

**INDEPENDENT CITIES RISK MANAGEMENT AUTHORITY****MINUTES OF THE
GOVERNING BOARD MEETING
Monday, December 5, 2016
10:00 A.M.**

A meeting of the Governing Board was held on December 5, 2016, in Redondo Beach, California.

MEMBERS PRESENT:

| | |
|-----------------|--------------------|
| Alhambra | Richard Bacio |
| Downey | Anil Gandhi |
| El Segundo | Joe Lillio |
| | Mike Dugan |
| Fullerton | Gretchen Beatty* |
| Glendora | Cecilia Todd |
| | Shama Curian* |
| Hawthorne | Dennis Hernandez |
| | Olivia Valentine* |
| Hermosa Beach | Vanessa Godinez |
| Huntington Park | Martha Castillo |
| Inglewood | Sara Nazir |
| Lynwood | Haydee Sainz |
| Manhattan Beach | Greg Borboa |
| Monterey Park | Tom Cody |
| | Chu Thai* |
| Redondo Beach | Jill Buchholz* |
| | Diane Strickfaden* |
| San Fernando | Michael Okafor |
| | Nick Kimball* |

MEMBERS ABSENT:

Bell
El Monte
South Gate

NON-MEMBERS PRESENT:

| | |
|--------------|------------------|
| Baldwin Park | Richard Dukellis |
| RPA | Marco Guardi |
| | Tyler LaMantia |
| | Beth Lyons |
| | Ashley O'Brian |

Johnson Schachter & Lewis

Luther Lewis

Carl Warren & Company

Estelle Freeman
John Beringer
Sean Rasmussen
Todd Johnson

James Marta & Co

Ritesh Sharma

Sara Peterson Consulting

Sara Peterson

*departed before Closed Session

1. CALL TO ORDER

President Tom Cody called the meeting to order at 10:05 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 Jill Buchholz (Redondo Beach), seconded by Richard Bacio (Alhambra), and carried by unanimous vote to approve the agenda as presented.

5. CONSENT CALENDAR

A motion was made by Greg Borboa (Manhattan Beach), seconded by Richard Bacio (Alhambra), and carried by unanimous vote to approve the consent calendar as presented.

6. OPEN SESSION

- A. Consider the addition of six attorneys from the Law Offices of Dabbah & Haddad to the Workers' Compensation Approved Panel Counsel.

The City of Lynwood utilizes Tafoya & Garcia as their city attorney, who recommended the attorneys from Dabbah & Haddad be added to the workers' compensation defense panel.

The application package including the nomination letter, attorney resumes, signed agreements to comply with ICRMA's Litigation Management Policies and Procedures, and insurance information form, was enclosed for Board review.

Motion was made by Olivia Valentine (Hawthorne), seconded by Greg Borboa (Manhattan Beach), and unanimously carried to add Gary Dabbah, Fareed Haddad, Munir Suleiman, Joseph Esquibias-Engel, Vano Vlade, and Michelle Lin of the Law Offices of Dabbah & Haddad to the Workers' Compensation Approved Panel Counsel.

B. Adopt Proposed Revisions to the Litigation Management Policies & Procedures

At its November 15, 2016 meeting, the Claims Committee recommended approval of two revisions to the Litigation Management Policies and Procedures (LMPP), to take effect on January 1, 2017.

They include a proposed language addition intended to clarify the definition of conflicts of representation for ICRMA defense counsel, as well as a revision that would change the travel billing provision, such that travel hours are billed at 50% of the normal hourly rate.

In the course of the review, two additional clarifications were suggested: 1) add “Member” in sections 6F (Defense Experts) and 6G (Other Expenditures), and 2) change the title “Litigation Manager” to “Liability Program Manager” throughout.

Motion was made by Gretchen Beatty (Fullerton), seconded by Richard Bacio (Alhambra), and unanimously carried to adopt the proposed revisions to the Litigation Management Policies and Procedures, effective March 1, 2017, for the travel billing rate and immediately for all other changes. The Board asked that attorney feedback regarding the travel billing rate be shared at the February meeting.

