

MINUTES OF THE OCTOBER 15, 2025 BOARD OF DIRECTORS SPECIAL MEETING

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

VOTING MEMBERS PRESENT:

Bell	Rickey Manbahal
	Gina Skibar <i>(left at 10:37 a.m.)</i>
	Michael L. Antwine II <i>(left at 10:40 a.m.)</i>
Downey	James McQueen
El Monte	Rigoberto Gutierrez <i>(arrived at 10:23 a.m.)</i>
El Segundo	Paul Chung
Fullerton	Veronica Gutierrez
Glendora	Marie Ricci <i>(left at 1:43 p.m.)</i>
	Rita Wendling <i>(left at 1:43 p.m.)</i>
Inglewood	Debra Carter <i>(arrived at 11:08 a.m.)</i>
Lynwood	Yolanda Delgadillo
San Fernando	Sergio Ibarra
Santa Ana	Luisa Najera
South Gate	Thurman Green

MEMBERS ABSENT:

Huntington Park

OTHERS PRESENT:

Eide Bailly LLP	Devin Sinner
Johnson Schachter & Lewis	Kellie Murphy
Mainstream Unlimited	Bob May
Sedgwick	Marina Acosta
	Ramon Hernandez
	Jon Paulsen
	Min Su

1. CALL TO ORDER

President Sergio Ibarra called the meeting to order at 10:12 a.m.

2. ESTABLISHMENT OF QUORUM/INTRODUCTIONS

Roll call was taken, and a quorum was established.

3. PUBLIC COMMENTS

None.

4. APPROVAL OF AGENDA AS AMENDED

Sergio Ibarra, Board President, requested that Open Session Item C, titled “Change to the Late Fees and Penalties,” be deferred to the next meeting to allow staff to gather a more information. Mr. Ibarra further recommended that the item be continued and placed on the agenda for the next Board of Directors meeting scheduled for December.

Motion by Sergio Ibarra (San Fernando), seconded by Rickey Manbahal (Bell), to approve the agenda as amended and continue Open Session Item C to the next scheduled Board of Directors meeting. Motion passed unanimously. El Monte and Inglewood were not present.

5. CONSENT CALENDAR

Motion by Rickey Manbahal (Bell), seconded by Veronica Gutierrez (Fullerton) to approve items:

A) Minutes of the August 21, 2025, Board of Directors Meeting

B) Arcina Risk Group Agreement (Insurance Archeology Services)

Motion to approve the Consent Calendar items A-B passed unanimously. El Monte and Inglewood were not present.

6. OPEN SESSION

A. Bell Withdrawal Timeline Exception

Marina Acosta, Deputy Executive Director, provided an overview of the City of Bell’s June 30, 2025, notice of intent to withdraw from ICRMA. The notice was deemed both insufficient and untimely under the Bylaws, as it lacked a City Council resolution and did not meet the July 1, 2025, deadline. Subsequent discussions with city representatives clarified that Bell is not actively pursuing withdrawal but is instead exploring cost-effective alternatives.

Rickey Manbahal, representing the City of Bell, addressed the Board to explain that the withdrawal notice was submitted as part of a broader fiscal review, not as a definitive intent to leave the pool.

Motion by Rickey Manbahal (Bell) to request Board approval of the withdrawal submittal; however, the motion failed due to the lack of a second. He expressed concern that the city’s position was being constrained and cautioned that such limitations could ultimately compel Bell to formally withdraw—an outcome that was not originally intended.

B. El Segundo Request to Extend Deadline to Rescind Withdrawal Notice

Ms. Acosta provided background on the City of El Segundo’s request to extend the deadline to rescind its notice of membership withdrawal from ICRMA until December 19, 2025. The request was submitted to Executive Director Eric Dahlen on September 25, 2025, and acknowledged on September 29, 2025.

Under current ICRMA Bylaws, the deadline to rescind a withdrawal notice is December 1, 2025. The Bylaws do not currently permit exceptions to this timeline. Proposed language to amend the

Bylaws was introduced for consideration, which would allow a member to rescind a withdrawal notice by December 31 of the preceding year, contingent upon submission of a City Council resolution or meeting minutes.

Concerns were raised that uncertainty regarding member participation beyond the December 1 deadline could negatively affect the renewal process, potentially reducing market capacity and increasing costs for the pool.

