downey, Fullerton, Glendora, Hawthorne, Huntington Park, San Fernando, and South Gate voting "aye". Inglewood was not present.

6. CONSENT CALENDAR

Thurman Green pulled Item C) Board of Directors Attendance as of December 2023, requesting an update be made to show that South Gate was in fact present at the December meeting.

Motion by Thurman Green (South Gate), seconded by Sergio Ibarra (San Fernando), to approve items including the Item C as amended: A) Minutes of the December 7, 2023 Board Meeting and B) Addition of Attorney to the Liability Defense Panel; and to receive and file items: C) Board of Directors Attendance as of December 2023, D) Approved Minutes of the November 2023 Claims Committee Meeting, E) Disbursement Registers for December 2023 and January 2024, F) Quarterly Financial & Treasurer Reports as of December 31, 2023, G) Quarterly Investment Report as of December 31, 2023, H) Quarterly Risk Management Fund Balance as of December 31, 2023, I) Quarterly Risk Management Training and Universities, J) Annual Renewal Update, K) Annual Calendar Overview, L) RPA Contract Deliverables Status Report, M) ICRMA Strategic Plan Status Report. Motion passed unanimously by all voting members present, with representatives from Adelanto, Downey, Fullerton, Glendora, Hawthorne, Huntington Park, San Fernando, and South Gate voting "aye". Inglewood was not present.

7. OPEN SESSION

A. Liability Program Claims Audit Report

Dani Rogacki, Interim Executive Director introduced Ken Maiolini of Risk Management Services (RMS). Mr. Maiolini presented the claims audit of the Liability Program. This audit included a review of the members' primary third party claims administrators (TPAs), Carl Warren and AdminSure, as well as OneSource, ICRMA's Liability Program Manager.

In developing the report, Mr. Maiolini reviewed 223 claim files and surveyed all ICRMA members to gauge member satisfaction. Mr. Maiolini advised that the audit found the TPA staffing, liability program manager, claims handling, litigation management guidelines, and program structure satisfactorily met the standards of cost conscious claims handling. He also provided a series of recommendations intended to enhance the overall quality of claims handling and litigation management, while simultaneously improving member satisfaction.

Motion by Pamela Mackie (Fullerton), seconded by Daniel Ramos (Adelanto), to receive and file the Liability Claims Audit Report. Motion passed unanimously by all voting members present, with representatives from Adelanto, Downey, Fullerton, Glendora, Hawthorne, Huntington Park, San Fernando, and South Gate voting “aye”. Inglewood was not present.

B. Approval of Board Officer Appointments

Ms. Rogacki advised the Board that on January 24, 2024, the Administration team was notified that Sergio Ibarra would be leaving his position with the City of Bell, thus vacating his position as Board President, effective January 26, 2024. Following discussion between Legal Counsel, the Administration team and the Board officers, Jessie Flores, Vice President was appointed to assume the role of President.

The ICRMA Bylaws, Article .F, Vacancy, provides the following guidelines:

F. Vacancy

1. The President may select a Director to fill an officer vacancy. An officer so selected holds office until the next meeting of the Board, when the Board will vote on the appointment.
2. In the event the office of President becomes vacant, the Vice President assumes all duties and appoints a Vice President. Both officers hold office until the next meeting of the Board, when the Board will vote on the appointment.

Jessie Flores has assumed all duties per the Bylaws, and appointed Eduardo Sarmiento, Board Secretary, to serve as Vice President. Mr. Sarmiento led the February 8 Board meeting as Mr. Flores was unable to attend, and the Administration team recommended confirmation of the appointments to complete the terms expiring June 30, 2024.

Additionally, of the City of San Fernando has submitted a resolution to add Mr. Ibarra as a Board representative for their member organization, in his new role as Personnel Manager. Erica Melton, who also serves as a representative for San Fernando, will continue serving on the Claims Committee.

Elections will be held at the June 20, 2024 board meeting for expiring terms.

Motion by Daniel Ramos (Adelanto), seconded by Marie Ricci (Glendora), to appoint Jessie Flores as Board President & Eduardo Sarmiento as Vice President to complete the terms expiring June 30, 2024. Motion passed unanimously by all voting members present, with representatives from Adelanto, Downey, Fullerton, Glendora, Hawthorne, Huntington Park, San Fernando, and South Gate voting “aye”. Inglewood was not present.

C. Final Report from Claims Committee on Legal Bill Review Services

Ms. Rogacki provided an overview of the Legal Bill Review Services report from the Claims Committee meeting held January 24, 2024, noting that Sterling Analytics will be ICRMA’s new legal bill review service provider. She also presented the current and proposed workflows as well as a proposed timeline for implementation.

Information only.

D. Updates to Liability Third Party Administrator Performance Standards

Ms. Anderson advised the Board that updates to the Third Party Administrator (TPA) Performance Standards is part of the ongoing process of updating governing documents, noting most suggested edits are technical in nature.

