

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – JULY 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	Absent

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Nancy Fowlkes Matthew Baron Terry Sheerin
	Conner Strong & Buckelew Robyn Walcoff
Risk Management Consultant	Borden Perlman Salisbury & Kelly Doug Borden
Attorney	Paul Adezio
Treasurer	
Safety Director	J.A. Montgomery Risk Control Glenn Prince

ALSO PRESENT:

Phillip S. Miller, Mercer County Improvement Authority
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF JUNE 23, 2014

MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF JUNE 23, 2014

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

CORRESPONDENCE: None

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Prince reported the Safety Committee last met on April 23, 2014 and advised he just spoke with Commissioner Scannella to determine a date for the next meeting. Chairman Mair noted the street work had begun and he was hopeful this would solve the flooding problem.

CLAIMS COMMITTEE: Ms. Walcoff reported the Claims Committee met on July 8th to discuss two PARS. Ms. Walcoff advised only one claim would be presented during closed session as more information was needed on one of the claims. Ms. Walcoff advised she was working with Ms. Leighton to coordinate the third annual Joint Insurance Claims Committees Best Practices Workshop. Ms. Walcoff noted they were forming a committee to prepare for the workshop which would take place on October 7th. Ms. Walcoff advised invitations would be sent out and asked everyone to save the date.

EXECUTIVE DIRECTOR REPORT: Executive Director advised he had three action items for his report.

2014 PROPERTY & CASUALTY BUDGET: Executive Director reported at the last Commission meeting the Commissioners approved a revised budget for the addition of the MCIA. Executive Director noted that in speaking with Commissioner Scannella, it was determined a change needed to be made to the professional fees and requested a motion to approve the amended budget. Commissioner Scannella explained line 16 of the budget for Inservco was amended to \$1,000 which was the pro-rata amount for the year instead of the full amount which was included in the budget approved in June. Commissioner Scannella also advised she wanted to comment that there were other adjusted professional fee amounts on lines 17 through 21 and, although minimal, these were increases. In response to Chairman Mair's inquiry regarding the increases, Commissioner Scannella advised the CFO was not notified as he was on vacation last week. Commissioner Scannella indicated she did put it on his calendar, however, it appears his schedule did not allow him to attend the meeting. In response to Chairman Mair's inquiry, Mr. Adezio advised the contracts included wording with a not to exceed figure so they have started the change order process. Chairman Mair suggested talking about a way for next year to establish the contract

form that was more flexible with new membership and would require little or no mid-term amendments. Chairman Mair advised the Executive Director that the Freeholders were interested in a six month status report on the Commission. In response to Executive Director's inquiry, Chairman Mair advised the report should be a comparison of costs for this year versus last year. Chairman Mair asked Commissioner Scannella to co-ordinate the report with the Executive Director. In response to Executive Director's inquiry, Chairman Mair advised the Freeholders had one meeting this month and Mr. Adezio noted the next Freeholder meeting was on August 14th. The Executive Director suggested a report be prepared for the September meeting.

MOTION TO APPROVE THE AMENDED BUDGET IN THE AMOUNT OF \$7,489,494

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

CERTIFICATE OF INSURANCE REQUEST FORM: Executive Director reported on the Certificate of Insurance Report for the period of June 16, 2014 to July 21, 2014. There were two (2) certificate of insurances issued during this period. Commissioner Scannella advised she did review the report and found it to be accurate.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

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

CLAIMS COMMITTEE CHARTER: Executive Director referred to a copy of the revised Claims Committee Charter which was included in the agenda adding Alma Ortiz who would represent the Mercer County Improvement Authority. Executive Director requested a motion to approve Resolution 31-14 amending the Claims Committee Charter. In response to Commissioner Scannella's inquiry, Executive Director advised there were no other changes to the Charter at this time.

MOTION TO ADOPT RESOLUTION 31-14 AMENDING THE CLAIMS COMMITTEE CHARTER TO INCLUDE A REPRESENTATIVE FROM MERCER COUNTY IMPROVEMENT AUTHORITY

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

NJ EXCESS COUNTIES INSURANCE FUND: Executive Director reported the CEL met on June 26, 2014 and a summary report of the meeting was included in the agenda. Executive Director advised at that meeting the CEL scheduled a public hearing for July 24, 2014 to amend their budget for the addition of Ocean County. Executive Director advised the amended budget was approved at the public hearing. Executive Director also noted the auditor presented and reviewed a draft copy of the 2013 audit. Executive Director advised the RFQ responses for the

TPA were reviewed during closed session. He noted additional information was needed before a final decision could be made.

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 May 31, 2014 which was included in the agenda. Executive Director advised the Commission had a surplus of \$158,255. Executive Director advised an additional \$37,320 was gained for the month of May. 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, \$54,113.

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 May. As of May 31, 2014 the CEL had a surplus of \$4,130,805.

EXECUTIVE SESSION: Executive Director advised in addition to discussing the PAR that Ms. Walcoff mentioned earlier he was also going to discuss implementing a new claim reimbursement procedure for workers' compensation claims between Inservco and the County. Executive Director also advised a discussion would be held on issuing a RFQ for the Commissioner Auditor for 2014 audit. Executive Director explained the actual service and payment for the 2014 audit would be made in the 2015 fund year.

