MINUTES OF THE JUNE 18, 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 *(left during item 6.O.)*
Downey	James McQueen
Fullerton	Veronica Gutierrez
Huntington Park	Eduardo Sarmiento
Inglewood	Debra Carter *(arrived during item 6.A.)*
San Fernando	Sergio Ibarra
Santa Ana	Brandon Chandler
South Gate	Nellie Cobos

MEMBERS ABSENT:

El Monte
El Segundo
Glendora
Lynwood

OTHERS PRESENT:

Eide Bailly, LLP	Brent Mason
	Devin Sinner
Gallagher	Susan Blankenburg
Johnson Schachter & Lewis	Kellie Murphy
Lynwood	Cynthia Stafford (Guest)
Mainstream Unlimited	Robert May
OneSource	Raleigh Saddler
	Tyler Conlin
Sedgwick	Eric Dahlen
	Marina Acosta
	Ramon Hernandez
	Jaesa Cusimano
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1. CALL TO ORDER

President Sergio Ibarra called the meeting to order at 10:10 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

The Board of Directors (Board) approved the agenda as amended to move Consent Calendar Item 5.H, "Annual Calendar Overview," for discussion with Item 6.C, "Claims Committee Membership."

Motion by Rickey Manbahal (Bell), seconded by Veronica Gutierrez (Fullerton), to approve the agenda as amended. Motion passed unanimously.

5. CONSENT CALENDAR

President Ibarra requested Consent Calendar Item 5.J, "Loss Control Program Year 2025/26 Update," be pulled from the Consent Calendar for separate discussion and action.

Motion by Eduardo Sarmiento (Huntington Park), seconded by Sergio Ibarra (San Fernando) to approve items:

A) Minutes of the May 14, 2026, Board of Directors Meeting
B) Liability Defense Panel – Attorney Removals
C) General Liability Memorandum of Coverage for Program Year 2026/27
D) Workers' Compensation Memorandum of Coverage for Program Year 2026/27
E) Auto Physical Damage Memorandum of Coverage for Program Year 2026/27
F) Property Memorandum of Coverage for Program Year 2026/27
G) Board of Directors Attendance Record to Date
I) Disbursements Register: May 2026
K) Occu-Med Contract Renewal
L) Notice of Intent to Withdraw: Huntington Park
M) Notice of Intent to Withdraw: South Gate
N) Notice of Intent to Withdraw: San Fernando
O) Notice of Intent to Withdraw: Downey
P) Notice of Intent to Withdraw: Fullerton

Motion to approve the Consent Calendar items A-G, I, and K-P passed unanimously.

J. <u>Loss Control Program Year 2025/26 Update</u>

Robert May, Loss Control Director, presented an update regarding member use of Loss Control Services for the 2025/26 Program Year. Mr. May reported support would continue to be provided to all members and noted the updated Risk Control Plan for 2026/27 would be presented later in the meeting.

Motion by Sergio Ibarra (San Fernando), seconded by Eduardo Sarmiento (Huntington Park), to receive and file the Loss Control Program Year 2025/26 Update. Motion passed unanimously.

6. OPEN SESSION

A. Executive Director's Report

Eric Dahlen, Executive Director, provided an update regarding governance matters, Claims Committee eligibility, member withdrawal notices, strategic planning, and future pool structure considerations. Mr. Dahlen also introduced Jaesa Cusimano, Sedgwick's Vice President of Pool Operations, as the incoming ICRMA Executive Sponsor.

Discussion included the Ad Hoc Committee's continued work toward a solution in regard to the eroding pooled layer participation, potential impacts of member withdrawals on the Claims Committee and governing structure, and possible future pool structure options.

Additional discussion addressed whether the governing documents should be reviewed to address regular attendance by Alternate Board members in place of Primary Board members. President Ibarra noted this is a governance issue, as regular attendance by Alternate Board members is not in compliance with ICRMA's Bylaws. A Board member recommended the governing documents be reviewed and updated as needed to support continued compliance.

