

**INDEPENDENT CITIES RISK MANAGEMENT AUTHORITY****MINUTES OF THE
GOVERNING BOARD MEETING
Thursday, August 11, 2016
10:00 A.M.**

A meeting of the Governing Board was held on August 11, 2016, in Downey, California.

MEMBERS PRESENT:

| | |
|-----------------|-------------------|
| Alhambra | Richard Bacio |
| | Velia Rodriguez |
| Baldwin Park | Richard Dukellis |
| Bell | Sergio Ibarra |
| Downey | Anil Gandhi |
| El Monte | Nathalie Adourian |
| El Segundo | Joe Lillio |
| | Mike Dugan |
| Fullerton | Gretchen Beatty |
| Glendora | Cecilia Todd |
| | Shama Curian |
| Hawthorne | Alison Stevens |
| Hermosa Beach | Monica Bagnara |
| Inglewood | Ken Campos |
| Manhattan Beach | Greg Borboa |
| Monterey Park | Tom Cody |
| Redondo Beach | Jill Buchholz |
| San Fernando | Nick Kimball |
| South Gate | Nellie Cobos |

MEMBERS ABSENT:

Huntington Park
Lynwood

NON-MEMBERS PRESENT:

| | |
|---------------------------|-------------------|
| RPA | Jenna Goodrich |
| | Marco Guardi |
| | Cindy LaMantia |
| | Tyler LaMantia |
| | Beth Lyons |
| | Ashley O'Brian |
| Arthur J. Gallagher | Susan Blankenburg |
| Johnson Schachter & Lewis | Luther Lewis |

Carl Warren & Company

Dwight Kunz
John Beringer
Sean Rasmussen
Todd Johnson
Tom Boylan

James Marta & Co

James Marta

1. CALL TO ORDER

President Tom Cody called the meeting to order at 10:06 a.m.

2. ESTABLISHMENT OF QUORUM/INTRODUCTIONS

Introductions took place and it was determined a quorum was present.

3. PUBLIC COMMENTS

RPA staff thanked Anil Gandhi for securing the Space Center for the meeting.

4. APPROVAL OF AGENDA AS POSTED OR AMENDED

A motion was made by Anil Gandhi, seconded by Greg Borboa, and carried by unanimous vote to approve the agenda as presented.

5. CONSENT CALENDAR

*Anil Gandhi, Downey, moved the title on consent calendar Item D be changed to read **Treasurer's Report as of June 30, 2016. The motion was seconded by Greg Borboa, Manhattan Beach. A voice vote was taken and the motion passed unanimously.** Items B & F were requested to be pulled from the agenda for further discussion. **A motion to approve items A, C, D, E, G and H was made by Greg Borboa, Manhattan Beach. The motion was seconded by Richard Dukellis, Alhambra. A voice vote was taken and the motion unanimously carried to approve the consent calendar.***

Regarding Item B, the 2016-17 meeting schedule, Richard Bacio, Alhambra, made a motion that the Board Meeting scheduled on Thursday, June 8, 2017, be rescheduled for June 15, 2017. The motion was seconded by Gretchen Beatty, Fullerton. A voice vote was taken and the motion unanimously carried.

Regarding Item F, risk management fund guidelines, Richard Bacio, Alhambra, made a motion to delete the last sentence under Purpose in Usage Report & Guidelines. The motion was seconded by Greg Borboa, Manhattan Beach. A voice vote was taken and the motion unanimously carried.

6. OPEN SESSION

A. 2016-17 Risk Control Plan

Board revisions requested in June regarding proposed 2016-17 risk control services were presented and discussed. A process to allow members access to risk control services when

they have met the soft cap of days of Loss Control was proposed. After lengthy and detailed discussion the board determined that when a request for additional days came in, it would be forwarded to Marco and then a recommendation from Marco would be presented to the Executive Director for approval. The Board will be provided with a monthly utilization report.

Gretchen Beatty, Fullerton, moved that RPA staff be provided the authority to approve the usage over the soft cap of five days of loss control per member and provide quarterly updates on usage to the Board. The motion was seconded by Ken Campos, Inglewood. A voice vote was taken and the motion carried unanimously.

Marco Guardi discussed training resources and the learning management system provided by reinsurance partner Britt and available through the ICRMA website. This is a powerful resource that has been provided to ICRMA members at no additional cost. Access to this tool is unlimited.

Safety National provides a grant for \$2,500 - \$10,000 to policy holders. RPA is writing a grant for ICRMA. Individual members can also apply for the grant. Deadline is August 31, 2016.

A motion to adopt the Proposed 2016-2017 Risk Control Plan as recommended with the nuances that were voted upon previously was requested. Greg Borboa, Manhattan Beach made the motion. The motion was seconded by Mike Dugan, El Segundo. A voice vote was taken and unanimously carried.

- B. Approve Vavrinek, Trine, Day & Company to serve as ICRMA's Financial Auditor

Vavrinek, Trine, Day & Company responded to ICRMA's RFP for a Financial Auditor. The proposal from VTD&C was reviewed and discussed. It has been reviewed by committee and was found to meet all the qualifications in the RFP.

