



**MANAGEMENT COMMITTEE MEETING
OF
MAY 15, 2007**

MINUTES

The Management Committee of the Board of Trustees of the Rhode Island Interlocal Risk Management Trust, Inc. (The Trust) convened a meeting on Tuesday, May 15, 2007 at 9:00 AM 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 Wolfgang Bauer, Robert Dooley and Michael Petrarca. Also present was *ex-officio* member Daniel Beardsley and Trust President and Executive Director Thomas E. Dwyer

2. MINUTES

Mr. Bauer moved, seconded by Mr. Alfred, that the Minutes of the December 8, 2006 Executive and Regular Sessions of the Management Committee Meeting be approved. On a vote as follows, the motion was adopted:

Alfred..... yes
Bauer yes
Dooley abstain
Petrarca..... abstain

3. STAFF COMPENSATION CONSIDERATIONS

Prior to the meeting, the Committee had received from Mr. Dwyer a memo presenting his recommendations for implementing the findings of the Evans' study on Trust staff compensation levels. Mr. Dwyer briefly reviewed salient points of his memo, and Committee discussion followed.

Mr. Beardsley inquired about the imputed income value of Trust vehicles assigned to employees, and Messrs. Petrarca and Dooley asked about internal management procedures followed for evaluating employee performance. General discussion ensued about the applicability of the Evans' study to The Trust's operations. Considerable attention focused on the value of fringe benefits, notably health insurance, in calculating the overall compensation provided to Trust employees.

Mr. Alfred asked Mr. Dwyer to submit at a later date a more detailed breakdown showing compensation levels – both individual salary amounts and fringe benefit allocations – by employee for Committee review.

Discussion turned to the four Guiding Principles for adjusting employee compensation levels that Mr. Dwyer had set forth in his report to the Committee. General consensus emerged that these Principles seemed appropriate, but would need further Committee review and specific approval when the actual cost estimates for each budget year were presented to the Committee.

Mr. Dooley then moved, seconded by Mr. Bauer, to accept the Guiding Principles set forth in Mr. Dwyer's report, subject to further Committee review at the time of budget adoption of the specific parameters to be authorized for wage and benefit adjustments. It was so voted unanimously.

Mr. Dwyer inquired about whether the Committee wished to address the other part of his report pertaining to staffing needs. After a brief discussion of these, Mr. Alfred indicated that it would be appropriate for Mr. Dwyer to submit a specific recommendation to the Committee at the time of his budget presentation identifying in priority order the positions he deemed to be needed. Mr. Alfred further commented that he expected the Committee to be significantly influenced by Mr. Dwyer's recommendations in this regard.

4. SUCCESSION PLANNING

In response to a request from the Committee at its last meeting, Mr. Dwyer had submitted a memo dated May 9, 2007 reviewing operational issues associated with succession planning both at the chief executive level and at major functional (departmental) levels. General Committee discussion followed.

Mr. Beardsley described the recent experience of another league/risk sharing pool organization in addressing the question of succession planning, and suggested that experience might hold valuable lessons for The Trust. Committee members also indicated that they were primarily concerned about succession planning for The Trust at the chief executive officer level. At the departmental level, they advised that they were content to leave that matter in the hands of The Trust President and Executive Director.

Committee members asked Mr. Dwyer to develop more specific plans detailing actions and steps that should be taken in the short-term should there be a sudden, unexpected vacancy in the position of Trust President and Executive Director. However, in response to Mr. Dwyer's expression of concern about other matters needing his immediate attention in the coming months, the Committee concurred that the matter of further succession planning could be deferred until a later date.

5. OCTOBER BOARD MEETING

Mr. Dwyer raised with the Committee the possibility of returning to a two-day, out-of-state format for the coming October Board meeting and strategic planning session to which the standing Committees of the Board are invited along with senior Trust management.

Committee members and Mr. Dwyer discussed the advantages and disadvantages of such a session compared to the one-day, in-state format followed the last several years. All concurred that the current format was not working successfully, and changes should be made. However, by consensus, the Committee determined that it did not wish to return to the two day, out-of-state format.

Various alternative ideas were discussed, but no consensus was reached. Mr. Dwyer said he and senior Trust management would brainstorm ideas and formats, building off the suggestions advanced by the Committee. All agreed that a longer and more intensive session was appropriate for the October meeting in order to provide time for Trust planning, Trustee and Committee member education and training, and a more in-depth examination of certain issues and concerns than can be accomplished during the other shorter duration quarterly meetings of the Board alone.

6. ADJOURNMENT

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

The Meeting stood adjourned at approximately 10: 30 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