



**MINUTES OF THE
CLAIMS COMMITTEE MEETING
May 9, 2018
9:30 A.M.**

A meeting of the Claims Committee was held on May 9, 2018, at City of Downey.

Name	Member	Present	Absent
Vicki Cross	Glendora		X
Yvette Garcia	Downey	X	
Sergio Ibarra	Bell	X	
Alison Stevens	Hawthorne	X	
Sara Nazir	Inglewood	X	

Others in Attendance:

RPA	Beth Lyons
Johnson Schachter & Lewis	Luther Lewis
Carl Warren & Company	Dwight Kunz Rose Nuno

1. CALL TO ORDER

Vice Chair Yvette Garcia, Downey, called the meeting to order at 9:48 a.m.

2. ESTABLISHMENT OF QUORUM/INTRODUCTIONS

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

3. PUBLIC COMMENTS

There were no public comments.

4. APPROVAL OF AGENDA AS POSTED OR AMENDED

Motion was made by Sara Nazir, Inglewood, seconded by Alison Stevens, Hawthorne, to approve the agenda as presented. The motion carried unanimously.

5. CONSENT CALENDAR

A motion was made by Sara Nazir, Inglewood, seconded by Alison Stevens, Hawthorne, to approve the minutes of March 15, 2018, and direct staff to finalize, and to review and file the 2017/18 Claims Committee Attendance Record and the Claim Settlement Disclosure Report. The motion carried unanimously.

6. OPEN SESSION

A. Claims Committee Appointments for Expiring Terms

Per the Bylaws taking effect on July 1, 2018, the Claims Committee consists of 20% - 40% of the Board, up to a maximum of seven members. Based on the Bylaws provision and the current size of the Board, the Claims Committee may have up to six members. Yvette Garcia's and Sergio Ibarra's terms expire in June 2018. Both expressed willingness to serve another three-year term expiring 2021.

A motion was made by Sara Nazir, Inglewood, seconded by Alison Stevens, Hawthorne, to recommend Board approval of Yvette Garcia and Sergio Ibarra to serve Claims Committee terms expiring 2021, and to continue to reach out to Board members regarding serving on the Committee. The motion carried unanimously.

B. Proposed 2018-19 Claims Committee Meeting Dates

In the past the Claims Committee met on the first Thursday of odd-numbered months from 9:30 a.m. to 1:30 p.m. For meeting dates in 2017-18, the Committee adopted meeting dates on the second Wednesday of odd-numbered months.

A motion was made by Alison Stevens, Hawthorne, seconded by Sara Nazir, Inglewood, to adopt a meeting schedule on the second Wednesday of odd-numbered months with noted changes. The dates for 2018-19 include: July 11, September 5, and November 14, 2018, and January 9, March 13, and May 8, 2019. The motion carried unanimously.

C. Workers' Compensation Claim Auditor Contract Amendment

Workers' Compensation program audits are performed every other year in the even years. In 2015, ICRMA issued a request for proposals for both liability and workers' compensation claims auditing services. In 2015 the Claims Committee selected claims auditor North Bay Associates and entered into a contract for workers' compensation program auditing services. The auditing contract included two audits: 2016 and 2018.

In 2016, the audit fees were \$51,800, or approximately \$4,317 per member for the 12 participating members. The 2018 contract includes compensation for \$56,000. The auditor was amenable to decreasing the total audit compensation to reflect the decreased membership in the program. Pending Claims Committee approval, the auditor agreed to compensation of \$40,000 in an effort to keep the pricing approximately the same per member as in 2016, with a 3% increase. The renegotiated fee would allow the auditor to review 200 indemnity claims in 2018.

Pursuant to the Bylaws, the Committee has authority to negotiate and approve contracts within its scope of responsibilities, that are \$50,000 or less, and that fall within the approved budget appropriations.

A motion was made by Alison Stevens, Hawthorne, seconded by Sara Nazir, Inglewood, to authorize the Executive Director to execute a contract amendment for workers'

compensation program claims auditing services at an amount not-to-exceed \$40,000. The motion carried unanimously.

D. Liability Claim Audit Update

The Liability claim audit began in March 2018. Risk Management Services (RMS) emailed a Member Pre Audit Questionnaire to member staff contacts and their respective city attorneys. RMS requested that both contracts complete the questionnaire. The due date was March 12, and RMS sent two reminders. By the end of April, RMS was missing questionnaires from multiple members. RPA followed up with each member to request completion by May 11. RPA recommended the auditor proceed with the audit after that date, regardless of the responses received, so the audit may be presented to the Committee at its July meeting and to the Board in August.

A motion was made by Sara Nazir, Inglewood, seconded by Alison Stevens, Hawthorne, to direct the auditor to proceed with the audit. The motion passed unanimously.

7. CLOSED SESSION

The Committee convened in closed session at 9:56 a.m.

8. REPORT FROM CLOSED SESSION

The Committee convened in open session at 11:14 a.m. Interim General Counsel Luther Lewis reported a settlement of \$900,000 was authorized in the Khanlian v. Hermosa Beach matter, reduced by an \$800,000 contribution by co-defendant IESI and the remainder of the city's member retained limit, for a total ICRMA contribution of approximately \$65,200. A settlement was reached in the Rojas v. El Monte claim of \$336,000, reduced by the remaining member retention, for a total ICRMA contribution estimated at \$86,000. A recommendation was made to the Board in the Andrade v. South Gate and Tellez v. Huntington Park claims. No action was taken in the Gomez v. South Gate matter.

9. CLOSING COMMENTS

There were no closing comments.

10. ADJOURNMENT

The meeting was adjourned by general consensus at 11:15 a.m.