

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND
OPEN MINUTES
FEBRUARY 23, 2017
CAMDEN COUNTY EMERGENCY TRAINING CENTER, BLACKWOOD, NJ
1:00 PM**

**MEETING OF THE FUND CALLED TO ORDER AT 1:00 P.M. BY ACTING CHAIRMAN
COMMISSIONER WHITE**

OPEN PUBLIC MEETING ACT READ INTO RECORD

PLEDGE OF ALLEGIANCE

ROLL CALL BOARD OF 2016 FUND COMMISSIONERS

Ross Angilella, Chairman	Camden County	Absent
John Kelly, Secretary	Ocean County	Present - <i>via teleconference</i>
Jeannette Kessler, Commissioner	Atlantic County	Present
Kendall Collins, Commissioner	Burlington County	Present - <i>via teleconference</i>
Ken Mecouch, Commissioner	Cumberland County	Present - <i>via teleconference</i>
Gerald White, Commissioner	Gloucester County	Present
Edmund Shea, Commissioner	Hudson County	Present - <i>via teleconference</i>
Andrew Mair, Commissioner	Mercer County	Present - <i>via teleconference</i>
Jessica Foote Bishop, Commissioner	Salem County	Present - <i>via teleconference</i>
Michael Yuska, Commissioner	Union County	Present - <i>via teleconference</i>

ALTERNATE FUND COMMISSIONERS

Anna Marie Wright	Camden County	Present
Carl Block	Ocean County	Present - <i>via teleconference</i>
Katie Coleman	Salem County	Absent
Raissa Walker	Mercer County	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services Paul Laracy, Joe Hrubash 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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Underwriting Manager	Conner Strong & Buckelew Edward Cooney
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Claims Administrator	AmeriHealth Casualty Services Tom Watkins, Amanda Metzger
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ALSO PRESENT:

Cathy Dodd, PERMA
Brad Stokes, PERMA
Rachel Chwastek, PERMA
Gail White, Scirocco Group – *via teleconference*
Christina Violetti, Hardenbergh Insurance Group- *via teleconference*
Mary Ann Sander, Conner Strong & Buckelew – *via teleconference*
Joe Porch, Conner Strong & Buckelew – *via teleconference*
Claudia Martins, Union County – *via teleconference*
Robin Racioppi, Acrisure

Greg Hunt, Conner Strong & Buckelew
Michelle Leighton, Conner Strong & Buckelew
Louis DiAngelo, Camden County
Karen Read, PERMA
Robyn Walcoff, PERMA

MINUTES: Open & Closed Minutes of November 17, 2016 and Closed Minutes of January 25, 2017.

MOTION TO APPROVE MINUTES FROM NOVEMBER 17, 2016 AND JANUARY 25, 2017 AS PRESENTED:

Moved: Commissioner Kessler
Second: Acting Chairman Commissioner White
Roll Call Vote: 10 Ayes – 0 Nays

CORRESPONDENCE:

NONE

2017 REORGANIZATION: Acting Chairman Commissioner White said the meeting would be conducted as fund's 2017 reorganization. The NJCE Bylaws require that the fund elect a Chair, Secretary, five-member Executive Committee and up to four Alternate Commissioners; Acting Chairman Commissioner White asked for a roll call of the 2017 Fund Commissioners.

ROLL CALL OF 2017 FUND COMMISSIONERS

Ross Angilella, Commissioner	Camden County	Absent
John Kelly, Commissioner	Ocean County	Present - <i>via teleconference</i>
Jeannette Kessler, Commissioner	Atlantic County	Present
Kendall Collins, Commissioner	Burlington County	Present - <i>via teleconference</i>
Gerald White, Commissioner	Gloucester County	Present
Jessica Foote Bishop, Commissioner	Salem County	Present - <i>via teleconference</i>
Andrew Mair, Commissioner	Mercer County	Present - <i>via teleconference</i>
Ken Mecouch, Commissioner	Cumberland County	Present - <i>via teleconference</i>
Edmund Shea, Commissioner	Hudson County	Present - <i>via teleconference</i>
Michael Yuska, Commissioner	Union County	Present - <i>via teleconference</i>

Acting Chairman Commissioner White asked for nominations of Chairman followed by a nomination for Secretary.

