

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
OPEN MINUTES
OCTOBER 23, 2014
CAMDEN COUNTY EMERGENCY TRAINING CENTER, BLACKWOOD, NJ
1:00 PM**

MEETING OF THE FUND CALLED TO ORDER AT 1:00 P.M.

OPEN PUBLIC MEETING ACT READ INTO RECORD

PLEDGE OF ALLEGIANCE

ROLL CALL BOARD OF FUND COMMISSIONERS

Michael Smith, Chairman	Burlington County	Present
Ross Angilella, Secretary	Camden County	Present
Gerald White, Commissioner	Gloucester County	Present
Norman Albert, Commissioner	Union County	Present - <i>via teleconference</i>
Robert Vanderslice, Commissioner	Salem County	Absent
Andrew Mair, Commissioner	Mercer County	Present - <i>via teleconference at 1:30pm</i>
Ken Mecouch, Commissioner	Cumberland County	Present - <i>via teleconference</i>
Edmund Shea, Commissioner	Hudson County	Present - <i>via teleconference</i>
John Kelly, Commissioner	Ocean County	Present - <i>via teleconference</i>

SPECIAL FUND COMMISSIONERS

Marc Krassan	Burlington County	Absent
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ALTERNATE FUND COMMISSIONERS

Anna Marie Wright	Camden County	Present
Carl Block	Ocean County	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services James Kickham Nancy A. Ghani - <i>via teleconference</i>
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Attorney	Laura Paffenroth, Esq.
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Safety Director	JA Montgomery Risk Control Glenn Prince
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Actuary	The Actuarial Advantage Eric Bause
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Underwriting Manager	Conner Strong & Buckelew Tom Nolan
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ALSO PRESENT:

Louis DiAngelo, Camden Ins Commission Fund Commissioner
Claudia Martin, Union County - *via teleconference*
Jeanete Kessler, Atlantic County MUA
Joseph Hrubash, PERMA
Cathy Dodd, PERMA
Robyn Walcoff, Conner Strong & Buckelew
Bonnie Rick, Hardenbergh Insurance Agency
Gail White, Scirocco Group - *via teleconference*
Douglas Borden, Borden Perlman Salisbury & Kelly
Mary Lou Doner, PERMA - *via teleconference*
Joe Porch, Conner Strong & Buckelew - *via teleconference*
Karen Read, PERMA- *via teleconference*
Rachel Chwastek, PERMA

MINUTES: Open Minutes of September 25, 2014.

APPROVAL OF MINUTES FROM SEPTEMBER 25, 2014 AS PRESENTED:

Moved: Commissioner Angilella
Second: Commissioner White
Vote: 5 Ayes – 2 Abstains (Commrs Mair & Kelly)

CORRESPONDENCE:

NONE

EXECUTIVE DIRECTOR'S REPORT:

2015 BUDGET: Enclosed in the agenda was the 2015 Proposed Budget presentation for review and discussion. Executive Director said the proposed 2015 budget is increasing by 2.5% over last year for a total of \$19,964,592. The following was noted with respect to the budget:

- Loss Funds – Fund Actuary projected total loss funds of \$3,835,569 represent a 6% decrease from last year based on fund's positive experience to date.
- Premiums – Underwriting Manager reported negotiations are being finalized with the fund's excess carriers and the total premiums represented in the proposed budget will be on/or about target for budget adoption. The projected and approximate premiums for property are increasing by 4.8%, liability by 5%, workers' compensation \$500,000 excess of \$500,000 layer by 9% and the Statutory excess of \$1,000,000 by 8.6%. Executive Director said a phase-in allocation method to move workers compensation premiums by member closer to their respective payroll allocation is being developed.
- Expenses – Executive Director reported the 2% increases in professional fees are budgeted figures only as the Board confirms appointments and compensation at the February annual reorganization meeting.
- Ancillary Coverages – Underwriting Manager said the ancillary coverages are being confirmed with all members for renewal. Due to the recent growth of the NJCE, some monies have been budgeted to allow for the potential purchase of higher flood aggregate limit.

In response to Commissioner Albert, Executive Director said the impending sale of Runnells Hospital would affect the workers' compensation premium of their assessment since it is based on payroll. Seeing no other questions or comments Executive Director requested a motion to introduce the 2015 budget and schedule a public hearing.

