



**MINUTES OF THE  
BOARD OF DIRECTORS MEETING  
Thursday, December 13, 2018  
10:00 A.M.**

A meeting of the Governing Board was held on Thursday, December 13, 2018, in El Segundo, California.

**MEMBERS PRESENT:**

Downey	Anil Gandhi
El Monte	John Nguyen
El Segundo	Joe Lillio ( <i>left 2:16 p.m.</i> )
Fullerton	Gretchen Beatty
Glendora	Vicki Cross
Hawthorne	Olivia Valentine
	Alison Stevens ( <i>arrived 12:10 p.m.; left 1:10 p.m.</i> )
Hermosa Beach	Vanessa Godinez ( <i>out of meeting: 1:00 p.m. – 1:27p.m.</i> )
Huntington Park	Daniel Hernandez
Inglewood	Debra Carter
Lynwood	Cynthia Stafford
Monterey Park	Tom Cody
San Fernando	Nick Kimball

**MEMBERS ABSENT:**

Baldwin Park  
Bell  
South Gate

**OTHERS PRESENT:**

RPA	Beth Lyons
	John Nielsen
	Jennifer Achterberg
	Tyler LaMantia ( <i>out of meeting: 11:30 a.m. – 2:15 p.m.</i> )
	Cindy LaMantia
	Bob May ( <i>left 12:20 p.m.</i> )
	Scott Web ( <i>left 1:10 p.m.</i> )
Johnson Schachter & Lewis	Luther Lewis
Artex	Dustin Reeves ( <i>left 1:10 p.m.</i> )
Carl Warren	Dwight Kunz
	Rose Nuno
Alvarado Smith	Rick Navarrette ( <i>arrived 1:14 p.m.; left 1:25 p.m.</i> )
Glendora	Christi Giannone ( <i>left 1:10 p.m.</i> )
AdminSure	Mike Reed ( <i>left 1:10 p.m.</i> )

**A. CALL TO ORDER**

President Tom Cody called the meeting to order at 10:28 a.m.

**B. ESTABLISHMENT OF QUORUM/INTRODUCTIONS**

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

**C. PUBLIC COMMENTS**

Ms. Beth Lyons introduced Mr. Scott Webb to the Board and provided an update regarding the meetings and ICRMA marketing initiatives Mr. Webb and Ms. Lyons have engaged in over the last couple months.

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

*Motion was made by Olivia Valentine, Hawthorne, seconded by Cynthia Stafford, Lynwood, and unanimously carried to approve the agenda as presented.*

**E. CONSENT CALENDAR**

*Motion was made by Tom Cody, Monterey Park, seconded by Gretchen Beatty, Fullerton, and unanimously carried to approve the Board Attendance Record, and LAIF Resolution 2018-01, and direct staff to finalize; review and file the Check Register for September through November 2018, Treasurer's Report as of September 30, 2018, Education and Promotion Opportunities, Risk Control Development of Member Reports, Recap from 2018 Defense Panel Symposium, Update from Ad Hoc Committee for the General and/or Coverage Counsel RFP, and the Auto Physical Damage Coverage Enhancements.*

Members of the Board requested items A) Minutes of the October 10-11, 2018 Board of Directors Meeting, C) Revised Guidelines for Attendance at Professional Conferences, and J) Risk Control Information Regarding E-Scooters, be pulled for further discussion.

The Board requested the minutes be updated to reflect that a member of the public was present, as this individual has not been retained by ICRMA for services. *Motion was made by Gretchen Beatty, Fullerton, seconded by Tom Cody, Monterey Park, and unanimously carried to approve the Minutes of the October 10-11, 2018 Board of Directors Meeting with the revisions to the attendance designation.*

The Board discussed the requirement for conference attendees to report to the Board at a subsequent Board meeting. *Motion was made by Gretchen Beatty, Fullerton, seconded by Olivia Valentine, Hawthorne, and unanimously carried to remove language requiring conference attendees to report to the Board, and replace with "if requested;" and to revise similar language in the Risk Management Certification Program Policy for presentation to the Board at its February 7, 2019 meeting.*

The Board directed staff to gather additional information regarding E-Scooters to be presented in open session at the February 7, 2019 meeting.

