



MINUTES OF THE MARCH 5, 2026 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 <i>(left during item 6.D.)</i>
Downey	James McQueen <i>(left during item 6.I.)</i>
El Monte	Rigoberto Gutierrez
Fullerton	Veronica Gutierrez
Glendora	Rita Wendling <i>(left during item 6.E.; returned during item 6.F.)</i>
Huntington Park	Eduardo Sarmiento <i>(left after item 6.B.; returned during item 6.E.)</i>
Inglewood	Debra Carter <i>(arrived during item 6.A.)</i>
Lynwood	Yolanda Delgadillo
San Fernando	Sergio Ibarra
Santa Ana	Brandon Chandler
	Luisa Najera <i>(left during item 6.E.)</i>
South Gate	Thurman Green

MEMBERS ABSENT:

El Segundo

OTHERS PRESENT:

Eide Bailly, LLP	Brent Mason
	Devin Sinner
Gallagher	Susan Blankenburg
Johnson Schachter & Lewis	Kellie Murphy
Mainstream Unlimited	Robert May
OneSource	Raleigh Saddler
	Tyler Conlin
Praxis Claims Consulting	Timothy Vincent <i>(attended virtually)</i>
Santa Ana – Guest	Lori Schnaider
	Laura Rossini
Sedgwick	Eric Dahlen
	Marina Acosta
	Ramon Hernandez
	Jon Paulsen
	Min Su
	William Portello

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 POSTED OR AMENDED

President Ibarra requested the agenda be amended to remove the following items, as they were not ready for presentation, at the request of Executive Director, Eric Dahlen:

- **Open Session Item A – ICRMA Rebranding Report**
- **Open Session Item H – Finance Director’s Report**

For clarity, the agenda is organized by section (e.g., “Open Session”) and then by lettered items (A, B, C, etc.). The President requested the Open Session items be reordered so the Executive Director’s Report would be heard first. Accordingly, what had been Open Session Item E was moved to the top and renumbered as Open Session Item A (Executive Director’s Report). The former Open Session Item C (Liability Program Claims Audit Report) became Item B, and the former Open Session Item B (Change to the Late Fees and Penalties) became Item C. All remaining Open Session items were renumbered to follow this revised order.

Motion by Eduardo Sarmiento (Huntington Park), seconded by Thurman Green (South Gate), to approve the agenda as amended. Motion passed unanimously.

5. CONSENT CALENDAR

President Ibarra requested to pull the following Consent Calendar Item for discussion: J. Quarterly Risk Management Training and Universities.

Motion by Rickey Manbahal (Bell), seconded by Rita Wendling (Glendora) to approve items:

- A) Minutes of the December 11, 2025, Board of Directors Meeting*
- B) Minutes of the January 29, 2026, Board of Directors Special Meeting*
- C) Board of Directors Attendance Record as of December 31, 2025*
- D) Liability Defense Panel - Attorney Additions*
- E) Liability Defense Panel – Attorney Removals*
- F) Disbursement Registers: November 2025 - January 2026*
- G) Quarterly Investment Report as of December 31, 2025*
- H) Quarterly Financials/Treasurer’s Report as of December 31, 2025*
- I) Risk Management Fund Balance as of December 31, 2025*
- K) Annual Calendar Overview*
- L) City of San Fernando – Resolution No. 8427 – Appointment of Delegates and/or Alternates*

Motion to approve the Consent Calendar items A-I and K-L passed unanimously.

J. Quarterly Risk Management Training and Universities

President Ibarra requested Loss Control Director, Robert May, provide comments on the services delivered by Loss Control. Mr. May reported he has been meeting with several member cities to

conduct training sessions upon request and has completed various member-level risk management evaluations, including a recent evaluation of the City of Santa Ana.

Motion by Sergio Ibarra (San Fernando), seconded by Eduardo Sarmiento (Huntington Park), to receive and file Quarterly Risk Management Training and Universities. Motion passed unanimously.

6. OPEN SESSION

A. Executive Director's Report

Eric Dahlen, Executive Director, provided operational updates, including upcoming contract expirations effective June 30, 2026, and ongoing review of governance and liability program management practices.

Mr. Dahlen also reminded the Board of key governance requirements related to pooled program participation, reserve requirements, and cost allocation, and emphasized timely provision of underwriting/claims data by Members.

B. Liability Program Claims Audit Report

Marina Acosta, Deputy Executive Director, summarized the 2026 General Liability Claims Audit, which reviewed 165 files across all three Third Party Administrators (TPAs). Overall claims handling met or exceeded benchmarks; improvement opportunities were identified for select TPAs, and staff will monitor corrective actions using a recommendations matrix.

Timothy Vincent, Praxis Claims Consulting, presented the Executive Summary of the Liability Claims Audit. He reported generally timely handling, coverage review, and investigations across TPAs, with improvement needs in documentation, supervisory review consistency, and completeness of liability/damages evaluations (primarily AdminSure; to a lesser extent Carl Warren and OneSource). Reserves were generally appropriate with limited recommended adjustments. He summarized recommendations to strengthen supervisory oversight, defense counsel reporting compliance, and file documentation; TPAs provided responses and are addressing corrective actions.

Jon Paulsen, Executive Sponsor, and Will Portello, Sedgwick, identified post-audit focus areas for the General Liability Program, including strengthening JPA governance; enforcing notice, reporting, and settlement requirements; clarifying reporting expectations (e.g., the lesser of 50% of the member MRL or \$250,000); refocusing program management scope; enhancing TPA oversight (including potential consolidation); increasing proactive involvement and strategic coordination; and reviewing/restructuring the defense counsel panel.

