

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – AUGUST 28, 2014
Mercer County
McDade Administration Building
640 South Broad Street
Trenton, NJ 08611
10:30 AM**

Meeting was called to order by Chairman Mair. Ms. Dodd read the Open Public Meetings notice into record.

ROLL CALL OF COMMISSIONERS:

Andrew A. Mair	Present
Elizabeth A. Scannella	Present
Raissa Walker	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Pamela Reed-Gibson Terry Sheerin
	Conner Strong & Buckelew Michelle Leighton
Risk Management Consultant	Borden Perlman Salisbury & Kelly Doug Borden
Attorney	Paul Adezio
Treasurer	
Safety Director	J.A. Montgomery Risk Control Glenn Prince Dave McHale

ALSO PRESENT:

Kristina Chubenko, Mercer County Assistant County Counsel
Alma Ortiz, Mercer County Improvement Authority
Susan Schaefer, Susan Schaefer, LLC
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF JULY 28, 2014

Ms. Dodd advised the open minutes were in the Appendix section of the agenda, however, Commissioner Scannella made a few revisions to minutes and a revised version of the minutes were distributed. Ms. Dodd also indicated she did not have a copy of the closed minutes and asked Chairman Mair if those minutes could be presented at the next meeting for approval and he agreed.

MOTION TO APPROVE THE OPEN MINUTES OF JULY 28, 2014 AS AMENDED

Moved:	Commissioner Scannella
Second:	Chairman Mair
Vote:	3 Ayes, 0 Nays

CORRESPONDENCE: None

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Prince reported the Safety Committee was in the process of scheduling their next meeting date.

CLAIMS COMMITTEE: Ms. Leighton reported the Claims Committee met on August 12th via a conference call to discuss two PARS that would be presented during closed session. Ms. Leighton also advised a third claim would be discussed in closed session. Ms. Leighton reminded the Commission she was working with Ms. Walcoff to coordinate the third Joint Insurance Claims Committees Best Practices Workshop. Ms. Leighton advised she was formulating a planning committee to discuss the agenda and format. Ms. Leighton invited Commissioner Scannella to participate in the conference call. Ms. Leighton noted the date for the workshop was October 7, 2014 and would be held at the Conner Strong & Buckelew office in Marlton.

EXECUTIVE DIRECTOR REPORT: Executive Director advised he had two action items for his report. Executive Director noted there was a typo on page 4 of the agenda and a revised page was distributed which deleted the word “statutory”.

CERTIFICATE OF INSURANCE REQUEST FORM: Executive Director reported on the Certificate of Insurance Report for the period of July 22, 2014 to August 19, 2014. There were two (2) certificate of insurances issued during this period. Commissioner Scannella advised the report was in agreement with her records.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved:	Commissioner Scannella
Second:	Chairman Mair
Vote:	3 Ayes, 0 Nays

SEPTEMBER MEETING DATE: Executive Director reported there was a request from Chairman Mair to reschedule the September 22nd Commission Meeting. Executive Director proposed a new meeting date of Tuesday, September 30, 2014 at 10:30 AM. Executive Director noted his office would advertise the change in the Commission's official newspapers.

**MOTION TO RESCHEDULE THE COMMISSION MEETING OF
SEPTEMBER 22, 2014 TO TUESDAY, SEPTEMBER 30, 2014 AT 10:30
AM**

Moved:	Commissioner Scannella
Second:	Chairman Mair
Vote:	3 Ayes, 0 Nays

NJ EXCESS COUNTIES INSURANCE FUND: Executive Director reported the CEL did not meet in July and their next meeting was scheduled for September 25, 2014 at 1:00 PM. Executive Director advised the CEL was entertaining potential new members, Atlantic and Cape May Counties as well as discussions with Monmouth County.