## F. OPEN SESSION

### A. Member Withdrawal Update

Ms. Lyons informed the Board ICRMA did not receive a letter from the City of Baldwin Park indicating the city's intent to rescind its notice of withdrawal, thus the city's last day of coverage through ICRMA will be June 30, 2019.

*No action required.*

### B. Proposed Plan for Attorney Review

The Board discussed the attorney review process at its October meeting. Ms. Sara Peterson provided a two-phase project proposal which would compile the information the Board wishes to review in 2019. The Board discussed the timeframe, desired end product, and the pros/cons of issuing an RFP.

The Board expressed a desire for ICRMA to develop a purchasing policy to help guide Board decision making. RPA staff will request examples from ICRMA members and JPAs and work with Artex to develop a policy for presentation at a future Board meeting.

*Motion was made by Cynthia Stafford, Lynwood, seconded by Olivia Valentine, Hawthorne, and unanimously carried to direct RPA staff to negotiate with Ms. Peterson to reduce the number of hours to complete the project to fit within the 2018-19 ICRMA Operating Budget of \$24,800, and develop a purchasing policy.*

*The Board recessed at 10:53 a.m. and reconvened at 11:03 a.m.*

### C. Actuarial RFP Status Update

Mr. John Nielsen reminded the Board of the process and subsequent decision by the Board regarding the Actuarial RFP issued in 2017. The Board held the RFP process in abeyance and in 2017-2018 awarded professional actuarial services contracts to Milliman, (for member cost allocations and loss funding for new members) and Bay Actuarial Consultants (for all other required actuarial services) for one year. Per Board direction at its October 2018 meeting, Mr. Nielsen contacted the three firms who submitted proposals in 2017 and asked them to update any part of their responses.

Mr. Nielsen indicated the prior Ad Hoc Committee, consisting of Anil Gandhi, Joe Lillio and Nick Kimball, would interview the original respondents with the intent of providing recommendation to the Board at its February 7, 2019 Board Meeting.

*Motion was made by Tom Cody, Monterey Park, seconded by Gretchen Beatty, Fullerton, and unanimously carried to direct the Ad Hoc Actuarial Committee to Develop Recommendations to Award Professional Actuarial Services contract at February 7, 2019 Board meeting.*

#### D. Proposed Revisions to the Liability Third Party Claim Administration Performance Standards

Ms. Lyons reviewed the proposed revisions to the Liability Third Party Claim Administration Performance Standards recommended by the liability claims auditor and ICRMA vendors. The most substantive change was the addition of a checklist at the end of each section of the document. The checklist items will help adjusters adhere to ICRMA requirements. Other changes were more stylistic in nature, and improved flow of the document.

*Motion was made by Gretchen Beatty, Fullerton, seconded by Vanessa Godinez, Hermosa Beach, and unanimously carried to approve the proposed revisions to the Liability Third Party Claim Administration Performance Standards, effective January 1, 2019, and direct the program manager to send the revised document to the third party claims administrators.*

#### E. Property Appraisals Update

Mr. Nielsen reviewed the purpose of performing property appraisals and reminded the Board that the firm Duff & Phelps was retained to perform the appraisals over the 2017-18 and 2018-19 program years for a total of \$87,500. The agreement stated any additional unscheduled buildings requiring appraisal would be billed at \$200 per building. Duff & Phelps completed the appraisal process, and reports will be provided to ICRMA members.