Motion by Eduardo Sarmiento (Huntington Park), seconded by Thurman Green (South Gate), to receive and file the liability program claims audit report. Motion passed unanimously.

C. Change to the Late Fees and Penalties

Mr. Dahlen presented proposed adjustments to the late fee and penalty structure and recommended reducing the current percentage-based surcharge rate from 10% to 4%.

A Board Member suggested maintaining the existing 10% percentage-based surcharge, expressing concern that lowering the rate could reduce the incentive for Members to submit payments on time and potentially encourage delinquent payments by diminishing the financial consequence.

Motion by Rickey Manbahal (Bell), seconded by Rigoberto Gutierrez (El Monte), to make no changes to the current Bylaws regarding the rate of interest charged for delinquent amounts due. Motion passed; Inglewood opposed.

D. City of Santa Ana Self-Procured TPA Agreements

Ms. Acosta summarized the City of Santa Ana's request to continue using self-procured TPA agreements, noting staff's determination that the arrangement is inconsistent with ICRMA governance documents and prior efforts to transition Santa Ana to the ICRMA Master TPA Contract were not completed.

Lori Schnaider, a guest of Santa Ana, stated the City prefers to retain legal recourse protections and would consider joining the Master TPA Contract if acceptable third-party rights could be addressed.

Staff were directed by the Board to explore alternative options that would allow Santa Ana to transition under the ICRMA Master TPA Contract while addressing the City's stated needs and ensuring appropriate legal protections.

Motion by Sergio Ibarra (San Fernando), seconded by James McQueen (Downey), to direct staff to return with a recommendation regarding the City of Santa Ana's self-procurement of its standalone TPA agreements. Motion passed unanimously.

E. Insurance Renewal Strategy Report: 2026-27 Program Year

Susan Blankenburg, ICRMA's Broker with Arthur J. Gallagher & Co., presented the forecasted program rate changes for the upcoming 2026-27 program year. She reported that preliminary rate estimates for 2026-27 are as follows:

- **Liability Reinsurance:** 10-15% increase
- **Terrorism:** 5% increase
- **Cyber Risk Liability:** 5% decrease / remaining flat.
- **Workers' Compensation:** 5% decrease / remaining flat.
- **Property:** 5% decrease
- **Equipment Breakdown:** Remaining flat.
- **Earthquake/Flood:** 10% decrease
- **Auto Physical Damage:** Remaining flat to 5% increase.
- **Crime:** 16% increase

Staff reported evaluating alternatives to reduce reinsurance costs (including potential excess pool participation). The Board expressed interest and requested this be considered for a future program year.

Motion by Rigoberto Gutierrez (El Monte), seconded by Veronica Gutierrez (Fullerton), to receive and file the insurance renewal strategy report for the 2026-27 program year. Motion passed unanimously.

F. Preliminary Budget for Program Year 2026-27

Brent Mason, Finance Director, presented the preliminary 2026–27 budget (as of February 20, 2026): \$49.1 million in total budgeted expenditures, with projected member contribution increases of 8%–13% due in part to two fewer members.

Mr. Mason noted that declining participation has amplified cost allocation challenges, particularly in Workers' Compensation, and staff will continue reviewing allocation methodologies as the Final Budget is developed. Staff will also refine estimates as final excess insurance quotes and exposure data are received; a revised draft is scheduled for May, with adoption planned for June 18, 2026.

Motion by Veronica Gutierrez (Fullerton), seconded by Debra Carter (Inglewood), to receive and file the preliminary budget for the 2026-27 program year. Motion passed unanimously.

G. Loss Control Recommendations

Mr. May was not present to present this item. No discussion on the Loss Control Recommendations took place. The item report was for information only.

H. Report on Granted Settlement Authority as of December 31, 2025

Kellie Murphy, board and coverage counsel, reported on all settlements approved thus far during the 2025-26 program year that are now finalized:

- Lowe v. Huntington Park: \$8 million settlement
- Hastings v. Inglewood: \$4 million settlement
- Saldana v. Baldwin Park: \$9.75 million settlement
- Salgado v. Huntington Park: \$2.5 million settlement

I. Sedgwick Executive Sponsor's Report

Jon Paulsen, Executive Sponsor, provided an update on the claims data project managed by Ms. Acosta noting the project has been successful to date and considerable progress has been made in cleaning up and validating the data.

President Ibarra noted that meeting more frequently—such as on a monthly basis—could help the Board manage its workload and support more timely decision-making. Mr. Ibarra also directed staff to poll Board Members for potential dates and to schedule a special meeting in April to address items requiring prompt attention.

7. CLOSED SESSION

All guests and vendor partners not involved in claims matters exited the meeting prior to the commencement of Closed session. *The Board entered Closed Session at 2:38 p.m.*

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

- Ramirez v. Santa Ana (GL)

8. REPORT FROM CLOSED SESSION

The Board reconvened to open session at 2:42 p.m.

Ms. Murphy reported no reportable actions were taken regarding A) Discussion of Open Claims and Conference with Legal Counsel pursuant to Government Code Section 54956.95.

9. CLOSING COMMENTS

Rita Wendling, Glendora, advised the Board that the City of Glendora will depart the pool effective June 30, 2026, noted this may be one of her final meetings in attendance, and thanked the Board and staff.

10. ADJOURNMENT

The meeting was adjourned at 2:50 p.m.