
MINUTES OF THE MARCH 6, 2025 BOARD OF DIRECTORS MEETING

A meeting of the Board of Directors was held at the SpringHill Suites in Downey, CA.

VOTING MEMBERS PRESENT:

Bell	Rickey Manbahal
Downey	James McQueen
El Monte	Rigoberto Gutierrez (<i>arrived at 10:34 a.m.</i>)
El Segundo	Sharon Brennan
Fullerton	Veronica Gutierrez
Glendora	Marie Ricci (<i>left at 12:15 p.m.</i>)
	Rita Welding
Hawthorne	David Caceres
Huntington Park	Eduardo Sarmiento
Inglewood	Debra Carter (<i>arrived at 10:38 a.m.</i>)
Lynwood	Patrick Matson
San Fernando	Sergio Ibarra
Santa Ana	Aarti Kaushal
South Gate	Thurman Green (<i>arrived at 10:32 a.m.</i>)

MEMBERS ABSENT:

Adelanto

OTHERS PRESENT:

AdminSure	Kristen Vanscourt (<i>left during closed session</i>)
Eide Bailly	Brent Mason (<i>left during closed session</i>)
	Devin Sinner (<i>left during closed session</i>)
Johnson Schachter & Lewis	Kellie Murphy
OneSource	Louise Edler
Gallagher	Susan Blankenburg (<i>left during closed session; left at 12:15 p.m.</i>)
Sedgwick	Eric Dahlen
	Marina Acosta
	Jon Paulsen
	Min Su

1. CALL TO ORDER

President Sergio Ibarra called the meeting to order at 10:06 a.m.

2. ESTABLISHMENT OF QUORUM AND INTRODUCTIONS

Roll call was taken, and a quorum was established.

3. INTRODUCTIONS

Introductions were made. Veronica Gutierrez (Fullerton) indicated Pamela Mackie is no longer with the city. Ms. Gutierrez will submit a copy of the City Council resolution to the ICRMA administration team.

4. PUBLIC COMMENTS

No public comments were made.

5. APPROVAL OF AGENDA AS POSTED OR AMENDED

Motion by Eduardo Sarmiento (Huntington Park), seconded by Rickey Manbahal (Bell), to approve the agenda as posted. Motion passed unanimously by all voting members present.

6. CONSENT CALENDAR

Sergio Ibarra, Board President, requested to pull the following Consent Calendar item: N. Web Hosting Agreement Amendment #1. The agreement states names instead of positions. The recommendation was to change the agreement to state positions instead of names.

Motion by Rickey Manbahal (Bell), seconded by David Caceres (Hawthorne) to approve items:

A) Minutes of the November 25, 2024, Special Board Meeting; B) Minutes of the December 5, 2024, Board Meeting; C) Minutes of the December 16, 2024, Special Board Meeting; D) Minutes of the January 14, 2025, Special Board Meeting; E) Board of Directors Attendance Record as of December 31, 2024; F) Approved Minutes of the October 30, 2024, Claims Committee Meeting; G) Approved Minutes of the December 19, 2024, Special Claims Committee Meeting; H) Disbursement Registers: November 2024 – January 2025; I) Quarterly Financial & Treasurer Reports as of December 31, 2024; J) Quarterly Investment Report as of December 31, 2024; K). Quarterly Risk Management Fund Balance as of December 31, 2024; L). Quarterly Update on Risk Management Training and Universities; and M). Annual Calendar Overview.

Action: Approve items A-M; receive and file items E-N. Motion passed unanimously by all voting members present.

N. Web Hosting Agreement Amendment #1

This is a contract amendment for Zadros Web who manages ICRMA's website. The proposed Administrative Change Addendum stated names instead of positions. Mr. Ibarra recommended staff revise the proposed Addendum to state positions instead of names to avoid a future amendment to the underlying contract.

Motion by Mr. Ibarra (San Fernando), seconded by Rickey Manbahal (Bell), to approve item 6.N. with the recommended changes. Motion passed unanimously by all voting members present.