DISCUSSION AUGUST 25, 2014 COMMISSION MEETING: Executive Director advised historically the Commissions have cancelled their meetings in August as it was a slow time of the year. Executive Director indicated this was only a suggestion and the Commissioners should make that decision. Executive Director explained that the Commission previously passed Resolution 23-14 which authorized the Commission Treasurer to process any contracted payments and expenses when the Commission did not meet. In response to Commissioner Scannella's inquiry, Executive Director advised there were no requirements for a minimum number of meetings. Chairman Mair indicated he already had his vacation and asked if the August meeting would present any hardships for anyone else. Commissioner Scannella advised Room 211 was not available in August and suggested the meeting be held in Room 212 or the fourth floor. Chairman Mair advised the fourth floor would not be available due to some renovations. Commissioner Scannella advised she would follow up on the availability of Room 212 and then let Ms. Dodd know. It was decided that the Commission would meet in August as scheduled subject to meeting room changed once determined.

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 July Bill List, Resolution 32-14, was included in the agenda.

MOTION TO APPROVE RESOLUTION 32 -14 IN THE AMOUNT OF \$98,932.31

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

Executive Director wanted to point out that some of the checks that were approved on last month's bill list had not been mailed yet. Executive Director advised his office received a call from one of the newspapers looking for payment on advertisement fees. Executive Director also advised Ms. Kontomanolis of his office had not received the June bank statements which were required for financial reporting, etc. Commissioner Scannella noted she did send e-mails to the Treasurer regarding these items. Commissioner Scannella advised the bill list did include the January through July fees for J.A. Montgomery which was recently passed.

ATTORNEY: Mr. Adezio advised he did not have anything to report. In response to Executive Director's inquiry, Mr. Adezio noted the agenda was fine even though it referred to Mr. Sypek as Commission Attorney.

CLAIMS SERVICE:

Executive Director advised Resolution 33-14, Disclosure of Liability Claims Check Register was included in the agenda along with June check register. In response to Commissioner Scannella's inquiry regarding the two checks issued, Executive Director advised one check was for an auto liability claim and the other was a liability claim.

MOTION TO APPROVE RESOLUTION 33-14 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER

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

Executive Director advised the agenda included the first Medical Savings Report prepared by First Managed Care Option and asked Ms. Sheerin to review the report. Ms. Sheerin referred to June section of the report and advised First MCO was billed by the provider in the amount of \$132,636 which was re-priced by First MCO to \$106,435 for a total savings of \$26,201. Ms. Sheerin advised as of June 2014, First MCO received bills in the amount of \$428,031 and after the re-pricing of \$248,058 the total savings was \$179,974. Ms. Sheerin reported the PPO penetration was at 81% and there were 2 appeals which she would look into. The report indicated an overall savings of 42% through June. In response to Executive Director's inquiry Ms. Sheerin advised the PPO penetration should be in the area of 87% to 90%. In response to Chairman Mair's inquiry regarding the appeals, Ms. Fowlkes advised it was probably a bill that was re-priced and additional money was requested. In response to Executive Director's inquiry, Ms. Sheerin advised the U&C Fee Schedule of \$412,148 represented the Usual and Customary figure which hospitals and providers

considered the amount they should be paid. Executive Director explained there was not a separate vendor contract for managed care; it was a part of the Third Party Administrator's Contract. Inservco utilizes First MCO. In response to Commissioner Scannella's question regarding PPO penetration, Ms. Sheerin advised it was the use of in-network providers. Executive Director explained the importance of using in-network providers was being able to benefit from the discounts.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the June – August Risk Control Activity Report which was included in the agenda. Mr. Prince also noted he conducted an accident investigation at the Correctional Facility on July 7th regarding a claim. Mr. Prince indicated the incident was witnessed by a supervisor; however there were no cameras where the incident occurred. Mr. Prince advised while he was at the facility he spoke with Warden Ellis and Captain Beard who were working on some initiatives within the facility in terms of additional cameras and security to try to deter some of these future incidents. A brief discussion ensued on the cameras and Chairman Mair asked for a comprehensive report that might give the ability to push for a capital project next year. Mr. Prince advised he recently conducted a job site observation of a DOT road crew and was pleased to advise the personnel were wearing the appropriate personal protective equipment and he had no suggestions or improvements of the job site observation. Mr. Prince also referred to the training calendar which was included in the agenda. Mr. Prince advised that concluded his report unless anyone had any questions.

RISK MANAGER CONSULTANT: Mr. Borden advised he had two pending items. Mr. Borden advised he needed to discuss with Mr. Adezio and Mr. Sypek the concern over the vicarious liability relating to the 911 call center. Mr. Borden reported the second item involved the MCIA's extended reporting period on their prior Public Official Liability. Mr. Miller of MCIA advised he took Mr. Borden's advice and did purchase the extended reporting period for one year.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO THE PUBLIC

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

CLOSED SESSION: RESOLUTION 34-14, 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 34-14 FOR EXECUTIVE SESSION

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

MOTION TO RETURN TO OPEN SESSION

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

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

MOTION TO APPROVE THE INCREASE IN PAYMENT AUTHORITY TO \$234,116 REGARDING THE PAR DISCUSSED IN CLOSED SESSION

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 11:15 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary