

**INDEPENDENT CITIES RISK MANAGEMENT AUTHORITY****MINUTES OF THE  
SPECIAL GOVERNING BOARD MEETING  
Thursday, November 17, 2016  
10:00 A.M.**

A special meeting of the Governing Board was held on November 17, 2016, in Downey, California.

**MEMBERS PRESENT:**

Alhambra	Richard Bacio
	Velia Rodriguez
Baldwin Park	Shannon Yauchzee
Bell	Sergio Ibarra (arrived 10:20)
Downey	Anil Gandhi
El Segundo	Joe Lillio
	Mike Dugan
Glendora	Cecilia Todd
	Vicki Cross
	June Overholt
Hawthorne	Olivia Valentine
Hermosa Beach	Vanessa Godinez
Huntington Park	Donna Schwartz
	Martha Castillo
Inglewood	Sara Nazir
Lynwood	Haydee Sainz (arrived 10:27)
Manhattan Beach	Greg Borboa
Monterey Park	Tom Cody
	Chu Thai
Redondo Beach	Jill Buchholz (departed 2:27)
San Fernando	Nick Kimball (arrived 10:38)
South Gate	Nellie Cobos

**MEMBERS WITHOUT VOTING DELEGATES PRESENT:**

El Monte  
Fullerton

**NON-BOARD MEMBERS PRESENT:**

Baldwin Park	Richard Dukellis
	Rose Tam
Bell	Tina Worrudin
Downey	Yvette Abich Garcia
El Monte	Jesus Gomez
El Segundo	Greg Carpenter

Fullerton	Olga Vellanoweth
	Kriste Saldana
Glendora	Chris Jeffers
	Wayne Leech
Hawthorne	Rickey Manbahal
Monterey Park	Ron Bow
San Fernando	Brian Saeki

**NON-MEMBERS PRESENT:**

RPA	Beth Lyons
	Cindy LaMantia
	Ashley O'Brian
Johnson Schachter & Lewis	Luther Lewis
Carl Warren & Company	John Beringer
James Marta & Co	James Marta
Atkinson, Andelson, Loya, Ruud & Romo	Jay Trinnaman

**1. CALL TO ORDER**

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

**2. ESTABLISHMENT OF QUORUM/INTRODUCTIONS**

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

**3. PUBLIC COMMENTS**

None

**4. APPROVAL OF AGENDA AS POSTED OR AMENDED**

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

**5. OPEN SESSION**

**A. Annual Review of ICRMA's Comprehensive Financial Plan**

The revised comprehensive financial plan was presented to the Governing Board at its October 20 meeting. At that time the Board, asked that a special meeting be scheduled prior to taking action to allow additional time for questions and consideration. The Board also asked that city managers and other personnel be invited to attend and that a comprehensive presentation again be delivered.

In early November, RPA and James Marta staff prepared a document to respond to frequently asked questions to ensure members and former members understand the assessment, ICRMA's financial condition, and steps that have been taken to ensure ICRMA's continued success. For example, ICRMA has twice issued dividends totaling over \$8 million, and this is the first time in its 36 year history that assessments have been declared. The Board held a lengthy discussion and

multiple questions were answered. While all members had representatives present and several city managers were in attendance, El Monte and Fullerton did not have voting delegates present.

*Greg Borboa made a motion to approve the following, and Richard Bacio seconded the motion:*

1. *Declare a \$25,755,688 assessment in the liability program to address years with deficits.*
  - a. *Add the additional assessment to the uncollected portion of the \$12.5 million assessment approved in January 2016.*
  - b. *Divide the total assessment over the next 10 years.*
  - c. *Offering a 10% assessment discount for complete payment of assessment balance owed.*
  - d. *Revise assessment totals for members and former members to reflect the updated deficits for the years in which they participated.*
    - i. *Updated assessment installment for members to be invoiced in the 2017-18 fiscal year*
    - ii. *Extend the first assessment installment payment deadline for former members to the 2017-18 fiscal year*
  - e. *Annually review claim development and ensure adequate liquidity*
2. *Eliminate the 4% capitalization charge (approximately \$12.5 million) in the liability program.*
3. *Review the workers' compensation program in early 2017 to determine if the 4% capitalization charge is necessary.*
- 4.

*The motion carried unanimously.*

#### **B. 2017/18 Insurance Renewal Projections**

ICRMA's insurance placements, both reinsurance and excess insurance, renew July 1. ICRMA's administration team, RPA, and its insurance broker, Susan Blankenburg, have begun working together to identify potential markets for both the liability and workers' compensation programs.

The broker has received indications from the current carriers for the 2017/18 period that indicate flat renewals on liability, workers' compensation, property with no earthquake, auto physical damage, crime, and cyber coverage. A 5% rate reduction is anticipated in the property/earthquake program. It is important to note that these are indications only.

In early January, members will receive a request to complete online exposure data surveys which are required for renewal. Beth Lyons noted that it is critical that all members complete the survey by the designated deadline, anticipated to be the end of January, so the broker has the information necessary to market ICRMA's program. Late responses negatively impact the entire renewal process and hinder ICRMA's ability to provide 2017-18 budget projections for the members.

#### **6. CLOSED SESSION**

The Board convened in closed session at 12:35 p.m.

#### **7. REPORT FROM CLOSED SESSION**

The Board convened in open session at 2:34 p.m. The President reported out that the claims on the agenda were discussed and the following action taken:

- A. DFA v. City of Downey: Settlement authority was granted and direction was given.
- B. Schilling v MB: No action was taken.

**8. PRESIDENT'S REPORT**

None.

**9. CLOSING COMMENTS**

There were no closing comments

**10. ADJOURNMENT**

The meeting adjourned by general consensus at 2:35 p.m.