

ILLINOIS SELF-INSURERS ADVISORY BOARD
ILLINOIS WORKERS' COMPENSATION COMMISSION
MEETING MINUTES
June 8, 2016
Chicago and Springfield, IL 10:30 a.m.
Video Conference meeting

Board Attendees:

Springfield: Chairman Joann Fratianni
Chicago: Paul Bergmann, Gerald Cooper, John Rittenhouse, David Taylor and
via conference call: Alex Alexandrou

Staff Attendees:

Springfield: Jean Cannon, Wendy Keithley, Kevin Leach, Ron Rascia
Chicago: Maria Sarli-Dehlin, Dennie Mogensen, Darlene Senger

Chairman Fratianni called the meeting to order at 10:30 AM. A roll call was taken to confirm a quorum was present. A previously prepared and posted agenda was distributed; a copy of which is attached.

I. Minutes

Upon motion by John Rittenhouse, seconded by Gerald Cooper, the minutes of the Board meeting held on March 9, 2016, were unanimously approved as presented.

II. Chairman's Report

Chairman Fratianni reported that the rule amendments, including the self-insurance rule changes, are being prepared to send to JCAR.

III. Manager's Report

A. Security Fund Forecast

Maria Sarli-Dehlin presented to the Board the Security Fund forecast as of 3/31/2016. She reported that 90% of the assessments have been returned.

B. FY2017 Budgets / Fund Balances

Maria Sarli-Dehlin presented to the Board the FY2017 budgets for the Self-Insurers Security and Administration Funds.

Maria Sarli-Dehlin reported she had discussed the FY2017 proposed budgets with the Commission's CFO, and Budget Committee members Alex Alexandrou and David Taylor.

Maria Sarli-Dehlin also presented a report for the Security Fund that included current and past budgets, expenditures, revenue and fund balances. She stated that 75% of the Security Fund's operating budget was spent by the end of FY2016's 3rd quarter. Also, 50% of the benefits paid were from the employer's security and 50% were from the assessment balance.

She further reported that at the end of 3rd quarter FY2016, the Administration Fund's expenditures exceeded revenues and that 74% of the budget was spent.

Upon motion by Alex Alexandrou, seconded by David Taylor, and unanimously carried, the Board approved the FY2017 budgets for the Security Fund in the amount of \$183,127 and the Administration Fund in the amount of \$440,986.

IV. New Business

None

Thereafter, the Chairman entertained a motion to go into closed session to discuss the litigation report pursuant to 2(c)11 of the Open Meetings Act. Upon motion by Gerald Cooper, seconded by John Rittenhouse, and unanimously carried, the Board agreed to adjourn the public portion of the meeting, after which the Board convened in closed session.

After discussion in closed session, and upon motion by Alex Alexandrou, seconded by John Rittenhouse, and unanimously carried the Board reconvened in open session.

VIII. Vote

1. Claim Administration Fee

Upon motion by Alex Alexandrou, seconded by Gerald Cooper, and unanimously carried, the Board approved to deduct the fees as proposed.

2. Alternative Staffing, Inc.

Upon motion by Alex Alexandrou, seconded by John Rittenhouse, and unanimously carried, the Board requested additional audit company names to select from.

3. Reserves Network

Upon motion by John Rittenhouse, seconded by Alex Alexandrou, and unanimously carried, the Board selected a company to perform an independent audit of the claim reserves.

4. A.S.G. Staffing, Inc.

Upon motion by Paul Bergmann, seconded by David Taylor, and unanimously carried, the Board selected a company to perform an independent audit of the claim reserves.

5. Innovative Staff Solutions

Upon motion by Paul Bergmann, seconded by John Rittenhouse, and unanimously carried, the Board requested additional audit company names to select from.

6. Franciscan Sisters of Chicago Service Corp.

Upon motion by Alex Alexandrou, seconded by David Taylor, and unanimously carried, the Board agreed to offer an informal hearing.

7. Gonnella Baking Co.

Upon motion by Paul Bergmann, seconded by Alex Alexandrou, the Board agreed to grant the petition for reconsideration and reduce the security requirement. Board member John Rittenhouse abstained.

8. Office Depot, Inc.

Upon motion by John Rittenhouse, seconded by Paul Bergmann, and unanimously carried, the Board agreed to grant the petition for reconsideration and revise the security requirement.

9. Railway & Industrial Services, Inc.

Upon motion by Alex Alexandrou, seconded by Paul Bergmann, and unanimously carried, the Board agreed to deny the petition for reconsideration but allow the security increase to be provided in installments payments.

10. Arnold Engineering Company

Upon motion by David Taylor, seconded by Paul Bergmann, and unanimously carried, the Board agreed to reduce the security requirement.

11. Amsted Industries

Upon motion by Alex Alexandrou, seconded by Paul Bergmann, and unanimously carried, the Board agreed to defer the petition until the new audited financial statements are available.

There being no further business, upon motion by Gerald Cooper, seconded by John Rittenhouse, the Board voted unanimously to adjourn the meeting. The meeting adjourned at 11:35 AM.