Staff was directed to continue evaluating options, including related cost information and potential paths forward, for future Board discussion.

B. Elections of Officers – President and Vice President

The Board conducted elections for the offices of President and Vice President. Rigoberto Gutierrez, representing El Monte, previously indicated his willingness to serve and was nominated and elected President in absentia. Sergio Ibarra, representing San Fernando, was nominated and elected Vice President.

Motion by Sergio Ibarra (San Fernando), seconded by Eduardo Sarmiento (Huntington Park), to nominate and elect Rigoberto Gutierrez, representing El Monte, as President. Motion passed unanimously.

Motion by James McQueen (Downey), seconded by Rickey Manbahal (Bell), to nominate and elect Sergio Ibarra, representing San Fernando, as Vice President. Motion passed; Santa Ana opposed.

C. Claims Committee Membership

Mr. Dahlen reported on the current Claims Committee structure, two vacancies beginning July 1, 2026, and the Committee's ongoing sustainability. Discussion included Claims Committee eligibility, the potential impact of member withdrawal notices on Committee composition after December 1, 2026, and related considerations regarding meeting cadence. It was noted that members which have submitted notices of intent to withdraw would no longer be eligible to serve on the Committee after the December 1 deadline to rescind such notices.

Following discussion, the Board directed that the current Claims Committee structure be maintained through at least December 1, 2026. Debra Carter, representing Inglewood, and Veronica Gutierrez, representing Fullerton, volunteered to serve on the Committee. The Board President will appoint Ms. Carter and Ms. Gutierrez to fill the vacancies until the next Board meeting, at which time the Board will consider ratification of the appointments.

Consent Calendar Item 5.H, "Annual Calendar Overview," which was moved for discussion with this item, was reviewed in connection with the Claims Committee meeting schedule. The Program Year 2026/27 meeting calendar had been approved at a prior Board meeting; therefore, no new dates were established, and no previously approved dates were changed. Following review, the Claims Committee meeting dates remained unchanged as presented, and no separate action was taken.

D. Liability Program Renewal – Reinsurance Layers for 2026/27

Susan Blankenburg, ICRMA's broker with Arthur J. Gallagher & Co. (Gallagher), presented two renewal options for the 2026/27 Liability Program. At the Board's May 14, 2026, meeting, the Board approved Layers 1 through 6 of the renewal program; however, final terms for Layers 7 through 9 were not yet available. Gallagher subsequently secured the remaining quotations, completing the structure presented as Option 1. Option 2 provided an alternative structure that increased the combined annual aggregates from $13 million to $14 million. Under Option 2, Automobile Liability, which has historically been included within the annual aggregate, would be unaggregated. Option 2 also replaced Everest and SCOR in Layers 6 and 7 with Upland and Palomar for the combined layered limits of $7 million excess (xs) of $18 million, resulting in a reduced premium. Following discussion, the Board expressed preference for Option 2, including the carrier changes, estimated savings, increased annual aggregate, and enhanced aggregate treatment for Automobile Liability.

The proposed Option 2 approved by the Board includes:

1. Alternative Risk Transfer – $2M xs $2M
2. Safety National – $5M xs $4M
3. Old Republic – $4M xs $9M
4. Allied World – $2.5M xs $13M
5. Bowhead – $2.5M xs $15.5M
6. Upland – $5M xs $18M
7. Palomar – $2M xs $23M
8. Group Ark – $5M xs $25M
9. Arcadian – $5M xs $30M

Motion by Eduardo Sarmiento (Huntington Park), seconded by James McQueen (Downey), to approve Option 2 for the 2026/27 Liability Program Renewal. Motion passed unanimously.

