

**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – August 24, 2015  
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                             |
| K. Megan Clark Hughes | Present                             |
| Raissa Walker         | Present ( <i>arrived at 10:38</i> ) |

**FUND PROFESSIONALS PRESENT:**

|                    |   |
|--------------------|---|
| Executive Director | PERMA Risk Management Services<br><b>Joseph Hrubash</b> |
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|                |   |
|----------------|---|
| Claims Service | Inservco Insurance Services, Inc.<br><b>Nancy Fowlkes</b><br><b>Keith Platt</b> |
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Conner Strong & Buckelew  
**Danielle Batchelor**

|                       |                                   |
|-----------------------|-----------------------------------|
| Managed Care Services | First MCO<br><b>Thea Isabella</b> |
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| Risk Management Consultant | Borden Perlman Salisbury & Kelly<br><b>Doug Borden</b> ( <i>arrived 10:43</i> ) |
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| Attorney | <b>Arthur J. Sypek, Jr., Esq.</b> |
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Treasurer

|                 |   |
|-----------------|---|
| Safety Director | J.A. Montgomery Risk Control<br><b>Glenn Prince</b> |
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**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 JULY 27, 2015**

**MOTION TO APPROVE THE OPEN MINUTES & CLOSED MINUTES OF JULY 27, 2015**

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

**CORRESPONDENCE:** None

**SAFETY COMMITTEE:** Mr. Prince reported the Safety Committee last met on August 29<sup>th</sup> and was scheduled to meet again on September 16<sup>th</sup>. Mr. Prince advised he would discuss some other topics during the CEL Safety Director report.

**CLAIMS COMMITTEE:** Ms. Batchelor reported the Claims Committee met prior to the Commission meeting to discuss and review the PARS that would be presented during closed session. Ms. Batchelor advised she was in the process of revising the Claims Committee Charter. In response to the Executive Director's inquiry, Ms. Batchelor advised a revision was needed due to a change in personnel. In response to Chairman Mair's inquiry, Ms. Batchelor advised the Charter included the name of the member and the position. Chairman Mair asked the Commission Attorney if he had an opinion of this. Commission Attorney indicated he did not and advised he would obtain one.

**EXECUTIVE DIRECTOR REPORT:** Executive Director advised he had one action item for his report and a few informational items.

**CERTIFICATE OF INSURANCE REQUEST FORM:** Executive Director reported on the Certificate of Insurance Report for the period of July 22, 2015 to August 17, 2015. There were (3) three certificate of insurances issued during this period.

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

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

**NJ EXCESS COUNTIES INSURANCE FUND (CELJIF):** Executive Director advised there was no CEL report this month. Executive Director reported the next CEL meeting was scheduled for September 24, 2015 at 1:00 PM.

**MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACKS:** Executive Director advised the June 2015 monthly Financial Fast Track was included in the agenda. The Commission had a surplus of \$2,102,127 as of June 30, 2015. Executive Director also referred to line 8 of the

report, "Investment in Joint Venture" and indicated \$274,353 of the surplus was the MCIFC's share of the CEL JIF equity. The total cash amount was \$358,506. Executive Director noted the increase in surplus over the last month was due to the Actuary's mid year review which decreased the IBNR for 2014 and 2015 fund years.

**NJ CEL PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the June Financial Fast Track was included in the agenda. Executive Director advised as of June 30th the Fund had a surplus of \$5,174,154 and a total cash figure of \$9,397,774.

**CLAIMS TRACKING REPORTS:** Executive Director reported the agenda included the claim monitoring reports as of July 31, 2015. Executive Director advised he reviewed the "Claims Activity Report" and noted there were 13 new worker compensation claims opened in July. In response to Executive Director's inquiry regarding the new claims, Ms. Fowlkes indicated it could be due to some claims in the Corrections Department. Executive Director also reviewed the "Claims Management Report Expected Loss Ratio Analysis" report and pointed out after 19 months the actuary targeted 87% of the loss funds, however, the actual amount was 51%. Executive Director advised the 2015 year was running a little high but he expected it would correct itself by the end of the year. Executive Director pointed out this was due to the bad weather during the winter months.

