

MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – January 23, 2017
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	Absent
Raissa Walker	Absent
Lillian Nazzaro	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Nancy Fowlkes Matthew Baron Keith Platt
	Conner Strong & Buckelew Danielle Batchelor
Managed Care Services	First MCO Diana Cortes
CEL Underwriting Manager	Conner Strong & Buckelew Ed Cooney
Risk Management Consultant	Borden Perlman Salisbury & Kelly Doug Borden
Attorney	Paul Adezio, Esq.
Treasurer	
Safety Director	J.A. Montgomery Risk Control Glenn Prince

ALSO PRESENT:

Alma Ortiz, Mercer County Improvement Authority
Ana-Eliza T. Bauersachs, Esq., Capehart Scatchard, PA
Susan Schaefer, Susan Schaefer, LLC
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF DECEMBER 19, 2016

**MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF
DECEMBER 19, 2016**

Moved:	Chairman Mair
Second:	Commissioner Nazzarro
Vote:	2 Yes, 0 Nays

Chairman Mair advised he had a few comments regarding the minutes. Chairman Mair reported there was a consistent problem with motor vehicle accidents where the repairs were being made before the incidents were reported to Risk Management. Chairman Mair advised he spoke to the new Director of the Motor Pool and he believes this issue should be resolved.

In response to Chairman Mair’s inquiry, Ms. Dodd advised the auto insurance cards were sent to Ms. Hughes and she understood Mr. Cruz was distributing the cards. Mr. Cooney advised the auto insurance cards were non specific and read “All Owned or Leased Vehicles”. Ms. Dodd noted she would reach out to Mr. Cruz to ensure he had enough cards to distribute.

With regard to the Professional Service Agreements, Chairman Mair advised that most of the problems were resolved by the Conflict Letter from the Executive Director so they were going to proceed very quickly in February.

Chairman Mair stated the Safety Director had minor suggestions for the County Court Houses at 175 Broad Street and 400 Market Street and inquired if those recommendations were implemented. Mr. Prince advised as of now his office did not receive the closure form back yet but would check when he returned to the office.

CORRESPONDENCE: NONE

SAFETY COMMITTEE: Mr. Prince reported the Safety & Accident Review Committee last met on met on December 21st and the next meeting was scheduled for February 15, 2017.

CLAIMS COMMITTEE: Ms. Batchelor reported the Claims Committee met prior to the Commission meeting and there were three PARS to present during closed session.

EXECUTIVE DIRECTOR REPORT: Executive Director reported he would start his report with the Reorganization Resolutions. Executive Director advised he would review the Reorganization Resolutions and then they could be approved by one motion if the Chairman agreed. Chairman Mair advised that was acceptable.

REORGANIZATION RESOLUTIONS: Executive Director referred to copies of the Reorganization Resolutions which were included in the agenda. Executive Director reviewed the below resolutions with the Commission.

- Resolution 1-17 Appointing MCIFC Commissioners
- Resolution 2-17 Appointing CEL Commissioner
- Resolution 3-17 Appointing Treasurer
- Resolution 4-17 Appointing Commission Attorney
- Resolution 5-17 Designating Authorized Depositories for Fund Assets
- Resolution 6-17 Designating Authorized Signatures for Commission Bank Account
- Resolution 7-17 Designating Custodian of Records
- Resolution 8-17 Designating Official Newspapers
- Resolution 9-17 Establishing Cash Management Plan
- Resolution 10-17 Plan of Risk Management for 2017

In response to Chairman Mair's inquiry, Ms. Dodd advised Ms. Walker was the alternate for the CEL.

Executive Director asked the CEL Underwriting Manager, Ed Cooney, to provide an overview of the Risk Management Plan and discuss any changes that were made.

Mr. Cooney advised the Risk Management Plan was the coverage document for the self insured retention and discusses the coverages that are available. Mr. Cooney reviewed the types of coverage for Mercer. Mr. Cooney advised the \$100,000 property deductible did not change, however the deductible for vacant properties was amended from \$100,000 to \$250,000 due to the growing exposure both in the frequency and severity in that area. Mr. Cooney advised the Risk Management Plan now included pollution coverage which the County purchased as of January 1st. Mr. Cooney noted the CEL Pollution policy was a three year term and was now in the second year of the term. Therefore, Mercer County's charge for the pollution insurance would be pro rated for the two years.

In response to Executive Director's inquiry regarding any unresolved items with the Pollution coverage, Mr. Cooney advised the Pollution coverage was in place however, Underground Storage Tank coverage was a higher risk and he was working with Mr. Borden who was putting together primary coverage and then the Pollution Policy would be excess coverage for the tanks.

Chairman Mair mentioned the County does not know what property they own due to the different titles of ownership. Chairman Mair advised they were cleaning this up and were trying to produce a definitive list. Executive Director reported one of the future objectives of the CEL was to have a data collection system so the client could have their Risk Manager enter information into the system to track information more accurately. Chairman Mair advised he anticipated using their GIS (Geographic Information System) to litigate the title search costs to create an inventory list.

Mr. Borden added that the deductible Mr. Cooney was referring to was the property deductible and not for the liability coverage. Mr. Cooney advised the property coverage was flexible and as long as you were not intentionally omitting property the full limit of the policy was available, however, it was important to know what property you owned. Executive Director noted they were obligated to the insurance company to report replacement value and report all insurable values.