During the first phase of the appraisal process the number of unscheduled buildings was estimated to be less than a dozen. Upon the completion of the project, a total of 112 buildings were identified as unscheduled. In some cities where the variance was large, this difference was due to the member agency indicating a “blanket amount” for given locations with multiple buildings, and during the appraisal process each building at the location was appraised. Mr. Nielsen indicated best practice is to indicate a value for each building independently, rather than a blanket value for one location. RPA proposed the additional fees for these buildings be charged individually to the cities whose building counts deviated from the original schedule. Based on the variance of buildings per member agency, any members who had fewer buildings would receive a credit and members who had additional buildings would be invoiced accordingly. Additionally, Nielsen negotiated a lower rate per building with Duff & Phelps of \$178.67 per building. The Board discussed the timeline for invoicing, and agreed members may use Risk Management Funds to pay the invoice.

Annually members submit and review underwriting information as part of the Renewal process. RPA proposed to update the property values within the RiskPartner platform on behalf of the membership, then requesting members review the updated property schedule.

*Motion was made by Daniel Hernandez, Huntington Park, seconded by Joe Lillio, El Segundo, and unanimously carried to 1) direct staff to update RiskPartner with the building values obtained in the appraisal report by Duff & Phelps for the SOV to be used in the 2019-20 Renewals, and 2) to direct staff to invoice to members who had additional buildings appraised, and provide a credit to those member agencies who had fewer buildings that originally indicated at \$178.67 per building.*

#### F. Underwriting Report Regarding Transit

Mr. Nielsen reminded the Board regarding the discussion at the Strategic Planning Session in October 2018 about transit operations within member agencies. Mr. Luther Lewis clarified the current language in the Liability Memorandum of Coverage exclusion 17, which indicates a broad exclusion of transit with an exception for non-fixed route systems. Staff was directed to gather additional information in the Renewal Questionnaire. With this additional information, RPA will examine the type of exposure agencies have and provide further analysis regarding coverage options in the market, within ICRMA, and additional discussion regarding the potential use of a captive to create a coverage program.

The Board discussed the need to indicate within the Renewal Questionnaire the collection of information does not indicate there is coverage within ICRMA for transit operations. Staff clarified the questionnaire will collect information on fixed route and non-fixed route transit operations operated by the member agency and not operations contracted out.

*No action required.*

#### G. Member Retained Limit Review

Mr. Nielsen provided a brief review of the process the Board of Directors has taken over the last two years in order to address the changing liability claims environment. For the 2018-19 program year, in addition to modifying its premium allocation formula, ICRMA, in accordance with its Bylaws, increased Member Retained Limits (MRL's) for several members in both the liability and workers' compensation programs. Additional adjustments are not being proposed for 2019-2020.

*No action required.*

#### H. Request by City of Lynwood to Decrease Member Retained Limit

Mr. Tom Cody requested the Lynwood representative address the Board. Ms. Cynthia Stafford informed the Board the city is requesting information regarding the potential to decrease their Member Retained Limit (MRL). The city would appreciate receiving information during the 2019-20 renewal process regarding the difference in contribution levels for the current MRL of \$500,000, and a decreased MRL to \$250,000. The city has worked to address many factors contributing to the liability loss experience, and reminded the Board no new claims have pierced the ICRMA layer in the current program year. The Board shared their appreciation for the dedication and level of involvement the city has shown to address historical concerns, but indicated thorough analysis of long-term trends are more indicative of change.

The city indicated additional data and information would be appreciated for analysis and planning of future program years. The Board and staff discussed other information that could be collected or reviewed with the city to support it during the upcoming budgeting process. RPA staff indicated it could talk with the broker about purchasing a buffer layer between an amount selected by the city up to its MRL. RPA staff indicated willingness to meet with members to review the actuarial reports each agency receives in an effort to support understanding in budgeting for claims payments within

the MRL. RPA staff is also available to discuss the documentation and analysis ICRMA reviewed and which was used to increase MRLs for various members in the 2018-19 program year.