The following proposed revisions were reviewed by the Claims Committee and submitted to the Board for approval:

- Updated the Loss Reporting section with specific guidelines;
- Updated the Adjuster's Contacts section to be consistent with the current process;
- Added Legal Bill Payments section; and
- Added Risk Control section.

Once finalized, Louise Edler, Liability Program Manager, will be responsible for communicating the updated guidelines to the TPAs.

Motion by Sergio Ibarra (San Fernando), seconded by Thurman Green (South Gate), to Claims Committee recommendations to update the Liability TPA Performance Standards. Motion passed unanimously by all voting members present, with representatives from Adelanto, Downey, Fullerton, Glendora, Hawthorne, Huntington Park, Inglewood, San Fernando, and South Gate voting "aye".

E. Review of Net Position for the Property, Auto Physical Damage, Workers' Compensation and Liability Programs as of June 30, 2023

Ms. Rogacki introduced Brent Mason, Finance Director, who provided a review of ICRMA's Net Asset Position for all pooled programs as of June 30, 2023 highlighting the following for each program:

Property:

- Operates under an aggregate stop-loss arrangement that caps the ICRMA exposure - \$650k for program year 2022-23, of which \$614k remains.
- Three years of program experience - net asset position is surplus \$1.6M.

APD:

- Four years program experience - net asset position of \$119k at the expected probability level and \$24k at the 90% probability level.
- Open claims remain in all program years - not eligible to close any years per Net Asset Policy.

Workers' Compensation:

- Program in existence since 2004 - net asset position of \$13.5M at the expected probability level and a deficit \$2.5 at the 90% probability level.

- Open claims remain in all program years (except for most recent) – total of 49; oldest program years have surpluses, even at the 90% probability level.

General Liability:

- Net asset position of \$21.7M at the expected probability level and a deficit \$3.0M at the 90% probability level.
- Results have been run through the CAJPA Net Asset Ratio Targets noted in the Net Asset policy and all measures of fiscal strength have been met – significant improvement from the prior year.

The current Property, APD and Workers' Compensation programs are considered to have adequate resources to continue funding their claim liabilities but do not currently meet the criteria of the Net Asset Policy to declare dividends, nor levy assessments.

Information only.

F. Review of Liability Program Assessments through July 1, 2023

Mr. Mason provided the annual update on prior assessments of the Liability Program, stating the assessments are still meeting the intended purpose and, assuming all anticipated receivables are collected, no further action is recommended.

Motion by Daniel Ramos (Adelanto), seconded by Thurman Green (South Gate) to receive and file. Motion passed unanimously by all voting members present, with representatives from Adelanto, Downey, Fullerton, Glendora, Hawthorne, Huntington Park, Inglewood, San Fernando and South Gate voting "aye".

The Board took a break at 11:31 a.m. and reconvened at 11:42 a.m.

G. Review of Benchmark Analytics Platform

Ms. Rogacki introduced Alec Henderson, who presented to the Board on the Benchmark Analytics platform and its offerings. Benchmark provides a platform called First Sign®, a law enforcement risk management tool implemented as part of a holistic Officer Management System, designed to help agencies digitize, streamline regulatory compliance, and identify and engage officers at risk. A potential partnership is designed to help law enforcement agencies reverse an escalating cycle of claim costs.

Mr. Henderson, at the request of the Board, presented a demo of the services provided by Benchmark.

Motion by Daniel Ramos (Adelanto), seconded by Debra Carter (Inglewood), to receive the report and direct the Claims Committee to proceed with the next steps of evaluating a potential partnership with Benchmark Analytics. Motion passed unanimously by all voting members present, with representatives from Adelanto, Downey, Fullerton, Glendora, Hawthorne, Huntington Park, Inglewood, San Fernando and South Gate voting "aye".

H. Report on Granted Settlement Authority as of December 31, 2023

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

- Negrete v. South Gate - the Board approved a settlement of \$225,000 by unanimous vote with all members present at the October 12, 2023 board meeting.
- Beal v. Adelanto – the Board approved a settlement of \$2.25 million by unanimous vote with all members present at the October 12, 2023 board meeting.

Information only.

The Board took a break at 12:38 p.m. and reconvened at 12:48 p.m.

7. CLOSED SESSION

The Board entered into closed session at 12:48 p.m. to discuss the following items:

- A. Conference with Legal Counsel Regarding Existing Litigation pursuant to Government Code Section 54956.95:
- Quarker v. Culver City (GL)

The Board took a break at 1:19 p.m. and reconvened at 1:29 p.m.

- B. Conference with Legal Counsel Regarding Existing Litigation pursuant to Government Code Section 54956.9(d)(1):
- ICRMA v. Baldwin Park
 - Redondo Beach v. ICRMA

8. REPORT FROM CLOSED SESSION

The Board reconvened to open session at 1:51 p.m.

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

9. CLOSING COMMENTS

None.

10. ADJOURNMENT

Vice President Eduardo Sarmiento adjourned the meeting at 1:52 p.m.