ELECTION OF 2017 CHAIRPERSON AND SECRETARY:

MOTION TO NOMINATE ROSS ANGILELLA, CAMDEN COUNTY, AS CHAIR:

Moved: Commissioner White
Second: Commissioner Kessler

Hearing no other nominations,

MOTION TO CLOSE NOMINATIONS FOR CHAIR AND CAST UNANIMOUS BALLOT FOR ROSS ANGILELLA AS 2017 CHAIR:

Roll Call Vote: 10 Ayes – 0 Nays

MOTION TO NOMINATE JOHN KELLY, OCEAN COUNTY, AS SECRETARY:

Moved: Commissioner White
Second: Commissioner Kessler

Hearing no other nominations,

MOTION TO CLOSE NOMINATIONS FOR SECRETARY AND CAST UNANIMOUS BALLOT FOR JOHN KELLY AS 2017 SECRETARY:

Roll Call Vote: 10 Ayes – 0 Nays

MOTION TO NOMINATE COMMISSIONER JANETTE KESSLER-ATLANTIC COUNTY, COMMISSIONER KENDALL COLLINS-BURLINGTON COUNTY, COMMISSIONER KEN MECOUCH-CUMBERLAND COUNTY, COMMISSIONER GERALD WHITE-GLOUCESTER COUNTY, COMMISSIONER EDMUND SHEA-HUDSON COUNTY AS THE FIVE MEMBER EXECUTIVE COMMITTEE AND; COMMISSIONER MAIR-MERCER COUNTY AS ALTERNATE #1, COMMISSIONER JESSICA FOOTE BISHOP-SALEM COUNTY ALTERNATE #2 AND MICHAEL YUSKA-UNION COUNTY AS ALTERNATE #3:

Moved: Commissioner Angilella

Second: Commissioner Kessler

Hearing no other nominations,

MOTION TO CLOSE NOMINATIONS AND CONFIRM ELECTIONS AS PROPOSED:

Vote Unanimous

Fund Attorney said the oaths would be administered to Chairman and Secretary and would be filed as part of the minutes.

MOTION TO CONFIRM ELECTIONS AND ADOPT RESOLUTION 1-17 CERTIFYING THE ELECTION OF CHAIRMAN AND SECRETARY:

Moved: Commissioner Mecouch

Second: Commissioner Kessler

Roll Call Vote: 10 Ayes – 0 Nays

2017 REORGANIZATION

2017 REORGANIZATION RESOLUTIONS: Included in the agenda were the reorganization resolutions for Fund Year 2017. Acting Chairman Commissioner White asked for a motion to approve the following resolutions as part of the consent agenda:

Resolution 2-17, Appointing PERMA as Agent for the Fund for Process of Service

Resolution 3-17, Designating Custodian of Fund Records

Resolution 4-17, Designating Official Newspapers for the Fund

Resolution 5-17, Designating Depositories for Fund Assets/Cash Mgmt. plan

Resolution 6-17, Designating Signatures for Fund Bank Accounts

Resolution 7-17, Indemnifying NJCE Officials/Employees

Resolution 8-17, Fund Treasurer to Process Contracted Payments/Expenses

Resolution 9-17, Appointing Fund Treasurer

Resolution 10-17, Appointing Fund Attorney

Resolution 11-17, Fixing 2017 & 2018 Reorganization Meeting Dates

Resolution 12-17, 2017 Risk Management Plan

MOTION TO ADOPT RESOLUTIONS 2-17 THROUGH 12-17:

Moved: Commissioner Kessler

Second: Commissioner Mecouch

Roll Call: 10 Ayes – 0 Nays

EXECUTIVE DIRECTOR'S REPORT:

SOLICITATION OF QUOTATIONS AUDITOR: The Fund's one-year contract with Bowman & Company will expire in April. Executive Director said it would be appropriate to for the Fund office to solicit quotations for auditing services; results will be prepared by the next

meeting for the board to review and award a contract so services can begin on the audit ending December 31, 2016.

UNDERWRITING DATA VALIDATION - PAYROLL AUDITS: Executive Director said during the 2017 budget development, discussion was held on a progressive initiative to obtain consistent and ratable data through payroll audits, property appraisals and an underwriting data system.

Executive Director said Bowman and Company, the Fund's current Auditor, has provided an informal scope and cost proposal to conduct a payroll audit for all members and their autonomous agencies for the 2018 renewal year. Executive Director said the fund office will solicit quotations for payroll auditing service; results will be prepared by the next meeting for the board to review and award a contract.