MOTION TO INTRODUCE ON FIRST READING THE 2015 BUDGET IN THE AMOUNT OF \$19,964,592 AND TO SCHEDULE A PUBLIC HEARING ON NOVEMBER 20, 2014 AT 2:00 PM VIA TELECONFERENCE WITH THE CALL TO BE INITIATED AT THE NJCE FUND OFFICE – 9 CAMPUS DRIVE SUITE 16 PARSIPPANY, NJ:

Moved: Commissioner Kelly
Second: Commissioner Angilella
Vote: 7 Ayes – 0 Nays

ASSESSMENTS: A copy of the draft proposed assessments by Commission member was distributed for review. Executive Director said the fund office is developing a phase-in allocation method to move workers compensation premiums by member closer to their respective payroll allocation. Executive Director said the property premiums are generated by applying the property rate against the total values as reported by each entity. Executive Director said he welcomes individual feedback from the board should there be any questions or comments before the next meeting.

NEW COMMISSION MEMBERSHIP REVIEW – COUNTY OF ATLANTIC: The fund office has completed reviewing the County of Atlantic as a potential new member. A full report and presentation will be presented at the meeting during Closed Session for review and discussion. Once the review is complete, enclosed in the agenda was Resolution 37-14 to offer membership to the County of Atlantic.

CLAIMS STATUS SUMMARY: AmeriHealth Casualty Services prepared a brief summary report of all claims with large open reserves to be reviewed during Closed Session. Enclosed in the agenda was Resolution 36-14 authorizing the need for closed session.

NJCE WEBSITE: The fund’s website, www.njce.org, continues to be updated on an as-needed basis with fund information.

FINANCIALS: Executive Director referred to the Financial Fast Track as of August 31, 2014 and said the fund’s currently statutory surplus is \$4.8 million.

UNDERWRITING MANAGER:

REPORT: Underwriting Manager said he nothing further to report besides what was presented during the budget discussion.

TREASURER REPORT:

Included in the agenda was Resolution 35-14 bills list for October 2014. In addition, there were financial reports for the month of August.

VOUCHER PAYMENTS (BILL LIST) –

October Resolution 35-14 \$169,646.91

MOTION TO APPROVE THE OCTOBER 2014 BILLS LIST RESOLUTION 35-14 AS PRESENTED:

Moved: Commissioner Angilella
Second: Commissioner Mecouch
Vote: 7 Ayes – 0 Nays

SAFETY DIRECTOR’S REPORT:

REPORT: Safety Consultant reviewed his report, which included a summary of activities for September thru November 2014. Safety Consultant said J.A. Montgomery is currently accepting training requests for 2015.

FUND ATTORNEY:

REPORT: Fund Attorney said there was nothing to report for the month.

CLAIMS ADMINISTRATOR:

REPORT: CompServices Inc. prepared a summary report of any claims with large open reserves to be reviewed during Closed Session. Enclosed in the agenda was Resolution 36-14 authorizing the need for closed session.

CLOSED SESSION:

MOTION TO ADOPT RESOLUTION 36-14 AUTHORIZING THE NEED TO ENTER INTO CLOSED SESSION FOR THE PURPOSE AS PERMITTED BY THE OPEN PUBLIC MEETINGS ACT, MORE SPECIFICALLY TO DISCUSS POTENTIAL LITIGATION ON CLAIM NUMBERS

640-112-0000016, 640-110-0000002, 64011229,353000576, 64GL01823 AND 64GL03453:

Moved: Commissioner White
Second: Commissioner Angilella
Vote: 7 Ayes – 0 Nays

All individuals in the room and on the teleconference left the meeting with the exception of the Fund Commissioners and Fund Professionals. Commissioner Mair enters the meeting at 1:30PM.

MOTION TO RETURN TO OPEN SESSION:

Moved: Commissioner Angilella
Second: Commissioner White
Vote: Unanimous

RESOLUTIONS:

RESOLUTION 37-14: Resolution to offer membership to the County of Atlantic.

MOTION TO ADOPT RESOLUTION 37-14 AS PRESENTED:

Moved: Commissioner Angilella
Second: Commissioner White
Vote: 8 Ayes – 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT

MOTION TO OPEN MEETING TO PUBLIC

Moved: Commissioner Angilella
Second: Commissioner White
Vote: Unanimous

MOTION TO CLOSE MEETING TO PUBLIC

Moved: Commissioner Angilella
Second: Commissioner White
Vote: Unanimous

NON- AGENDA ITEMS

NONE

MOTION TO ADJOURN:

Moved: Commissioner Angilella
Second: Commissioner White
Vote: Unanimous

MEETING ADJOURNED: 1:35PM

NEXT MEETING: November 20, 2014

**Teleconference – to be initiated by the Fund Office located at 9
Campus Drive – Suite 16 Parsippany, NJ 07054
2:00 PM**

Nancy A. Ghani, Assisting Secretary

for

ROSS ANGILELLA, SECRETARY