7. OPEN SESSION**A. Executive Director's Report**

Eric Dahlen, Executive Director, provided an update on the transition to the new administrative team, member meetings, data access challenges with Origami, and strategic planning. The data challenges are in the process of being resolved. The Board directed staff to create a poll with proposed dates for a half-day strategic planning session.

B. Approval of Claims Committee Appointment

As of December 2024, the cities of Adelanto and Hawthorne presented their respective notices of intent to withdraw. The City of Adelanto's pool representative was no longer able to serve on the Claims Committee as per the ICRMA Bylaws. Patrick Matson (Lynwood) was appointed as a member of the Claims Committee.

C. Update on Contract with Origami – Claims Management Software

ICRMA currently maintains a contract with Origami Risk for its use of the risk management information system (RMIS). The current agreement will expire on June 30, 2025. The expiring contract has an annual cost of \$146,925. The initial proposed renewal is for a three-year term at \$228,500 per year, representing a 56% increase. The increases are in all areas. Discussion ensued about alternative vendors. Ultimately Board members believe there is value in maintaining the relationship with Origami. The Sedgwick team was directed to continue negotiations with Origami and push for lower annual fees. Sedgwick staff will present a final renewal proposal to Board Members prior to the contract expiration date.

D. Review of Net Position for the Property, Auto Physical Damage, Workers' Compensation, and Liability Programs as of June 30, 2024

The Board's Net Asset Policy provides guidance to ICRMA in making annual funding, dividend, and assessment decisions for the Liability, Workers' Compensation, Property, and Auto Physical Damage (APD) programs. The Policy obligates the Board to annually review the Net Position of all self-insured programs to assess overall financial health and consider any recommendations for returning dividends or levying assessments, when appropriate, based on the results of various net asset ratio calculations and in accordance with the Net Asset Policy.

Following are the results of the Finance team's analysis of each of the four programs for which ICRMA retains risk.

- **Property Program**

The current Property Program is considered to have adequate Net Assets to continue funding its claim liabilities for the following program year. The Net Assets do not currently meet the criteria of the Net Asset Policy to declare a dividend nor levy an assessment.

- **Auto Physical Damage Program**

The current APD Program is considered to have adequate Net Assets to continue funding its claim liabilities at the Expected Probability Level for the next program year. The 2021/22 and the 2022/23 program years have each developed deficit net asset positions on June 30, 2024.

The 2021/22 program year improved by \$125K over the prior year and stands at a deficit of \$21K, the 2022/23 program year changed from a surplus position in the prior year to a deficit position of \$135K on June 30, 2024. The older program years reflect surpluses but were insufficient to address the two deficit program years. The most recent program year has a significant balance, but its claims are not sufficiently mature to be able to assess whether there will be surplus assets in that year. Overall, the Net Assets of the APD Program do not currently meet the criteria of the Net Asset Policy to declare a dividend nor levy an assessment.

- **Workers Compensation Program**

The Workers' Compensation Program is considered to have adequate Net Assets today to continue funding its claim liabilities at the Expected Probability Level for the next program year. The Net Assets of the Program do not currently meet the criteria of the Net Asset Policy for declaring a dividend or levying an assessment.

- **General Liability Program**

The Liability Program is considered to have adequate Net Assets today to continue funding its claim liabilities at the Expected Probability Level for the next program year. Ongoing monitoring or certain program years continues to be necessary. Staff will perform this work as needed whenever new information becomes available. The current assessment being collected from members appears to continue to be functioning as intended when levied in November 2016. The Net Assets of the Liability Program do not currently meet the criteria of the Net Asset Policy for declaring a dividend but may require the levying of a new assessment in the future.

Motion by Mr. Ibarra (San Fernando), seconded by Veronica Gutierrez (Fullerton), to receive and file the report. Motion passed unanimously by all voting members present.

E. Review of Liability Program Assessment

The Finance Team has finalized the net asset calculations for fiscal year 2024. It was reviewed

for all programs as part of the Board item immediately preceding this item. This report focused on specific program years within the Liability program for which the current assessment applies, evaluating the net asset position today for those program years. The current assessment as originally levied adequately meet its intended purpose and, assuming all anticipated receivable monies are collected, at this time requires no further action.