ASSET MANAGER: Executive Director said the fund office sought price quotes for Asset Manager Services to provide investment and monthly reporting on terms investments in securities authorized by law and the fund's cash management plan. Executive Director said two firms - TD Bank and Wilmington Trust - responded to all required services; TD Bank submitted fees of 5.5 basis point and Wilmington Trust 5 basis points based on a percentage of fixed income assets.

Executive Director said based on the responses, a recommendation is being made to award a contract to Wilmington Trust for a one-year agreement to provide these services and estimate the cost not to exceed \$10,000. Using the fund's cash balance as of December 31, 2016 fees will be approximately \$2,000 per year.

MOTION TO AWARD A ONE-YEAR CONTRACT TO WILMINGTON TRUST TO PROVIDE ASSET MANAGEMENT SERVICES:

Moved:	Commissioner Kelly
Second:	Commissioner Mecouch
Roll Call:	10 Ayes – 0 Nays

POTENTIAL MEMBERSHIP: Executive Director said marketing efforts have been underway to offer membership to the County of Monmouth effective on/about April 1, 2017. A summary report of the County and the proposed program will be distributed and reviewed during Closed Session. Once reviewed and based on Fund's decision, the agenda included a resolution offering membership to the County of Monmouth and authorize the Underwriting Manager to bind coverage.

2017 EXCESS & ANCILLARY RENEWALS: Executive Director said the Board previously approved authorization for the Underwriting Manager to bind coverage of the 2017 renewal program. Executive Director said the Extraordinary Unspecifiable Services (EUS) statements binding the coverage are kept on file in the office; enclosed in the agenda was a resolution authorizing the purchase of insurances.

CLAIMS STATUS SUMMARY: AmeriHealth Casualty Services has indicated the need of a Closed Session to discuss claims status and other matters; enclosed in the agenda was a resolution authorizing closed session. Under separate cover, Fund Commissioners received materials from AmeriHealth Casualty Services and/or the Executive Director.

2017 BUDGET: In accordance with the regulations, the budget adopted by the Fund has been advertised in the Fund's official newspapers and filed with the State.

2017 FINANCIAL DISCLOSURES: Board members should anticipate the online filing of the Financial Disclosure forms as both a NJCE Commissioner, as well as, any County-related positions that require filing. It is expected the Division of Local Government Services will distribute a notice in March and forms will need to be filed by April 30th.

FINANCIAL FAST TRACK: Executive Director reviewed the Financial Fast Track as of December 31, 2016 and said the Fund's statutory surplus is \$8.3 million.

UNDERWRITING MANAGER REPORT:

2017 EXCESS & ANCILLARY RENEWALS: The Board previously approved authorization for the Underwriting Manager to bind coverage of the 2017 renewal program; included in the agenda was a renewal program report prepared by the Underwriting Manager.

Underwriting Manager referred to the report and noted the following highlights:

- Negotiations with Zurich, the Fund's Property carrier, resulted in a flat rate renewal with an increase in deductibles for vacant properties from \$100,000 to \$250,000.
- Safety National, the Fund's expiring Excess Workers' Compensation carrier, offered a two-year renewal deal with incremental rate savings each year.

EUS SUMMARY REPORT: Included as part of the Underwriting Manager's report was the summary on Extraordinary Unspecifiable Services (EUS) statement binding the coverages.

PROPOSAL OF COVERAGE COMMITTEE FORMATION: Included as part of the report was a proposal on the formation of a Coverage Committee. Underwriting Manager said given the Fund's continued membership growth and development, it may be appropriate for the formation of a Coverage Committee to review and steer coverage where needed. Underwriting Manager said participation by Fund Commissioners, Fund Administrators, Risk Managers and the Underwriting Team would be required to facilitate its success; Deputy Executive Director agreed with the recommendation and said participation by Fund Commissioner would be critical. Commissioners Kelly, White and Kessler volunteered to serve on the committee and Underwriting Managers said invitations to local member risk managers would be solicited.

TREASURER REPORT:

Included in the agenda was the confirmation of December 2016 bills list as Resolution 13-17, confirmation of January 2017 bills list as Resolution 14-17, the February 2017 bills list as Resolution 15-17 and the Treasurer's reports for September 2016 thru December 2016.