No motion was made to amend the Bylaws to accommodate El Segundo's request.

C. Change to the Late Fees and Penalties

This item was deferred and was scheduled for discussion at the December 11, 2025, Board of Directors meeting.

D. Financial Controls

Min Su, Sedgwick, presented two updated resolutions for Board consideration:

- *Resolution 2026-01:* Updates authorized signers and introduces dual authorization requirements for banking, investment, and credit card accounts.
- *Resolution 2026-02:* Updates authorized signers for LAIF accounts.

In addition, staff recommended increasing ICRMA's business credit card limit from \$20,000 to \$30,000 to better support operational needs. Marie Ricci, Glendora, proposed raising the limit further to \$50,000 to ensure sufficient funds are available for efficient operations.

Motion by Marie Ricci (Glendora), seconded by Rigoberto Gutierrez (El Monte), to approve Resolution No. 2026-01 and increase the credit limit from \$20,000 to \$50,000. Motion passed unanimously. Inglewood was not present.

Motion by Rickey Manbahal (Bell), seconded by Marie Ricci (Glendora), to approve Resolution No. 2026-02. Motion passed unanimously. Inglewood was not present.

E. Liability – Financial Update as of Q4 2024-2025

Devin Sinner of Eide Bailly LLP reported that the Fiscal Year (FY) 2024–25 Q4 financials have been updated to reflect finalized reinsurer recoveries, improving the net position by \$4.9 million (from \$2.7 million to \$7.6 million). All receivables as of June 30, 2025, have been collected.

Two high-value liability claims totaling \$14 million, with \$3 million expected to be recovered, will reduce the net position by \$11 million. One claim has been settled, while the other remains pending. After these adjustments, the revised FY 2024–25 net position is projected at \$42.7 million, representing a \$2.7 million decrease from the prior year.

The annual audit remains on schedule for early November, with results anticipated at the December Board meeting.

Motion by James McQueen (Downey), seconded by Rickey Manbahal (Bell), to receive and file the report on the Financial Updates as of Q4 2024-2025. Motion passed unanimously. Inglewood was not present.

F. Allocation Methodology

Mr. Su summarized the August 21, 2025, discussion on revising the allocation methodology for Administrative Expenses and Broker Fees under the Liability and Workers' Compensation Programs. The current model allocates costs using 70% loss history and 30% payroll.

Proposed changes include:

- A new allocation model: 50% equal distribution among members; 50% based on payroll
- Elimination of the $\pm 20\%$ cap on Administrative and Broker Fees to improve accuracy

The Board directed staff to develop an implementation plan for the proposed changes, including a phased transition toward the 50/50 model (e.g., beginning with 70/30, then moving to 60/40) to help mitigate financial impacts on members. Additional suggestions included replacing the loss history component with a loss run percentage and exploring multi-factor models incorporating up to three variables to better reflect member contributions and risk exposure.

Staff will present the implementation plan at a future meeting.

G. Successful Pools

Jon Paulsen, Executive Sponsor from Sedgwick, shared benchmarking data comparing governance structures, member contributions, participation levels, claims management practices, and member services across California municipal self-insurance pools. Supporting materials were provided in advance.

The Board directed staff to assess the feasibility of requiring all members to participate in the pooled layer to promote equity. Additionally, staff were asked to explore joining a shared excess program through a Joint Powers Authority to enhance coverage efficiency and reduce costs.

Governance enhancements included a proposal to establish a fully empowered seven-member Executive Committee to assume the responsibilities of the Claims Committee. The Executive Committee would meet four to six times per year, while full Board meetings would be reduced to twice annually, focusing primarily on strategic oversight.

The Board also requested a comprehensive review of all vendor contracts to evaluate scope, costs, utilization, and overall value.

Litigation management was also addressed. The Board noted differences in attorney panels compared to other pools. President Ibarra emphasized the need for earlier claim identification, active oversight, and stronger control of attorney panels. The Board recommended developing a procedural document outlining litigation strategy and roles.

7. CLOSING COMMENTS

Ms. Acosta reminded the Board of the upcoming Strategic Planning meeting in December and shared the future meeting schedule.

President Ibarra thanked all staff for their work.

8. ADJOURNMENT

The meeting was adjourned at 1:56 p.m.