E. All Risk Property, Earth Movement, Flood, and Equipment Breakdown Renewal for 2026/27

Ms. Blankenburg presented the 2026/27 renewal for All Risk Property, Earth Movement, Flood, and Equipment Breakdown coverage. The renewal included a consolidated master structure for the lead $25,000,000 of Property, Earth Movement, and Flood coverage for scheduled cities and buildings, avoiding multiple carrier minimum premiums. Two separate excess coverage towers, each providing limits up to $100,000,000, were built to achieve estimated premium savings of at least $200,000 compared to a combined excess program. Equipment Breakdown coverage was included with a $250,000 limit.

Motion by Veronica Gutierrez (Fullerton), seconded by Debra Carter (Inglewood), to approve the renewal of the All-Risk Property, Earth Movement, Flood, and Equipment Breakdown coverages. Motion passed unanimously.

F. Adoption of Final Budget for Program Year 2026/27

Brent Mason, Finance Director, presented the Final Budget for the 2026/27 Program Year. Mr. Mason summarized changes from the preliminary budget presented on May 14, 2026, including updated renewal costs, exiting member fees, allocation adjustments, and the budget impact of the Board's approval of Option 2 for the Liability Program Renewal under Item 6.D. The approved Option 2 structure resulted in a $194,000 reduction to the Final Budget compared to the alternative renewal structure.

Motion by Debra Carter (Inglewood), seconded by Veronica Gutierrez (Fullerton), to approve the final budget for the Program Year 2026/27. Motion passed unanimously.

G. Amendment to Sedgwick Administrative Contract

Mr. Dahlen presented an amendment to the Sedgwick Administrative Contract, which updated Exhibit E to replace Jon Paulsen with Ms. Cusimano as the named Executive Sponsor, following her appointment as Sedgwick's Vice President of Pool Operations. No other changes were proposed.

Motion by Veronica Gutierrez (Fullerton), seconded by Rickey Manbahal (Bell), to approve the proposed second amendment to the administrative services agreement with Sedgwick. Motion passed unanimously. Inglewood was not present.

H. OneSource Contract Renewal

Marina Acosta, Deputy Executive Director, presented the OneSource CMS (OneSource) contract renewal for litigation management services related to ICRMA's General Liability Program, including proposed one-year and three-year term options expiring June 30, 2027, and June 30, 2029, respectively. Any approval was noted as subject to legal review. Discussion included litigation management services, performance considerations, term length, and fee structure. Following discussion, the Board approved a one-year renewal to allow continued evaluation of performance and cost considerations.

Motion by Debra Carter (Inglewood), seconded by Brandon Chandler (Santa Ana), to approve a one-year renewal of the OneSource service agreement, subject to legal review. Motion passed unanimously.

I. TCTI Contract Renewal

Ms. Acosta presented The Counseling Team International's (TCTI) contract renewal for counseling and support services, particularly for law enforcement and public safety personnel. Staff recommended non-renewal due to declining participation and utilization. Board members noted the service continues to provide value to participating agencies, particularly for law enforcement and public safety personnel, and that costs are borne only by agencies that choose to participate. Following discussion, the Board expressed support for continuing the program and approved renewal of the contract.

Motion by James McQueen (Downey), seconded by Sergio Ibarra (San Fernando), to approve renewal of the TCTI contract for Program Year 2026/27. Motion passed; Inglewood opposed.

J. Mainstream Unlimited Contract Renewal

Mr. Dahlen presented the proposed agreement with Mainstream Unlimited to provide loss control and related risk control consulting services to member agencies. He noted that certain terms, language, and scope-of-work provisions had been negotiated and that approval would be subject to legal review. Discussion included conflict-of-interest language, subcontractor provisions, compensation, total hours, and the consultant's role in mediation at member request. The Board approved the agreement consistent with staff recommendations, including the conflict-of-interest language, a 300-hour service cap, reduced from 500 hours to reflect the reduced membership, the recommended compensation structure, and the ability for cities to request Mr. May's attendance at mediation.

Motion by Veronica Gutierrez (Fullerton), seconded by Brandon Chandler (Santa Ana), to approve the proposed agreement with Mainstream Unlimited, including the negotiated terms and subject to legal review. Motion passed; Bell opposed.