VOUCHER PAYMENTS (BILL LIST) –

Resolution 13-17 December 2016 Bills Confirmation of Payments	\$124,042.84
Resolution 14-17 January 2017 Bills Confirmation of Payments	\$7,882,927.34
Resolution 15-17 February 2017 Bills	\$523,383.46

MOTION TO CONFIRM PAYMENTS OF DECEMBER 2016 BILLS LIST

RESOLUTION 13-17:

Moved: Commissioner Kelly
Second: Commissioner Kessler
Roll Call: 10 Ayes – 0 Nays

MOTION TO CONFIRM PAYMENTS OF JANUARY 2017 BILLS LIST

RESOLUTION 14-17:

Moved: Commissioner Collins
Second: Commissioner Kessler
Roll Call: 10 Ayes – 0 Nays

**MOTION TO CONFIRM PAYMENTS OF FEBRUARY 2017 BILLS LIST
RESOLUTION 15-17:**

Moved: Commissioner Kelly
Second: Commissioner Mecouch
Roll Call: 10 Ayes – 0 Nays

SAFETY DIRECTOR:

REPORT: Safety Director reviewed the report included in the agenda, which included a summary of activities for October 2016 thru March 2017, a Safety Director bulletin on Best Practices for Snow Emergencies and a Safety Director bulletin on NJPEOSH Recording/Reporting Occupational Injuries.

Included, as part of the Safety Director's report, was a memorandum on the 2017 BRIT Safety Grant Program. Safety Director said the annual BRIT grant increased from \$30,000 to \$35,000 for 2017 and suggested it be split into five awards of \$7,000 each and any additional funding would be split among those County members that have not yet applied. Fund Commissioners agreed with the suggestion in order to make the distribution equitable.

Safety Director added the MEL JIF has been asked to provide a fee proposal for NJCE members to access the MEL Safety Institute (MSI), which is an instructor-led training academy offering broad range of safety topics required by PEOSH and other agencies.

FUND ATTORNEY:

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

CLAIMS ADMINISTRATOR:

REPORT: AmeriHealth Casualty Services indicated the need to review any claims with large open reserves during Closed Session. Enclosed in the agenda was a resolution 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 and settlement authority requests.

MOTION TO ADOPT RESOLUTION 16-17 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 #640-113-62, CLAIM #640-115-102, CLAIM #640-117-135 AND CLAIM #64GLO14048:

Moved: Commissioner Kessler
Second: Acting Chairman White
Vote: Unanimous

All others vacated the room and left the teleconference with the exception of Fund Commissioners, Fund Attorney and Professionals.

MOTION TO RETURN TO OPEN SESSION:

Moved: Commissioner Kelly
Second: Commissioner Kessler
Vote: Unanimous

As per discussion held during Closed Session permitted via Resolution 16-17, motion to approve the following:

Settlement/Payment Authority Requests for Claim #640-113-62:
\$7,548.64 – PAR - \$166,464.00 – SAR
Settlement Authority Request for Claim #640-115-102
\$156,948.00

Payment Authority Request for Claim #640-117-135

\$250,000.00

Payment Authority Request for Claim #64GL014048

\$5,000.00

MOTION TO APPROVE THE SETTLEMENT AND PAYMENT AUTHORITY REQUESTS AS PRESENTED:

Moved: Commissioner Mecouch

Second: Commissioner Kessler

Roll Call: 10 Ayes – 0 Nays

RESOLUTIONS:

RESOLUTION 17-17: Resolution to offer membership to Monmouth County.

Moved: Commissioner Mecouch

Second: Commissioner Kessler

Roll Call: 10 Ayes – 0 Nays

RESOLUTION 18-17: Resolution memorializing the authorization of the renewal and purchase of ancillary and excess insurances.

Moved: Commissioner Kessler

Second: Commissioner Mecouch

Roll Call: 10 Ayes – 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT

MOTION TO OPEN MEETING TO PUBLIC

Moved: Commissioner Kessler

Second: Commissioner Mecouch

Roll Call: 10 Ayes – 0 Nays

MOTION TO CLOSE MEETING TO PUBLIC

Moved: Commissioner Kessler

Second: Commissioner Mecouch

Roll Call: 10 Ayes – 0 Nays

NON- AGENDA ITEMS

NONE

MOTION TO ADJOURN:

Moved: Chairman Angilella

Second: Commissioner Kessler

Vote: Unanimous

MEETING ADJOURNED: 1:41PM

NEXT MEETING: April 27, 2017 - 1:00 PM

DiPiero Center

512 Lakeland Road – Suite 200

7th Floor

Blackwood, NJ

Nancy A. Ghani, Assisting Secretary
for

JOHN KELLY, SECRETARY