



LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION (LIMRiCC)  
PO Box 1016, Orland Park, IL 60462 Phone: (708) 790-2807

BOARD OF DIRECTORS' MEETING  
3 Plaza Dr., Woodridge, IL 60517 (630-487-2549)  
Tuesday, September 18, 2012 Time 8:30 a.m.

## Minutes

### Call to Order, Roll Call

Kozak called the meeting to order at 8:35 a.m. The roll was called and the following Board members were present to establish a quorum:

Anne Kozak, Susan McNeil-Marshall, Kathy Parker, Beth Dostert, Christine Fine (via phone)

Others Present: April Krzeczowski, Interim Director

### Introduction of Visitors / Public Comments

Visitors are asked to introduce themselves at this time and present any issues they wish to discuss. Visitors wishing to address specific agenda items will be granted two to five minutes at the discretion of the President, not to exceed a total of twenty minutes.

Liz Smith from Assurance Agency was recognized.

### Consent Agenda

Parker moved, seconded by McNeil-Marshall that it be:

RESOLVED, THAT THE LIMRiCC BOARD OF DIRECTORS  
APPROVE THE CONSENT AGENDA AS PRESENTED

- a. Approval of Agenda
- b. Acceptance of the August 22, 2012 LIMRiCC Board Meeting Minutes (Exhibits A.1 – A.2)
- c. Approval of the payment of bills for August 23, 2012 through September 18, 2012 LIMRiCC Business Services in the amount of \$7,424.87 (Exhibit B.1)
- d. Approval of the payment of bills for August 23, 2012 through September 18, 2012 Joint Self-Insurance Pool (JSIP) in the amount of \$52,358.56 (Exhibit B.1)
- e. Approval of the payment of bills for August 23, 2012 through September 18, 2012 Purchase of Health Insurance Program (PHIP) in the amount of \$427,877.01 (Exhibit B.1)
- f. Approval of the payment of bills for August 23, 2012 through September 18, 2012 Unemployment Compensation Group Account (UCGA) in the amount of \$843.78 (Exhibit B.2)
- g. Approval of Balance Sheet and Detail of Expenditures for August 2012 (Exhibit C.1-C.2)

Roll was called with the following results: 5 yes, 0 no. Motion carried.

Joseph Martin from Brian Zabel & Associates was recognized.

### Action #1

Acceptance of FY2012 Audit

Parker moved, seconded by Fine that it be

RESOLVED THAT THE LIMRiCC BOARD OF DIRECTORS ACCEPT THE FY2012  
AUDIT

The auditor, Joseph Martin, reported that LIMRiCC's fiscal year 2012 financials received an unqualified or "clean" opinion. The auditor answered questions from the Board and reviewed the Fraud Risk Assessment questionnaire that the Board was asked to complete at the beginning of the audit. It was decided that in future years, as recommended by the auditor; an MDA will be included with the audit. The option for an in depth internal control audit for next year was also discussed.

The 2012 audit will be posted on LIMRiCC's website.

Kozak congratulated April Krzeczowski on a job well done which resulted in a smooth audit.

Voice vote carried 5 yes, 0 no.

Joseph Martin from Brian Zabel & Associates left the meeting.

Brian Cullen from The Cullen Group was recognized. (Via conference call)

### **Discussion #1**

Presentation via conference call by Brian Cullen from The Cullen Group

Brian presented his proposal to perform a strategic risk management review on LIMRiCC's insurance pools. This proposal is included in the minutes.

Brian Cullen ended the conference call.

After a long discussion the Board selected the high priority items in which they would like The Cullen Group to focus on. A revised proposal and contract will be presented at the next board meeting.

### **Discussion #2**

Update from Assurance Agency on PHIP's claims activity and on Health Care Reform

Liz Smith reviewed the services Assurance Agency has to offer to its clients. Liz also stated that she would be able to complete the items related to the PHIP pool listed on the proposal from The Cullen Group. Starting with October's Board meeting Liz will be presenting updates on PHIP's claim activity.

Dostert requested that the Wellness Newsletters, that are currently emailed be posted to the website.

Liz Smith from Assurance Agency left the meeting.

### **Executive Session – JSIP Case Updates**

For the purposes of discussing "Litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probably or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting." 5ILCS 120/2(c)(11).

Executive Session was not needed.

### **Action #2**

Settlement Agreement for Roseann Vonesh

Parker moved, seconded by McNeil-Marshall that it be

RESOLVED THAT THE LIMRiCC BOARD OF DIRECTORS APPROVE THE  
SETTLEMENT AGREEMENT FOR ROSEANN VONESH UPON APPROVAL BY  
LIMRiCC'S ATTORNEY

Voice vote carried 5 yes, 0 no.

Parker left the meeting at 10:57.

**Action Item #3**

Appointment of FOIA Officer for a Public Body (Exhibit D.1-D.3)

McNeil-Marshall moved, seconded by Fine that it be

RESOLVED, THAT THE LIMRiCC BOARD OF DIRECTORS APPOINT  
APRIL KRZECZKOWSKI TO BE A FOIA OFFICER FOR LIMRiCC

Voice vote carried 4 yes, 0 no.

**Discussion #3**

LIMRiCC's business insurance options

LIMRiCC is in the process of obtaining quotes for E&O insurance and Employment Practices Liability from Assurance Agency.

