

**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – DECEMBER 22, 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.

Chairman Mair reported before the roll call was taken he wanted to advise there was an analysis from the legal department saying the appointment of the Commissioners is not by person, therefore when the County Executive approved Ms. Hughes personal action form to assume the position of Risk Manager she was automatically approved as a voting member of this committee. In response to Chairman Mair's comment, Mr. Adezio confirmed that information was correct.

**ROLL CALL OF COMMISSIONERS:**

Andrew A. Mair	Present
K. Megan Clark Hughes	Present
Raissa Walker	Present

In response to Executive Director's inquiry, Chairman Mair advised it was not necessary for the Freeholders to prepare a new resolution for Ms. Hughes. Executive Director advised the Commission's Re-Organization Resolutions would include the change of Commissioners.

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Joseph Hrubash</b>
Claims Service	Inservco Insurance Services, Inc. <b>Nancy Fowlkes</b> <b>Matt Baron</b>
	Conner Strong & Buckelew <b>Robyn Walcoff</b>
Managed Care Services	First MCO <b>Thea Isabella</b>
Risk Management Consultant	Borden Perlman Salisbury & Kelly <b>Doug Borden</b>
Attorney	<b>Arthur J. Sypek, Jr., Esq.</b> <b>Paul Adezio, Esq.</b>

Treasurer

Safety Director

J.A. Montgomery Risk Control  
**Glenn Prince**

**ALSO PRESENT:**

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

**APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF NOVEMBER 22, 2014**

**MOTION TO APPROVE THE OPEN MINUTES OF NOVEMBER 22, 2014**

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	2 Ayes, 0 Nays

**MOTION TO APPROVE THE CLOSED MINUTES OF NOVEMBER 22, 2014**

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	2 Ayes, 0 Nays

**CORRESPONDENCE:** None

**COMMITTEE REPORTS:**

**SAFETY COMMITTEE:** Mr. Prince reported the Safety Committee last met on December 19, 2014 and for 2015, although not confirmed yet, would meet on the third Wednesday of the month at 10:00 AM.

**CLAIMS COMMITTEE:** Ms. Walcoff reported the Claims Committee met at 9:30 to review the PAR that would be discussed in closed session. Ms. Walcoff advised the Claims Committee presented an overview of the Commission program for the new representatives. Ms. Walcoff also indicated a discussion was conducted on the new Transitional Duty Program which was recently implemented and commented on its positive success. Ms. Walcoff advised as part of the underwriting efforts she worked with Mr. Adezio to review the firms the County wanted approved to handle Public Officials and Employment Practices matters. Ms. Walcoff reported she was happy to report that all of the firms the County requested were approved. Ms. Walcoff advised Trimboli & Prusinowski, LLC, Genova Burns, Lenox Socey, Riker Danzig and Marshall Dennehey were all approved. Lastly, Ms. Walcoff referred to a copy of the 2015 Claims Committee meeting schedule which was included in the agenda. Ms. Walcoff advised the Committee would continue to meet prior to the Commission meeting and the start time would depend on the amount of PARS to review. If there were two or less PARS the meeting would start at 10:00 AM and if there were more than two PARS the meeting would begin at 9:30 AM.

**EXECUTIVE DIRECTOR REPORT:** Executive Director advised he had six action items for his report including the Public Hearing on the 2015 Budget.

**2015 PROPERTY AND CASUALTY BUDGET:** Executive Director reported the 2015 Property and Casualty Budget was introduced at the November 24<sup>th</sup> meeting. Executive Director advised the budget was advertised in the Commission's official newspapers. Executive Director referred to a copy of the budget in the amount of \$7,833,212 which was included in the agenda. Executive Director advised there were no changes to the budget, however he understood the County and Improvement Authority were going to purchase the cyber coverage. Executive Director advised the budget that was introduced should be adopted and the assessments should be certified. Executive Director indicated once the CEL amended their budget to reflect this purchase, the MCIFC budget would also be amended.