K. Property Program Dividend

Mr. Mason presented the proposed Property Program dividend for program years 2019/20, 2020/21, and 2021/22. Mr. Mason reported the program years met the eligibility requirements, no related claims remain open, and $1,007,115 is eligible for distribution. Bell and Inglewood do not participate in the Property Program; all other current members, along with former members Adelanto, Hawthorne, Hermosa Beach, and Monterey Park, are eligible to receive a distribution. During discussion, a Board member expressed concern regarding dividend distributions to former members currently involved in litigation with ICRMA.

Motion by Debra Carter (Inglewood), seconded by Veronica Gutierrez (Fullerton), to approve declaring a dividend for program years 2019/20, 2020/21, and 2021/22 for the Property Program. Motion passed; Bell opposed.

L. Auto Physical Damage Program Dividend

Mr. Mason presented the proposed Auto Physical Damage (APD) Program dividend for program years 2019/20, 2020/21, and 2021/22. Mr. Mason reported the program years met the eligibility requirements, no related claims remain open, and $87,291 is eligible for distribution. Bell, El Monte, and Inglewood do not participate in the APD Program; all other current members, along with former members Adelanto, Hawthorne, Hermosa Beach, and Monterey Park, are eligible to receive a distribution. During discussion, the same Board member expressed concern regarding dividend distributions to former members currently involved in litigation with ICRMA.

Motion by Brandon Chandler (Santa Ana), seconded by Eduardo Sarmiento (Huntington Park), to approve declaring a dividend for program years 2019/20, 2020/21, and 2021/22 for the APD Program. Motion passed; Bell opposed.

M. Liability Program – Excess Recoveries

Tyler Conlin, Assistant Liability Program Manager, presented an update regarding excess recoveries. Mr. Conlin reported approximately $22,000,000 had been recovered since 2024 through reinsurance and excess recovery efforts. OneSource will continue their monthly review of loss runs to identify claims reportable to ICRMA and excess carriers/reinsurers and pursue recovery promptly. No action was taken.

N. Risk Control Plan for 2026/27

Mr. May presented the Risk Control Plan (Plan) for Program Year 2026/27. The proposed Plan focuses on key risk areas and training priorities, including liability trends, sidewalk and dangerous condition claims, excessive force, safety committees, lessons learned, and cyber training.

Motion by Debra Carter (Inglewood), seconded by Veronica Gutierrez (Fullerton), to adopt the proposed Risk Control Plan. Motion passed unanimously. Huntington Park was not present.

O. Lexipol Risk Pool Partnership Update – University of Virginia

Mr. May provided an update regarding the Lexipol Risk Pool Partnership with the University of Virginia. Claims data collection is currently underway, and future updates may include agency-level reporting on policy updates and daily training bulletin completion.

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

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 2:02 p.m.*

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

- Kropidlowski v. Santa Ana (GL)
- Lara/Velasquez v. South Gate (GL)
- Ramirez v. Santa Ana (GL)

8. REPORT FROM CLOSED SESSION

The Board reconvened to open session at 2:36 p.m.

Ms. Murphy reported no reportable action regarding Kropidlowski v. Santa Ana (GL) or Lara/Velasquez v. South Gate (GL), and no action was taken regarding Ramirez v. Santa Ana (GL).

9. CLOSING COMMENTS

Mr. Dahlen reported ICRMA received CAJPA re-accreditation with excellence and recognized Ramon Hernandez, Sedgwick, for coordinating the accreditation process. The re-accreditation certificate will be presented to the Board at a future meeting.

It was also noted Eduardo Sarmiento would no longer serve with Huntington Park beginning in July 2026, making this his final Board meeting on behalf of the City. The Board acknowledged Mr. Sarmiento's service and extended its best wishes.

10. ADJOURNMENT

The meeting was adjourned at 2:38 p.m.