

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
OPEN MINUTES
OCTOBER 22, 2015
CAMDEN COUNTY EMERGENCY TRAINING CENTER, BLACKWOOD NJ
1:00 PM
MEETING OF THE FUND CALLED TO ORDER AT 1:00 P.M. BY ACTING CHAIR
GERALD WHITE**

OPEN PUBLIC MEETING ACT READ INTO RECORD

PLEDGE OF ALLEGIANCE – Acting Chair Commissioner White led Commissioners in the Pledge of Allegiance.

ROLL CALL BOARD OF 2015 FUND COMMISSIONERS

Ross Angilella, Chairman	Camden County	Present- <i>Arrived at 1:07pm</i>
John Kelly, Commissioner	Ocean County	Present - <i>via teleconference</i>
Gerald White, Commissioner	Gloucester County	Present
Norman Albert, Commissioner	Union County	Present- <i>via teleconference</i>
Jessica Foote, Commissioner	Salem County	Present
Andrew Mair, Commissioner	Mercer County	Present - <i>via teleconference</i>
Ken Mecouch, Commissioner	Cumberland County	Absent
Edmund Shea, Commissioner	Hudson County	Present - <i>via teleconference</i>
Janette Kessler, Commissioner	Atlantic County	Present
Kendall Collins, Commissioner	Burlington County	Present- <i>via teleconference</i>

ALTERNATE FUND COMMISSIONERS

Anna Marie Wright	Camden County	Present
Carl Block	Ocean County	Present - <i>via teleconference</i>

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services James Kickham, Joseph Hrubash Nancy A. Ghani - <i>via teleconference</i>
Attorney	Laura Paffenroth, Esq.
Safety Director	JA Montgomery Risk Control Glenn Prince, Dave McHale – <i>via teleconference</i>
Underwriting Manager	Conner Strong & Buckelew Tom Nolan
Claims Administrator	CompServices Tom Watkins
Treasurer	David McPeak

ALSO PRESENT:

Damon Burke, Burlington County Risk Manager
Mary Anne Sander, Conner Strong & Buckelew - *via teleconference*
Carole Mack, Conner Strong & Buckelew - *via teleconference*
Gail White, Scirocco Group- *via teleconference*
Doug Borden, Borden Perlman Salisbury & Kelly - *via teleconference*
Christina Violetti, Hardenbergh Insurance Group- *via teleconference*

Jenna Quattrone, Hardenbergh Insurance Group- *via teleconference*
Tom Narolewski, AJM Insurance- *via teleconference*
Janine Leahy, D&H Alternative Risk Solutions
Bonnie Ridolfino, Hardenbergh Insurance Group- *via teleconference*
Karen Read, PERMA- *via teleconference*
Cathy Dodd, PERMA
Brad Stokes, PERMA
Rachel Chwastek, PERMA
Louis DiAngelo, Camden County
Michelle Leighton, Conner Strong & Buckelew

MINUTES: The Open Minutes of September 24, 2015 were included in the agenda; the Closed Minutes from September 24, 2015 were distributed to the board for adoption.

MOTION TO APPROVE THE OPEN AND CLOSED MINUTES FROM SEPTEMBER 24, 2015 AS PRESENTED:

Moved: Commissioner White
Second: Commissioner Kessler
Vote: Unanimous

At 1:07PM Chairman Angilella entered the room – Commissioner White stepped down as Acting Chair.

CORRESPONDENCE:

NONE

EXECUTIVE DIRECTOR'S REPORT:

2016 BUDGET: Executive Director said a sub-committee comprised of Commissioners White, Mecouch and Kelly met on October 15, 2016 to review the preliminary 2016 budget.

Enclosed in the agenda was the 2016 budget presentation for review and discussion, which included underwriting data exhibits for reported property values and payroll, as well as budgets reflecting the expiring program and two budget options reflecting higher Self-Insured Retentions (SIRs).

Executive Director referred to the report and said the Total Insured Value (TIV) for property represented a 1.9% increase over last year's rated property values. Executive Director said Atlantic County is undergoing a re-evaluation of all county property and reported a significant property increase, which is not reflected in the budget and will be addressed after budget certification. Executive Director said the reported payrolls were adjusted to reflect current rates and reflected an overall increase of 1.9%.