**MOTION TO OPEN THE PUBLIC HEARING ON THE 2015 PROPERTY & CASUALTY BUDGET**

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

**MOTION TO CLOSE THE PUBLIC HEARING**

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

**MOTION TO ADOPT THE PROPERTY & CASUALTY BUDGET FOR THE MERCER COUNTY INSURANCE FUND COMMISSION FOR THE YEAR 2015 & CERTIFY THE 2015 ASSESMENTS**

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

**OPTIONAL NETWORK PRIVACY & SECURITY INDICATIONS (CYBER COVERAGE):** Executive Director advised the Mercer County and Mercer County Improvement Authority quotes for the cyber coverage were included in the agenda. Executive Director indicated the Risk Manager was recommending option # 2. Mr. Borden reviewed the quotes and the differences between the options. Executive Director asked if anyone had any questions and requested a motion to approve the purchase of the cyber coverage.

**MOTION TO APPROVE THE PURCHASE OF THE CYBER COVERAGE, OPTION # 2, AS RECOMMENDED FOR MERCER COUNTY AND MERCER COUNTY IMPROVEMENT AUTHORITY**

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

Executive Director advised Ms. Dodd distributed a revised budget reflecting the purchase of the cyber coverage. Executive Director explained line 40 was added for the additional cyber coverage and to offset some of this premium line 26 was reduced from \$32,357 to \$5,000. Executive Director advised the amended budget would be presented for approval after the CEL approved their amended budget.

**EMPLOYEE DISHONESTY COVERAGE RENEWAL:** Executive Director referred to copies of the Employee Dishonesty Declaration renewal pages from Selective Insurance Company which were included in the agenda. Executive Director noted the policy renewed on 1/1/15 and the annual premium was \$2,342. Executive Director advised the policy covered the Executive Director, Third Party Administrator, and the Treasurer. The limit per loss is \$1,000,000 with a \$10,000 deductible. Executive Director advised the cost of the coverage would be paid out of the miscellaneous and contingency budget line and requested a motion to approve the expenditure.

**MOTION TO EXPENDITURE FOR EMPLOYEE DISHONESTY COVERAGE IN THE AMOUNT OF \$2,342.00**

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

**2015 MCIFC MEETING DATES:** Executive Director reported a copy of the Annual Meeting Schedule was included in the agenda for discussion and approval. Executive Director noted the meeting dates were scheduled for the fourth Monday of the month. In response to Chairman Mair's inquiry, Executive Director advised the May meeting fell on Memorial Day. Executive Director suggested scheduling the meeting for another day or cancelling the meeting. Ms. Dodd indicated her office could suggest some May dates in March so everyone could check their calendars.

**MOTION TO ADOPT RESOLUTION 48-14, FIXING PUBLIC MEETING DATES FOR THE YEAR 2015 SUBJECT TO A REVISED MEETING DATE FOR MAY**

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

**CLAIMS COMMITTEE CHARTER:** Executive Director referred to a copy of the revised Claims Committee Charter which was included in the agenda. Executive Director advised Commissioner Walker was now the Chair of the Committee and Ms. Hughes was added to the Claims Committee. Executive Director reported the Claims Committee meeting schedule was also attached to the Charter. Executive Director requested a motion to adopt Resolution 49-14 amending the Claims Committee Charter.

**MOTION TO ADOPT RESOLUTION 49-14, AMENDMENT TO THE CLAIMS COMMITTEE CHARTER**

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

**CERTIFICATE OF INSURANCE REQUEST FORM:** Executive Director reported on the Certificate of Insurance Report for the period of November 17, 2014 to December 17, 2014. There were eight (8) certificate of insurances issued during this period.

**MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT**

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

**NJ EXCESS COUNTIES INSURANCE FUND (CELJIF):** Executive Director reported the CEL cancelled their December meeting and the 2015 Re-Organization meeting was scheduled for February 26, 2015 at 1:00 PM at the Camden County College Regional Emergency Training Center.

