



**MANAGEMENT COMMITTEE MEETING
OF
DECEMBER 8, 2006**

MINUTES

The Management Committee of the Board of Trustees of the Rhode Island Interlocal Risk Management Trust, Inc. (The Trust) convened a meeting on Friday, December 8, 2006 at The Trust Offices, 501 Wampanoag Trail, Suite 301, East Providence, Rhode Island.

1. ROLL CALL

In attendance were Committee Chair Stephen Alfred and Committee members Ralph Malafronte and Wolfgang Bauer. *Ex-officio* member Daniel Beardsley was absent.

2. MINUTES

Mr. Malafronte moved, seconded by Mr. Bauer, to approve the Minutes of the August 23, 2006 Executive and Regular Sessions of the Management Committee Meeting and of the September 27, 2006 Executive and Regular Sessions of the Management Committee Meeting; it was so voted unanimously.

3. PERFORMANCE OF THE PRESIDENT/EXECUTIVE DIRECTOR

Mr. Bauer moved, seconded by Mr. Malafronte, to convene into Executive Session to review the performance of the President/Executive Director pursuant to the Rhode Island Open Meetings Act, Rhode Island General Laws 42-46-5(a)(1), discussions relating to the job performance, character, or physical or mental health of a person; it was so voted unanimously.

Upon return to the regular meeting after the conclusion of the Executive Session, Mr. Malafronte then moved, seconded by Mr. Bauer, to seal the Minutes of the Executive Session until such time as the matters taken up had been resolved; it was so voted unanimously.

Mr. Malafronte next moved, seconded by Mr. Bauer, to set Mr. Dwyer's annual salary at \$121,000, retroactive to July 1, 2006, and to also set his salary level effective July 1, 2007 at \$125,800 and effective July 1, 2008 at \$130,000, unless other action related to Mr. Dwyer's compensation is taken by the Management Committee prior to either July 1, 2007 or July 1, 2008; it was so voted unanimously.

4. REVIEW OF WORK PLAN

Prior to the meeting, Mr. Dwyer had submitted to the Committee a Plan of Trust Work Objectives for the 2006-2007 year. Discussion ensued on several items contained within that Plan, notably: legislation that The Trust might wish to propose in the coming General Assembly session, both in terms of The Trust's enabling legislation and tort reform; staffing issues that need to be addressed; Workers Compensation Pool options, especially in terms of long-term program viability; and special management information service projects anticipated to be undertaken during the year.

The Committee indicated its concurrence with the Plan Objectives set forth by Mr. Dwyer. Mr. Dwyer added that he welcomed further Committee input on the Objectives at any time.

5. SECOND ACTUARIAL OPINION

Mr. Dwyer advised that the Investment and Audit Committee had recently endorsed management's recommendation to forego securing a second actuarial opinion on The Trust's loss reserves as of June 30, 2006. Prior to the meeting, Mr. Dwyer had also submitted to the Committee a report dated December 4, 2006 explaining the rationale for the Investment and Audit Committee's decision and supplying some related background information.

Mr. Dwyer noted that both management and the Committee intended to follow a course in future years as well where second actuarial opinions would not be secured unless there were to be a change in The Trust's designated independent auditor or significant changes appeared to be occurring in reserve trends and levels which might warrant further independent review.

The Committee indicated its concurrence with management's and the Investment and Audit Committee's course of action.

6. WRITE-OFF OF PORTION OF REINSURANCE RECOVERY

Prior to the meeting, Mr. Dwyer had submitted to the Committee a memo dated December 4, 2006 requesting Committee authority to write off a \$458 reinsurance recovery due to The Trust for the workers compensation claims of Richard Grenier against the Town of South Kingstown. The memo explained the reason for the write-off of this amount, which represents 50% of the total amount due of \$916 from the reinsurer.

The Committee indicated that it had reviewed Mr. Dwyer's memo, and concurred that a write-off of the amount due was in order due to certain unusual aspects of Mr. Grenier's claims and the wording of the reinsurance contract.

Mr. Malafronte moved, seconded by Mr. Bauer, to approve a write-off of \$458 in reinsurance recovery related to Richard Grenier's workers compensation claim from the 1989-90 Policy Year; it was so voted unanimously.

7. ADJOURNMENT

There being no further business before the Committee, the Committee voted unanimously to adjourn the meeting.

The Meeting stood adjourned about 11: 20 A.M.

Respectfully Submitted:



THOMAS E. DWYER
President and Executive Director

Pursuant to § 5. 31 of the Trust Bylaws, my signature below attests to my consent that all matters and actions taken by the Management Committee at this meeting were properly before it.

Stephen A. Alfred