*Motion was made by Tom Cody, Monterey Park, seconded by Nick Kimball, San Fernando, to deny the City of Lynwood's request to decrease its Liability Member Retained Limit from \$500,000 to \$250,000 effective July 1, 2019, however directed RPA staff to provide additional information to the city as outlined. Cynthia Stafford, Lynwood, abstained.*

#### J. Discuss Arx Alert

Ms. Lyons provided a brief overview of the Arx Alert program by Altovista Technology (Altovista). Arx Alert is a software risk management program developed to help monitor, track, and remediate police claims. The program is designed as an all-in-one risk management software solution to monitor the entire police organization. The City of Detroit, Michigan, implemented this software and saw a significant reduction in complaints, lawsuits, and reduction in payouts.

Ms. Lyons discussed several benefits for ICRMA in looking at potential implementation of the Arx Alert software. Arx Alert has not been deployed in California, so ICRMA would be on the cutting edge for this innovative program implementation. Safety National, one of ICRMA's carriers on both the liability and workers' compensation programs, is interested in the potential savings for all parties and is willing to provide financial support for implementation. Mr. Bob May provided a brief overview regarding the process by which the software collects the data, electronic and paper files, and the subsequent reports to be used to support risk control efforts.

The Board requested webinars be presented for Board member and police chiefs in order to provide a better understanding of the program. The Board also indicated suggested Altovista contact both the California Police Chiefs Association (CalChiefs) and International Association of chiefs of Police(IACP). The Board also inquired whether Altovista staff would serve as expert witnesses with regard to the information collected and the reports created by Arx Alert, should the need arise in litigation.

*No action required.*

*The Board recessed for lunch at 12:23 p.m. and reconvened at 1:00 p.m.*

#### I. Liability Program Panel Review

Ms. Lyons provided an overview of the attorneys listed for removal and addition to the Approved Liability Program Panel. Ms. Kimberly Hall Barlow is actively working cases, and will be retained rather than removed. Additionally, staff proposed attorneys with specialties in current litigation trends involving statutory attorney fees, employment litigation, and ADA matters.

Mr. Kunz discussed the methods with which the approved panel was reviewed, and ultimately attorneys were reviewed for removal. Those proposed were also reviewed by the Claims Committee. Mr. Kunz discussed additionally difficulties which he and his team experience with attorneys. Ms. Nuno discussed the process by which the attorneys who were proposed for addition were interviewed and vetted against their recent casework.

The City of Inglewood requested Mr. Murray O. Kane be removed from the list of attorneys to be removed, and asked the Liability Program Manager to contact him again to request the missing information.

*Motion was made by Tom Cody, Monterey park, seconded by Olivia Valentine, Hawthorne, and unanimously carried to 1) remove 34 attorneys as indicated, and 2) approve the Liability Program Manger's recommendation to add the following 8 attorneys: Scott Grossberg and Laurel Hoehn of Grossberg & Hoehn; Jeffrey Thompson of Declues, Burkett & Thompson; Keith Bremer and Rachel Mihai of Bremer, Whyte, Brown & O'Meary; Elizabeth Kessel and Armineh Megrabyan of Kessel & Associates; and Steven Taylor of McCune & Harber to the Liability Defense Panel.*

#### **G. CLOSED SESSION**

The Board entered closed session at 1:10 p.m. with legal counsel pursuant to Government Code Section 54956.95(a).

#### **H. REPORT FROM CLOSED SESSION**

The Governing Board reconvened in open session at 2:18 p.m. and General Counsel reported: *In the matter of Barragan v. South Gate, authority was granted to file the motion to allow periodic payments of half the verdict over 10 years. In the matter of Gomez v. South Gate, no action was taken. In the matter of Lujano et al v. Huntington Park & South Gate et al., settlement authorized in the total amount of \$1,050,000.00. In the matter of One case, direction given and action taken.*

#### **I. PRESIDENT'S REPORT**

Mr. Cody expressed a hope that everyone have a wonderful holiday.

#### **J. CLOSING COMMENTS**

None

#### **K. ADJOURNMENT**

*Motion made by Tom Cody, Monterey Park, seconded by Olivia Valentine, Hawthorne, and unanimously carried to adjourn the meeting 2:18 pm.*