Kellie Murphy, Board Counsel, reminded the Board that during the December 5, 2024 meeting, the Board voted to reaffirm liability assessments after reviewing Bickmore's actuarial analysis. Based on the analysis, Ms. Murphy noted all current and former members will receive a notice notifying them the assessment was reaffirmed. The notice is not a new assessment, only a reminder of the Board's decision to affirm assessments.

Motion by Thurman Green (South Gate), seconded by Debra Carter (Inglewood), to receive and file. Motion passed unanimously by all voting members present

F. Approval of Administration Services Agreement Addendum

On December 16, 2024, the Board approved a five-year contract with Sedgwick for Administration Services. The contract was subsequently negotiated and executed per the Board's direction. Due to the termination date for the prior Administration Services Agreement, the approved five-year term for the Sedgwick contract is February 1, 2025, to January 31, 2030. To align the contract with the ICRMA program years (July 1 – June 30) and avoid an end date in February prior to the end of the program year, an addendum was added which revises Exhibit D to reflect a term of five years and five months.

Motion by Debra Carter (Inglewood), seconded by Marie Ricci (Glendora), to approve item F with the addendum. Motion passed unanimously by all voting members present.

G. Broker Renewal Strategy Report: 2025-26 Program Year

The Broker Team (Gallagher) meets with the Administration Team on an annual basis, following the submission of ICRMA's renewal data collected during the renewal process. As market expectations develop and underwriters begin reviewing submissions, Gallagher develops a renewal strategy. Ms. Blankenburg provided a market conditions update and reviewed key renewal strategies tied to renewal placements. Thus far, the preliminary rate estimates for 2025/26 are as follows:

- | | |
|-------------------------|-------|
| • Liability | 9-14% |
| • Automobile PD | 5-10% |
| • Workers' Compensation | <5% |
| • Property | <5% |
| • Earthquake/Flood | <5% |

- Cyber Risk Liability Flat
- Crime Flat
- Equipment Breakdown Flat
- Terrorism Flat

Discussion ensued on renewal strategy, including retention options. Mr. Ibarra expressed gratitude to Gallagher for their efforts in maintaining insurance rates at either flat or low levels, considering the state of the market.

Motion by Veronica Gutierrez (Fullerton), seconded by Aarti Kaushal (Santa Ana), to receive and file Gallagher's report. Motion passed unanimously by all voting members present.

H. Report on Granted Settlement Authority as of December 31, 2024

On a quarterly basis, Board Counsel, Kellie Murphy, coordinates with ICRMA's Liability and Worker's Compensation Program Managers to provide a verbal report on any finalized/paid settlements occurring in recent months. The report provided is for all settlements finalized as of December 31, 2024.

Ms. Murphy provided a verbal update on resolved matters:

- Hernandez v. Downey: \$6.4 million settlement
- Beltran v. Huntington Park: \$1.750 million settlement
- Tomita v. Hawthorne: \$862,500 settlement
- Lowe v. Huntington Park: \$825,000 settlement

Motion by Rickey Manbahal (Bell), seconded by Debra Carter (Inglewood), to receive and file item 7.H. Motion passed unanimously by all voting members present.

8. CLOSED SESSION

The Board entered closed session at 12:30 p.m.

A. Discussion of Open Claims and Conference with Legal Counsel pursuant to Government Code Section 54956.95:

- Hastings v. Inglewood
- Lowe v. Huntington Park
- Saldana v. Baldwin Park

9. REPORT FROM CLOSED SESSION

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

General Counsel Kellie Murphy reported no reportable actions were taken regarding the above matters.

10. CLOSING COMMENTS

Mr. Ibarra reminded Board members they will receive an online poll from Sedgwick's Administration Team with proposed dates for a half-day strategic planning session.

11. ADJOURNMENT

The meeting was adjourned at 1:32 p.m.