MERCER COUNTY INSURANCE FUND COMMISSION PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director referred to the Mercer County Insurance Fund Commission Financial Fast Track as of June 30, 2014 which was included in the agenda. Executive Director reviewed the figures on the report and advised the Commission had a surplus of \$168,325. Executive Director noted line 8 of the report, "Investment in Joint Venture" was Mercer County Insurance Fund Commission's share of equity in the CEL which was \$86,645. In response to Chairman Mair's inquiry regarding tracking the expectations, Executive Director advised he asked Inservco to prepare some claim reports for the first six months of this year compared to last year along with two prior years. Executive Director reported even though the overall figures were the same, worker compensation was down about \$200,000. Executive Director indicated there were some property losses in 2014 which drove the positive figure down for 2014 compared to 2013. Executive Director noted he would send Chairman Mair an e-mail with the information.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the agenda included the Financial Fast Track for the NJ CEL for the month of June. As of June 30, 2014 the CEL had a surplus of \$4,714,771.

2015 RENEWAL APPLICATIONS & UPDATED EXPOSURE: Executive Director reported the CEL Underwriting Manager's office sent an e-mail with the ancillary renewal applications to be completed. A second e-mail was sent requesting the updated exposure schedule information. Executive Director stressed the importance of returning the documents to the CEL Underwriting Manager's office. Ms. Dodd noted she printed copies of the applications in the event anyone needed another set.

AUDITOR REQUEST FOR PROPOSALS: Executive Director reported PERMA was working with Mr. Adezio to prepare Request for Proposals for the Auditor position. Commissioner Scannella advised there were some questions with the dates and she would also forward the scope of services to Mr. Miller for his review. Ms. Dodd advised she would review the document again.

INSERVCO WORKERS' COMPENSATION REIMBURSEMENT: Executive Director advised he participated in a conference call with Commission Scannella, Ms. Stout, Ms. Dodd, Ms. Kontomanolis and Mr. Miller regarding the reimbursement of the workers' compensation payments. Executive Director reported during the discussion Mr. Miller advised it was not necessary to wire the funds and the reimbursement checks would be acceptable. Commissioner Scannella indicated she did receive the register report from Inservco and wanted to review the report.

Chairman Mair noted the Freeholders had requested a six month presentation, however he noted six months would be premature to measure the success of the Insurance Commission and it would be at least a year before the effect was known.

Chairman Mair noted his named was spelled wrong on page 4 and Ms. Dodd indicated she would have it corrected.

Executive Director advised that concluded his report unless anyone had any questions.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Ms. Dodd reported the August bill list was included in the agenda and a motion was needed to approve Resolution 35-14.

MOTION TO APPROVE RESOLUTION 35 -14, AUGUST BILL LIST

Moved:	Commissioner Scannella
Second:	Chairman Mair
Vote:	3 Ayes, 0 Nays

ATTORNEY: Mr. Adezio advised he did not have anything to report.

CLAIMS SERVICE:

Ms. Dodd advised Resolution 36-14, Disclosure of Liability Claims Check Register was included in the agenda along with a copy of the report for July. Ms. Dodd reported Commissioner Scannella advised the check for EB Fence in the amount of \$3,075 was voided as the property checks were issued through the County. Ms. Dodd noted she did send an e-mail to Ms. Stout at Inservco, however, she was out of the office for a few days. Commissioner Scannella advised if they were to accept the check register it should be amended not to include the EB Fence check.