C. Liability Program Initiatives and Liability Data Project Update

Beth Lyons and John Beringer presented an update regarding the Liability Program Defense Cost Initiative, the defense panel review & reduction in size, and the data project. These projects were identified by the Board as ways to rein in costs and make the program more efficient and easier to manage.

While ICRMA has accomplished much during the past several years, implementation work remains to complete the initiatives, including but not limited to:

1. Review the attorney panel and seek to further reduce the panel
2. Consider requiring each member establish a trust account for liability claim payments with its selected TPA. Five members (Redondo Beach, Alhambra, Downey, Bell, and Huntington Park) have not established trust accounts.
3. Complete the Origami data feed implementation
4. Consider the advantages/disadvantages of allowing multiple TPAs

No action was taken.

D. Notice of Intent to Withdraw: Manhattan Beach and Redondo Beach

The Board received Manhattan Beach and Redondo Beach’s notices of intent to withdraw from ICRMA on July 1, 2017.

No action was taken.

The meeting recessed for lunch from 12:00 – 12:50 p.m.

E. Strategic Review of the ICRMA Bylaws

Staff and consultants have worked to modernize, reorganize and collapse various bylaw documents and in doing so:

- Update language and eliminate redundancies
- Bring provisions in line with both current and preferred practice
- Improve the overall efficacy of the document
- Ensure the resulting document contains customary sections

Sara Peterson facilitated Board discussion of the more significant changes, including:

- Member commitment to ICRMA
- Board commitment, duties and structure
- Timelines for approving and implementing the bylaws and for aligning other governing documents

The Board provided feedback and Sara requested additional comments be submitted by December 31.

F. Discuss Former ICRMA Member Feedback Regarding the Assessment and Review the Updated “Frequently Asked Questions” Document

On November 17, interim general counsel Luther Lewis and staff from RPA and James Marta & Company held a meeting with former ICRMA members to present financial information, discuss the assessments, and answer questions.

Several former members submitted additional questions, which were largely focused on claim reserving practices and oversight, as well as Board decision-making regarding funding. These questions, along with the responses provided, were added to the Frequently Asked Questions document, which was enclosed for review.

RPA staff also reported that they developed a web-based location on which to post the multiple documents that have been requested by former members. The requested documents, including governing documents and 12 years of claim audits, financial audits, actuarial studies, and budgets, were posted to Sharefile on December 16.

The former members also:

1. Expressed appreciation to the Board for delaying the assessment payment deadline until July 2017.
2. Requested a spreadsheet detailing the assessment calculation, as well as narrative describing the process used to determine the allocation. This information was included in the Sharefile documents.
3. Requested the ICRMA Board consider paying for an independent third-party review of the assessments. A consultant hired by four former members was going to follow-up with RPA staff to provide specifics regarding the scope being requested.

Action: Motion was made by Greg Borboa (Manhattan Beach), seconded by Richard Bacio (Alhambra), that ICRMA will not pay for the third-party review. The Board approved the motion with Gretchen Beatty (Fullerton) opposed.

7. CLOSED SESSION

The Board convened in closed session at 2:12 p.m. to discuss the following:

- A. Conference with Legal Counsel – Anticipated Litigation. Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): one potential case.
- B. Discussion of Open Claims and Conference with Legal Counsel pursuant to Government Code Section 54956.95(a)
 - Schilling v. Manhattan Beach
 - Hadsell v. Baldwin Park
 - Thai et al. v. Alhambra
 - Thai et al. v. Monterey Park

8. REPORT FROM CLOSED SESSION

The Board convened in open session at 2:50 p.m. and reported that, in the matter of Schilling v. Manhattan Beach, the Board approved the payment of \$1,395,000 less the remainder of the city's member retained limit. The other claims on the agenda were discussed and no action was taken.

9. PRESIDENT'S REPORT

The President wished everyone happy holidays and thanked them for attending.

10. CLOSING COMMENTS

There were no closing comments.

11. ADJOURNMENT

The meeting adjourned by general consensus at 2:52 p.m.