Gretchen Beatty, Fullerton made a motion to authorize the Executive Director to execute a contract with Vavrinek, Trine, Day & Company for Financial Auditing services for the fiscal years ending June 30, 2016 through June 30, 2018 with two optional one year extensions. Richard Bacio, Alhambra seconded the motion. A voice vote was taken and the motion carried unanimously.

- C. Approval of the Revised 2016-17 Liability Memorandum of Coverage

The Claims Committee and the Board reviewed the Revised Memorandum of Coverage (MOC) in May. Several recommendations were approved at that time and been incorporated into the document. Subsequently additional discussion took place on Drones, Sexual Misconduct and changes to Public Crisis Response Coverage. Luther discussed in detail the changes the FAA made to its guidelines. Because this is a fluid topic and FAA regulations may frequently change, the MOC was revised to extend coverage if the drone is operated in compliance with applicable FAA rules and regulations, including operating under a proper

and valid certificate of authorization. Members were notified that the FAA requires a certificate when a drone is flying over a crowd. Discussion of film permitting and the need to apply the FAA guidelines also took place.

The revised definition of Sexual Abuse and the specified reporting officials designated specifically in the MOC were discussed at length. The limits of coverage were made clear in the MOC. The coverage was reviewed and discussed in detail, as well as the fact that the perpetrator in these incidents is not covered.

Limits language was discussed. Previously the MOC stated that if more than one member is involved in an occurrence the limit of coverage shall apply separately to each member and each member shall pay its retained limit. Clash coverage was purchased in 2014 but the language had not been changed to reflect that. The language has been updated to state that only one ICRMA limit would apply to the occurrence if more than one member is involved. Each member involved will continue to pay its retained limit, and if the member retained limits exceed ICRMA's pool limit, the additional funds will be added to net position.

Public Crisis Event Coverage language was discussed. An enhancement to the coverage was provided by Markel as it removed the requirement for escalating intensity of media coverage before the coverage may be triggered. Assistance in handling the crisis is available and members were reminded to use this coverage. Experience with this coverage was discussed by Sergio Ibarra, Bell. Tyler reminded the members to notify their TPA if they are using this coverage and to request two claim files be created since this coverage is first dollar and does not require satisfaction of the member retained limit.

Coverage was also broadened to include automobiles loaned to the city.

Discussion and explanation of the wording regarding limits of coverage for Fullerton followed. Fullerton has \$30 million in limits similar to other ICRMA members, but maintains a retained limit that is higher than the pool limit as it does not participate in the pooling layers or the \$1 million corridor funding.

Richard Bacio, Alhambra, moved approval of the additional revisions to the 2016-17 Liability Memorandum of Coverage, and also moved they be retroactive to July 1, 2016. The motion was seconded by Greg Borboa, Manhattan Beach. A voice vote was taken and the motion unanimously carried.

D. Website Launch

Ashley O'Brian provided a visual presentation regarding the ICRMA website and highlighted the training programs available through the member section.

E. Member Request to add Terrence Gallagher of Olivarez Madruga to the Liability Defense Panel

The City of El Monte requested that Terrence Gallagher of Olivarez Madruga be added to the Liability Defense Panel. He is a partner and specializes in tort employment and public law.

Jill Buchholz, Redondo Beach, made the motion to add Terrence Gallagher of Olivarez

Madruga to the Liability Defense Panel. Ken Campos, Inglewood, seconded the motion. A voice vote was taken and the motion unanimously carried.

- F. Member Request to add Timothy Davis and Charles Slyngstad of Burke, Williams & Sorenson to the Liability Defense Panel
The City of Inglewood requested Timothy Davis and Charles Slyngstad of Burke, Williams & Sorenson be added to the Liability Defense Panel. Ken Campos detailed for the members the reason for this request.

Richard Bacio, Alhambra, made the motion to add Timothy Davis and Charles Slyngstad of Burke, Williams & Sorenson to the Liability Defense Panel. Nathalie Adourian, El Monte, seconded the motion. A voice vote was taken and the motion unanimously carried.

- G. ICRMA Education and Promotion
A pool comparison matrix is being developed so members better understand ICRMA's service offerings and how it compares to other pools. The matrix will be available within the next two weeks. Members also discussed upcoming conferences they will be attending as well as how ICRMA is viewed by others.

7. CLOSED SESSION

The Committee convened in closed session at 12:10 p.m. to discuss the following:

- Scott Griffin v. City of Upland (WC)
- Junko Kitahara v. City of Monterey Park

8. REPORT FROM CLOSED SESSION

The Committee convened in open session at 12:42 p.m. and reported that the claims on the agenda were discussed and no action was taken.

9. PRESIDENT'S REPORT

The president requested volunteers for an ad hoc committee to review ICRMA costs. The review is anticipated to include the cost allocation formula, ex-mod formula, member retained limits, and programs being offered. Chu Tai (Monterey Park), Greg Borboa (Manhattan Beach), Nick Kimball (San Fernando) and Anil Ghandy (Downey) volunteered to serve on the committee.

10. CLOSING COMMENTS

There were no closing comments.

11. ADJOURNMENT

The meeting adjourned by general consensus at 12:45 p.m.