**Discussion #4**

Board Workshop - Strategic Planning

Additional strategic planning was not needed.

**Information Item #1**

Interim Director's Report (Exhibit E.1)

Krzeczkowski went over the Interim Director's Report as include in the Board packet.

**New Business**

There was no new business.

**Next Board Meeting and Location**

The next LIMRiCC Board meeting will be on October 16, 2012 at Woodridge Public Library at 8:30 a.m.

**Adjournment**

McNeil-Marshall moved, seconded by Dostert to adjourn the meeting at 11:00 a.m.

Minutes prepared by April Krzeczkowski

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Beth Dostert



## LIMRiCC –Proposal

Purpose: Strategic Risk Management Review to assess the program needs and opportunities.

Phase 1 Objectives:

1. Provide a situation analysis from a Risk Management and marketing perspectives. Drill down into current programs with an eye toward future needs and identify options with specific recommendations (See Risk Management Process)
2. Evaluate current roles of interim director, brokers and insurer contributions to determine the best ways to meet the needs.
3. Identify strengths and weaknesses of the organization to help determine how it will be best staffed: in-sourced or outsourced or a combination?
4. Review and consider the first draft of job descriptions that was provided and look at each functional area for best solutions.
5. Are financing levels and structure of currently retained risks appropriate?
6. Prioritize the actions plans that the board should consider addressing first.

Phase 1 Methodology:

1. Review the by-laws of the organization again and cross reference with the plan documents to assure compliance. Also review financials from most recent full audit from 7/31 fiscal year.
2. Risk management audit will consist of observations and evaluations of components, people and resource assessment. The Due diligence process will additionally focus on the fiduciary responsibility of the board to its members.
  - a. Consider the various types of self-funding programs in place now, the partial risk transfer to outside insurers, amounts authorized to buy and actually obtained with key questions: Review health insurance, unemployment and employment practices programs.
3. Special Focus on Risk Pool Coverage & Retention limits:
  - a. Are these programs the most efficient way to finance the risk? In view of a \$1 million limit and \$1000 deductible, is the amount of risk retained vs. transferred appropriate? If this policy is written on a "claims made" form, could the fund withstand a multiple-claimant series of allegations. What is the adequacy of funding; is the pool money proper? Is the formula actuarially sound?

- b. Is the fiduciary responsibility of the board on solid ground?
  - c. What consequences should there be for consistently losing members?
  - d. Evaluate stop loss insurance and financing formula. Are the programs competitive in the marketplace and functioning well?
  - e. What will be the long term impact in view of the Health Care Reform Act and what to do about it?
4. Wellness Insurance Network (WIN) Explore this relationship, best fit?
  5. Fidelity Bond Review: What is the appropriate amount? What is required by law? Standard ERISA or other? Evaluate the form.
  6. Directors & Officers Liability Insurance Policy in place? Review the form for appropriateness of structure and limits.
  7. Claims: See loss experience from the last 5 years, or more if available. Review the data for all lines of coverage, claim types, frequency and severity of losses.
    - a. What lessons can be drawn and applied toward loss prevention, control, avoidance. Study the repeat claimant for lessons about those losses?
  8. Customer Service Role for Members:
    - a. Who is answering member benefit questions? Who is paid for doing this now? Where is this function done best? Is this arrangement satisfactory? What other third party administrators and other outside vendors involved or should be considered?
  9. Legal services: What consultation services are available for unemployment questions? How deep do they go and need to go? How funded?
  10. Insurance: Where is other insurance obtained: GL, Auto hired and non-owned, WC, etc. Why not purchased collectively? Consider risk tolerance, market availability, competitiveness, group purchasing power, attachment points for insurance above retentions and deductibles
  11. Accounting Function Consider difference between bookkeeping, accounting and CFO type roles. Is current interim arrangement satisfactory? What staffing levels are needed? For what functions?
  12. Marketing Strategy for LIMRICC Explore expansion opportunities. Is that the goal? Assist with development of questions for use in a poll of members via survey monkey. Consider a strategic planning session to set a long term vision. Interview a focus group of selected library members to determine needs, opportunities and deliverables, goals.

Proposal for Phase 1: Engage Brian Cullen of the Cullen Group Inc to pursue and research the above information, draw conclusions and make recommendations. Then determine future role, if any, pertaining specifically to risk pools, management, staffing and marketing of member services. Hourly rate of \$200 proposed with periodic bi-weekly teleconference reports and written monthly summary during Phase 1.

## Future Phase Considerations:

### 1. Member Services

- a. Create basic orientation program for new members and new employees of existing member libraries.
- b. Evaluate any current loss prevention and control program; determine needs; make recommendations.
- c. Organize, plan and execute training program(s) for employment practice liability exposures. Consider actual examples drawn from anonymous claim experiences to convert into lessons learned and teachable moments and curricula that will increase awareness and establish standardized best practices. Should LIMRiCC seek to engage lawyer who represents the entity and has the experiences?
- d. Consider creating a video that would be useful in leveraging time and becoming a member benefit for those who could not attend, new hires, retraining, etc.
- e. Identify key performance indicators that can be measured and used with new benchmarks for membership, participation.
- f. What should be the consequences of my consistently adverse loss experience that is attributable to bad management and not just fortuitous? What should it take for my entity to be terminated from membership?