MOTION TO APPROVE RESOLUTION 36-14 AUTHORIZING DISCLOURE OF LIABILITY CLAIMS CHECK REGISTER AS AMENDED

Moved:	Commissioner Scannella
Second:	Chairman Mair
Vote:	3 Ayes, 0 Nays

Ms. Sheerin referred to the July First MCO report which was included in the agenda. Ms. Sheerin referred to the July section of the report and advised the most important feature of the report was the PPO Penetration and for the month of July the percentage was 88% which was extraordinary. Ms. Sheerin advised First MCO was billed by the provider in the amount of \$61,702 which was re-priced to \$30,100 for a total savings of \$31,602. In response to Ms. Leighton's inquiry, Ms. Sheerin advised she was not sure if the savings were gross or net, however she would check. Mr. Borden indicated the last column was titled First MCO Fee. Ms. Leighton requested First MCO add a column to their report to show the net savings. Ms. Leighton also suggested obtaining more information on the Out of Network figures so the Claims Committee could discuss the opportunity of utilizing more In Network options to reduce the overall cost of worker compensation claims.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the July – September Risk Control Activity Report which was included in the agenda. Mr. Prince also referred to the Training Calendar of his report and advised there were a total of 51 classes scheduled. The County Departments were actively participating in the training program. Mr. Prince introduced Mr. Dave McHale, Public Sector Director, to discuss a safety program made available by BRIT Insurance Company. Mr. McHale explained the carrier offered a Safety Grant Program with \$10,000 in funding for the CEL members. Mr. McHale advised they were recommending the members of the CEL use the funding for police liability training for their prosecutor and sheriff's department. Mr. McHale explained a retired police chief, Mr. Hummel from Voorhees taught a two hour course. Mr. McHale advised the cost per session was \$325 payable by the Commission and then reimbursed by BRIT for 50%. Executive Director noted the balance of the cost could be taken from the miscellaneous expense account. Chairman Mair advised he would need more information to discuss internally. Mr. Prince advised he would forward a copy of the presentation which was being used in the other Commissions.

RISK MANAGER CONSULTANT: Mr. Borden advised he had two items to discuss. Mr. Borden advised as mentioned earlier he was working on the renewal applications with Ms. Ortiz and Commissioner Scannella. Mr. Borden also reported he was keeping in mind the recommendations that were made in the spring after his review of the policies to alter the contracts which could not be done due to the timing into the policy year. Mr. Borden noted those items would be addressed for the renewal. Mr. Borden advised he has been communicating with Mr. Adezio and Mr. Sypek regarding the exposures of the 911 EMS Dispatch after the CHS contract terminated on 12/31/14. Mr. Borden noted he was reviewing the policies now to see if they addressed the exposures properly. Chairman Mair also advised they not only dispatched for EMS but also dispatched for fire in some jurisdictions.

Correspondence Made Part of Minutes.

OLD BUSINESS: Chairman Mair noted the street work outside was completed.

NEW BUSINESS: Commissioner Scannella noted she had an item relating to claims and thought it would be appropriate to discuss during closed session.

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO THE PUBLIC

Moved: Commissioner Scannella
Second: Chairman Mair
Vote: 3 Ayes, 0 Nays

Seeing no members of the public wishing to speak Chairman Mair asked for a motion to close the public comment portion of the meeting.

MOTION TO CLOSE MEETING TO THE PUBLIC

Moved: Commissioner Scannella
Second: Chairman Mair
Vote: 3 Ayes, 0 Nays

CLOSED SESSION: RESOLUTION 37-14, EXECUTIVE SESSION FOR THE PURPOSE AS PERMITTED BY THE OPEN PUBLIC MEETINGS ACT, MORE SPECIFICALLY TO DISCUSS PARS RELATED TO PENDING OR ANTICIPATED LITIGATION AS IDENTIFIED IN THE LIST OF CLAIMS PREPARED BY THIRD PARTY CLAIM ADMINISTRATOR INSERVCO INSURANCE SERVICES, INC. AND ATTACHED TO THIS AGENDA.

MOTION TO APPROVE RESOLUTION 37-14 FOR EXECUTIVE SESSION

Moved: Chairman Mair
Second: Commissioner Scannella
Vote: 3 Ayes, 0 Nays

MOTION TO RETURN TO OPEN SESSION

Moved: Chairman Mair
Second: Commissioner Scannella
Vote: 3 Ayes, 0 Nays

Commissioner Scannella advised she would make a motion to approve the PARS that were discussed during closed session.

MOTION TO APPROVE THE PARS THAT WERE DISCUSSED DURING CLOSED SESSION

Moved: Commissioner Scannella
Second: Chairman Mair
Vote: 3 Ayes, 0 Nays

MOTION TO ADJOURN:

Moved:
Second:
Vote:

Chairman Mair
Commissioner Scannella
3 Ayes, 0 Nays

MEETING ADJOURNED: 11:35 AM

Minutes prepared by:

Cathy Dodd, Assisting Secretary