**2014 AUDIT:** Executive Director reported the Commission Auditor was in the process of preparing the 2014 Fund Year Audit. Executive Director advised when the audit was completed Mr. Jim Miles of Bowman & Company would be asked to attend the meeting to review the draft audit. Executive Director noted he expected the draft audit should be available for the September meeting and pointed out there were no time limitations for filing the audit with the State like with the Joint Insurance Funds. Chairman Mair requested an in person meeting to discuss the audit before it was presented to the Commission. In response to Chairman Mair's inquiry, Executive Director advised the representatives from Bowman and Company were Mr. Jim Miles and Mr. Dennis Skalkowski and that a meeting would be scheduled.

**2016 RENEWAL:** Executive Director reported the 2016 Renewal Data Schedules were sent to the County and Improvement Authority and copies to the Risk Manager's office. Executive Director noted the schedules should be returned to Ms. Dodd by Friday, August 14<sup>th</sup>. Executive Director advised the CEL Underwriting Manager also sent an e-mail with the renewal applications for completion. Executive Director pointed out those applications were due on Friday, September 4<sup>th</sup> and should be sent to the attention of Timothy Friel at Conner Strong & Buckelew. Ms. Hughes advised she was working with Mr. Borden on the information.

**MCIFC WEBSITE:** Executive Director advised the Commission's website was updated on a monthly basis to include copies of the agenda, minutes and resolutions. In response to Chairman Mair's inquiry regard the website usage amount, Ms. Dodd advised she would reach out to the website vendor to see if that information was available.

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 August Bill List, Resolution 34-15, was included in the agenda.

**MOTION TO APPROVE RESOLUTION 34-15, AUGUST BILL LIST IN THE AMOUNT OF \$ 46,015.82**

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

Executive Director advised the monthly Treasurer Reports were included in the agenda.

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

**CLAIMS SERVICE:**

Executive Director advised Resolution 35-15, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of July 1, 2015 to July 31, 2015.

**MOTION TO APPROVE RESOLUTION 35-15 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

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

**MANAGED CARE:** Ms. Isabella advised she would review the Managed Care Report which was included in the agenda. Ms. Isabella reported for the month of July provider bills were received in the amount of \$49,956 and First MCO re-priced the bills to \$25,524 for a savings of \$24,433 or 49% with 88% PPO penetration. Ms. Isabella advised that concluded her report unless anyone had any questions.

**CEL SAFETY DIRECTOR:** Mr. Prince reviewed the July – August Risk Control Activity Report which was included in the agenda. Mr. Prince referred to the training calendar and noted there were 24 training sessions scheduled for Corrections and 2 for the Airport. Mr. Prince advised on July 30<sup>th</sup> he met with Captain Bearden of the Mercer County Correctional Facility to discuss the variety and increased amount of claims at the facility. Mr. Prince advised Captain Bearden is taking some additional steps to investigate the claims and taking a harder look to reduce the amount of incidents. Mr. Prince reported the Prosecutor’s office requested a Blood Borne Pathogen Training Program and he was in the process of scheduling. Mr. Prince advised that concluded his report unless anyone had any questions.

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

Correspondence Made Part of Minutes.

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:**

**MOTION TO OPEN THE MEETING TO THE PUBLIC**

Moved: Chairman Mair  
Second: Commission Hughes  
Vote: 3 Ayes, 0 Nayes

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: Chairman Mair  
Second: Commissioner Hughes  
Vote: 3 Ayes, 0 Nayes

**CLOSED SESSION:** Chairman Mair read and requested a motion to approve Resolution 36-15 authorizing a Closed Session to discuss PARS.

**MOTION TO APPROVE RESOLUTION 36-15 FOR EXECUTIVE SESSION**

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

**MOTION TO RETURN TO OPEN SESSION**

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

Chairman Mair asked for a motion to approve the PARS discussed during closed session

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

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 11:06 AM**

Minutes prepared by:  
Cathy Dodd, Assisting Secretary