Executive Director said line 13 *Excess Premium Contingency* represents a change after the 2015 budget was certified. Executive Director said the 2015 budget was developed by applying estimated rates against estimated exposures, which was then certified and the assessments were billed to each member. Executive Director said the budget was not changed during the policy year and the *Excess Premium Contingency* is the difference of what was paid versus what was budgeted.

Executive Director said the professional fees have been budgeted at a 2% increase, which is subject to the Board's review and appointment at the annual reorganization meeting.

Executive Director said the last part of the budget is the ancillary coverages, which are optional coverages each County and their autonomous agencies opt to purchase. Executive Director said

the Excess Flood and Aviation represents new coverages and the budgeted amounts are estimates only.

Executive Director said the 2016 budget is increasing by 1% over last year with the expiring program and SIRs. Executive Director said the sub-committee reviewed two budget options that reflected increased retentions for general, auto and workers' compensation.

Executive Director said workers' compensation costs continue to increase and are driven by medical costs. Executive Director said the fund has not increased the workers' compensation SIR since its inception and it may be appropriate to do so for renewal.

Executive Director referred to the agenda and said the sub-committee reviewed the following two options:

- **Retention Option #1 Maintain GL/AL SIR & Increase WC SIR**
 - **GL/AL** – All members retain the first \$250,000. *Exceptions are Hudson County at \$750,000 and ACIC at \$500,000.*
 - **WC** – Increase \$250,000 to \$300,000 for all members. *Exception is Hudson County at \$750,000, Ocean County at \$750,000, ACIC at \$750,000 and SCIC at \$250,000.*

- **Retention Option #2 Increase GL/AL & Increase WC SIR**
 - **GL/AL** – Increase from \$250,000 to \$300,000. *Exceptions are Hudson County at \$750,000, ACIC at \$500,000 and SCIC at \$250,000.*
 - **WC** – Increase from \$250,000 to \$300,000 for all members. *Exception is Hudson County at \$750,000, Ocean County at \$750,000, ACIC at \$750,000 and SCIC at \$250,000.*

Commissioner White said the sub-committee reviewed the options and agreed with the recommendation to proceed with Retention Option #1 which resulted in an overall budget decrease of -0.5%.

Executive Director said Hudson County's 2015 SIR for workers' compensation was moved from \$750,000 to \$1 million and with the 2016 renewal would be changed back down to \$750,000. In response to Commissioner Shea's inquiry on retention change, Executive Director said in 2015 Arch Insurance Company – excess carrier for Hudson County only - increased their attachment point from \$1 million to \$1.25 million and required Hudson County to increase their workers' compensation SIR from \$750,000 to \$1 million. Executive Director said with the 2016 renewal Hudson County's WC retention would be changed back to \$750,000.

Executive Director said option #2 increased the SIRs for general, auto and workers' compensation; however, the recommendation is to proceed with option #1 to only increase workers' compensation, but individual County members can elect to increase the general and auto liability SIRs after budget certification.

MOTION TO INTRODUCE ON FIRST READING THE 2016 BUDGET AND TO SCHEDULE A PUBLIC HEARING ON NOVEMBER 19, 2015 AT 1:00 PM AT CAMDEN COUNTY EMERGENCY TRAINING CENTER, BLACKWOOD NJ:

Moved:	Chairman Angilella
Second:	Commissioner White
Vote:	9 Ayes – 0 Nays

DIVIDEND: Executive Director said the NJCE JIF is in a position to declare a dividend as per the N.J.A.C. 11:15-2.21. Enclosed in the agenda was a worksheet on the allowable dividends per State Regulations at the last audit of 12/31/14. Executive Director referred to the worksheet and said there is surplus from fund years 2010, 2011 and 2012 to release a dividend. Executive Director recommended a release of \$150,000 from Fund Year 2010 noting that only Camden and Gloucester Counties would be eligible to receive it as the two charter members of that fund year. Fund Attorney prepared Resolution 30-15 authorizing the release of a dividend, which was distributed at the meeting.