**MERCER COUNTY INSURANCE FUND COMMISSION PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director advised the August, September, October, and November Financial Fast Tracks were included in the agenda. Executive Director advised as of November 30<sup>th</sup>, the Commission had a surplus of \$1,188,317. Executive Director referred to line 8 of the report, Investment in Joint Venture” and advised the Mercer County Insurance Fund Commission’s share of the equity in the CEL was \$194,075.

**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 October. As of October 31, 2014 the CEL had a surplus of \$5,204,827.

**2015 CONTRACTS:** Executive Director reported the County advised that they would handle the 2015 renewal contracts with the various professionals of the Insurance Commission.

**RFP FOR COMMISSION AUDITOR:** Executive Director advised the County will handle the RFP process on behalf of the Insurance Commission.

**RE-ORGANIZATION MEETING:** Executive Director reported the next Commission meeting was scheduled for January 26, 2015 and would serve as the Re-Organization meeting of the Commission.

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

Executive Director's Report Made Part of Minutes.

**TREASURER REPORT:** Chairman Mair advised the Treasurer was not present. Chairman Mair advised the December Bill List, Resolution 50-14, was included in the agenda.

**MOTION TO APPROVE RESOLUTION50-14, DECEMBER BILL LIST**

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

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

**CLAIMS SERVICE:**

Executive Director advised Resolution 51-14, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of November 1, 2014 to November 30, 2014.

**MOTION TO APPROVE RESOLUTION 51-14 AUTHORIZING DISCLOURE OF LIABILITY CLAIMS CHECK REGISTER**

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

**MANAGED CARE:** Thea Isabella of First MCO advised she would review the Managed Care Report which was included in the agenda. Ms. Isabella reported for the month of November provider bills were received in the amount of \$120,102 and First MCO re-priced the bills to \$98,837 for a savings of \$30,265 or 23%. Ms. Isabella advised the PPO penetration was 70%. Ms. Isabella asked if anyone had any questions and concluded her report.

**CEL SAFETY DIRECTOR:** Mr. Prince reviewed the November – January Risk Control Activity Report which was included in the agenda. Mr. Prince advised there were two Loss Control Reports included in the agenda for the Mercer County Court House and Mercer County Prosecutor’s Office. Mr. Prince wanted to thank all of the departments that participated in the Safety Program as the programs were significant to the success of the program. Chairman Mair advised that 209 S. Broad Street would soon be vacated for a total renovation and would take a year to year and half until they moved back in. Chairman Mair advised the Improvement Authority was managing the re-build. In response to Executive Director’s inquiry, Mr. Sypek advised the temporary location would be the old Holiday Inn which was converted to office space which was used by the State for many years. In response to Executive Director’s inquiry, Mr. Borden advised that location was not on the schedule of insurance. Executive Director asked Mr. Borden to make sure the CEL Underwriting Manager was aware the changes.

**RISK MANAGER CONSULTANT:** Mr. Borden advised he did not have anything to report.

Correspondence Made Part of Minutes.

**OLD BUSINESS:** None

**NEW BUSINESS:** Chairman Mair advised as the County goes through their budget cycle he anticipated the Freeholders would ask for a comparison of 2013 insurance related costs and the 2014 insurance related costs. Executive Director indicated one of the documents in that report would be the Financial Fast Track which would indicate the losses were running ahead of what the actuary projected. In response to Executive Director’s inquiry regarding a time frame, Chairman Mair advised the budget would be hand delivered to the Freeholders in February and expected the question to be raised at that time.

**PUBLIC COMMENT:**

**MOTION TO OPEN MEETING TO THE PUBLIC**

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

**CLOSED SESSION: RESOLUTION 52-14, 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 52-14 FOR EXECUTIVE SESSION**

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

**MOTION TO RETURN TO OPEN SESSION**

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

**MOTION TO APPROVE PAR DISCUSSED IN CLOSED SESSION**

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

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 11:14 AM**

Minutes prepared by:

Cathy Dodd, Assisting Secretary