

MINUTES OF THE APRIL 23, 2026 BOARD OF DIRECTORS SPECIAL MEETING

A special meeting of the Board of Directors was held via teleconference on April 23, 2026.

VOTING MEMBERS PRESENT:

Bell	Rickey Manbahal
Downey	James McQueen
El Monte	Rigoberto Gutierrez <i>(joined during item 5.A.)</i>
Fullerton	Veronica Gutierrez
	Christine Pilapil
Huntington Park	Eduardo Sarmiento
Inglewood	Debra Carter
Lynwood	Yolanda Delgadillo
San Fernando	Sergio Ibarra
	Erica Melton
Santa Ana	Brandon Chandler
South Gate	Thurman Green

MEMBERS ABSENT:

El Segundo
Glendora

OTHERS PRESENT:

City of Inglewood	Derald Brenneman
Eide Bailly, LLP	Brent Mason
	Devin Sinner
Johnson Schachter & Lewis APLC	Kellie Murphy
Mainstream Unlimited	Robert May
Sedgwick	Eric Dahlen
	Marina Acosta
	Jon Paulsen
	Min Su
	Ramon Hernandez

1. CALL TO ORDER

President Sergio Ibarra called the meeting to order at 1:02 p.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

Motion by Thurman Green (South Gate), seconded by Rickey Manbahal (Bell), to approve the agenda as posted. Motion passed unanimously via roll call vote.

5. OPEN SESSION

A. Origami Service Contract - Extension of Support Hours

Marina Acosta, Deputy Executive Director, reported the current Origami contract includes 10 monthly support hours, but actual usage has averaged 37 hours per month due to data cleanup and system enhancements. Staff recommended approving a prorated \$10,416.67 for the remainder of the program year to cover the additional support hours needed to complete the current work, and to not approve the proposed \$25,000 annual increase for years 2 and 3.

Motion by Veronica Gutierrez (Fullerton), seconded by Rickey Manbahal (Bell), to approve the prorated cost of \$10,416.67 for the remainder of the program year to cover additional support hours, and to not approve the proposed \$25,000 annual increase for years 2 and 3 of the current Origami contract. Motion passed unanimously via roll call vote.

B. Pool Participation

Eric Dahlen, Executive Director, outlined challenges with ICRMA's risk pooling model, noting that declining member participation reduces the pool's scale and its ability to distribute risk and stabilize costs. He reported anticipated additional withdrawals in July 2027 would further erode the pool's ability to distribute risk and stabilize costs.

The Board discussed restructuring the risk-sharing pool to improve long-term sustainability. Topics raised included an actuarial study, use of XMOD (experience modification factor), potential Member Retained Limit reductions, and changes to excess insurance/reinsurance layers. Mr. Dahlen also noted potential redesign of the excess tower could reduce costs (estimated up to \$3.2 million annually) and increase limits from \$35 million to \$50 million, subject to analysis.

Motion by Rigoberto Gutierrez (El Monte), seconded by Rickey Manbahal (Bell), to direct staff to prepare and present a comprehensive restructuring plan for all ICRMA risk-sharing coverage programs. Motion passed unanimously via roll call vote.

C. Cost Allocation Methodology Analysis

Mr. Dahlen reported that since May 2025, staff had been working on the cost allocation methodology analysis and summarized the work completed to date and prior Board direction. Mr. Mason presented Options A, B, and C for allocating General Administrative and Broker (G&A/Broker) costs and recommended revising the current 70/30 allocation (70% historical losses/30% payroll) to a 50/50 allocation (50% equal share/50% payroll) for Program Year 2026–27 (Option B), subject to Board action. The intention of the revision is to improve equity, and the split could be adjusted in future years.

The Board discussed implementation timing and requested staff present options for a phased-in implementation for the Liability program (e.g., over 2–3 years), including potential use of reserves to mitigate year-to-year impacts. The Board also discussed addressing Workers' Compensation cost allocation separately from the Liability program; a Board member suggested applying Option B to workers' compensation first and deferring broader Liability program changes to a subsequent fiscal year. Mr. Mason stated that applying Option B to Workers' Compensation would reduce the City of San Fernando's contribution by approximately \$200,000, with increases allocated among other participating members.

Motion by James McQueen (Downey), seconded by Sergio Ibarra (San Fernando), to approve Option B for the Workers' Compensation program only. Motion passed by majority vote via roll call vote; Inglewood, Lynwood, Santa Ana, and South Gate opposed.

6. CLOSING COMMENTS

None.

7. ADJOURNMENT

President Ibarra adjourned the meeting at 2:59 p.m.