MOTION TO ADOPT RESOLUTION 30-15 AUTHORIZING THE RELEASE OF A DIVIDEND IN THE AMOUNT OF \$150,000 SUBJECT TO STATE APPROVAL:

Moved: Chairman Angilella
Second: Commissioner White
Vote: 9 Ayes – 0 Nays

ACTUARY: Fund Attorney reported the fund's contract with The Actuarial Advantage expired and the fund office was directed to issue a Request for Price Quotes, which was advertised and sent to three firms to provide a respond by October 21, 2015. Fund Attorney reported that The Actuarial Advantage was the only firm to respond and a resolution appointing the firm would be prepared for the next meeting.

UNDERWRITING MANAGER REPORT:

2016 RENEWAL: Underwriting Manager inquired the procedure Commission members would need to follow in order to elect an increase to the general and auto liability SIRs. In response, Executive Director said the fund office would notify each Commission account of a potential change and noted there is time to make changes as budget are being introduced.

Underwriting Manager said he would follow up with quotes and limits for the excess flood layer as the current amount in the budget is only a placeholder. Underwriting Manager said a few members have not returned a completed application for the non-owned aviation and 4 or 5 members have elected not to purchase cyber liability coverage. Underwriting Manager said his office will continue to follow up with members for any outstanding applications required on the various ancillary coverages.

TREASURER REPORT:

Included in the agenda was the October bills list as Resolution 31-15 and the Treasurer's reports for August 2015.

VOUCHER PAYMENTS (BILLS LIST) –
October 2015 – Resolution 31-15 \$130,283.59

MOTION TO APPROVE RESOLUTION 31-15 OCTOBER 2015 BILLS LIST CONFIRMATION OF PAYMENTS AS PRESENTED:

Moved: Commissioner Angilella
Second: Chairman White
Roll Call Vote: 9 Ayes – 0 Nays

SAFETY DIRECTOR:

REPORT: Safety Director's report in the agenda included the risk control activities from September through November 2015.

FUND ATTORNEY:

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

RESOLUTIONS:

RESOLUTION 30-15: Resolution authorizing the release of a dividend.

CLAIMS ADMINISTRATOR:

REPORT: AmeriHealth Casualty Services indicated the need for Closed Session to review any claims with large open reserves.

Enclosed in the agenda was Resolution 32-15 authorizing the need to enter into Closed Session for the purpose as permitted by the Open Public Meetings Act, more specifically to discuss contract negotiations, discuss potential litigation and review claim status.

MOTION TO APPROVE RESOLUTION 32-15 AND ENTER INTO CLOSED SESSION:

Moved: Chairman Angilella
Second Commissioner White
Vote: 9 Ayes – 0 Nays

The following individuals left the teleconference: Gail White, Mary Ann Sander, Carole Mack, Bonnie Ridolfino, Christina Violetti, Jenna Quatrone and Tom Narolewski.

MOTION TO RETURN INTO OPEN SESSION:

Moved: Chairman Angilella
Second Commissioner Kessler
Vote: Unanimous

PAYMENT AUTHORITY REQUESTS: As per discussion held during Closed Session permitted via Resolution 32-15 motion to approve the following Payment Authority Requests:

Liability Claim #64GL06669 for \$233.90

MOTION TO APPROVE THE PAYMENT AUTHORITY REQUESTS AS DISCUSSED DURING CLOSED SESSION:

Moved: Commissioner Kelly
Second Commissioner Kessler
Roll Call Vote: 9 Ayes – 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT

MOTION TO OPEN MEETING TO PUBLIC

Moved: Chairman Angilella
Second Commissioner White
Vote: Unanimous

MOTION TO CLOSE MEETING TO PUBLIC

Moved: Chairman Angilella

Second
Vote:

Commissioner Kessler
Unanimous

NON- AGENDA ITEMS
NONE

MOTION TO ADJOURN:

Moved:	Commissioner White
Second:	Commissioner Kessler
Vote:	Unanimous

MEETING ADJOURNED: 1:37PM

NEXT MEETING: November 19, 2015
Camden County Emergency Training Center 1:00 PM

Nancy A. Ghani, Assisting Secretary

for

JOHN KELLY, SECRETARY