Chairman Mair indicated he wanted to discuss the airport liability coverage that was written elsewhere with Mr. Borden at some point. Mr. Borden advised this was a specialized program with the True Agency.

Executive Director asked if anyone had any questions on the Reorganizations Resolutions and requested a motion for approval.

MOTION TO APPROVE REORGANIZATION RESOLUTIONS 1-17 THROUGH 10-17

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

2015 AUDIT REPORT AS OF DECEMBER 31, 2015: Executive Director reported at the last meeting Mr. Miles of Bowman & Company, LLP presented a draft copy of the 2015 Audit. Executive Director advised there were no changes to the audit and Ms. Dodd had distributed a final copy of the audit at the start of the meeting. Executive Director asked if anyone had any questions regarding the audit and requested a motion to approve Resolution 11-17, Certificate of Annual Audit Report for Period Ending December 31, 2015.

MOTION TO APPROVE RESOLUTION 11-17 CERTIFICATION OF ANNUAL AUDIT REPORT FOR PERIOD ENDING DECEMBER 31, 2015

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

2017 MCIFC MEETING DATES: Executive Director referred to a copy of the 2017 MCIFC Meeting schedule which was included in the agenda. Executive Director advised the schedule was presented at the last Commission Meeting. Executive Director requested a motion to adopt Resolution 12-17 if the Commissioners agreed with the meeting schedule. Ms. Dodd advised at the last meeting Ms. Hughes and Ms. Walker advised they did not have any conflict with the proposed meeting dates.

MOTION TO ADOPT RESOLUTION 12-17, FIXING PUBLIC MEETING DATES FOR THE YEAR 2017

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

EMPLOYEE DISHONESTY COVERAGE RENEWAL: Executive Director reported the Employee Dishonesty Coverage policy with Selective Insurance Company renewed on January 1, 2017. Executive Director advised the policy covered the positions of Executive Director, Third Party Administrator and the Treasurer. Executive Director noted the premium was as expiring, \$2,342 and the cost would be paid out of the miscellaneous and contingency budget line.

**MOTION TO APPROVE EXPENDITURE FOR EMPLOYEE DISHONESTY
COVERAGE IN THE AMOUNT OF \$2,342**

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

CERTIFICATE OF INSURANCE ISSUANCE REPORT: Executive Director reported there were no requests for any 2016 certificate of insurances for the period of 12/16/16 to 12/31/16. Executive Director advised the 2017 renewal certificates were issued and a summary report would appear in the next agenda.

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director advised the CELJIF scheduled their reorganization meeting for February 23, 2017, 1:00 PM at the Camden County Regional Emergency Center.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACKS: Executive Director advised the November Financial Fast Track was included in the agenda. The Commission had a surplus of \$4,619,404 as of November 30, 2016. Executive Director also referred to line 10 of the report, "Investment in Joint Venture" and indicated \$674,305 of the surplus was the MCIFC's share of the CELJIF equity. Executive Director noted the cash balance was \$697,242.

NJ CEL PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the November Financial Fast Track was included in the agenda. Executive Director advised as of November 30, 2016 the Fund had a surplus of \$7,793,256 and a total cash figure of \$19,997,092. Executive Director asked if anyone had any questions regarding the Financial Fast Tracks.

PROFESSIONAL SERVICE CONTRACTS: Executive Director noted Chairman Mair discussed the Professional Service Contracts earlier.

POTENTIAL NEW MEMBERSHIP: Executive Director reported the Chairman had some preliminary discussions with the Mercer County Vo-Tech and Special Services School Districts about considering membership in the MCIFC effective 7/1/17. Executive Director advised Conner Strong & Buckelew would reach out to the decision makers to see if there was an interest.

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 January Bill List, Resolution 13-17, was included in the agenda.

**MOTION TO APPROVE RESOLUTION 13-17, JANUARY BILL LIST IN
THE AMOUNT OF \$47,787.73**

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

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

ATTORNEY: Mr. Adezio advised he did not have anything to report at this time but thanked the Commission for appointing Mr. Sypek as the Commission Attorney.

CLAIMS SERVICE:

Ms. Fowlkes advised she would present the Stewardship Report during Closed Session along with the PARS.

Executive Director advised Resolution 14-17, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of January 1, 2017 to January 31, 2017.

**MOTION TO APPROVE RESOLUTION 14-17 AUTHORIZING
DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

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

MANAGED CARE: Ms. Cortes reported for the month of December provider bills were received in the amount of \$31,792 and First MCO repriced the bills to \$ 14,189 for a savings of \$17,603 or 55%. Ms. Cortes advised the PPO penetration for the month of December was 87%. Ms. Cortes advised that concluded her report unless anyone had any questions.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the December - January Risk Control Activity Report which was included in the agenda. Mr. Prince reported the agenda also included a bulletin on Best Practices for Snow Emergencies and recommended the bulletin be sent out electronically to any employees who handle the snow removal task. Chairman Mair advised he not only sends the information to the employees but also to the Communication Director in the event he wants to turn them into Public Service Announcements. Mr. Prince advised he also had an Accident Investigation Report conducted at the Library and would discuss the report during closed session.

RISK MANAGER CONSULTANT: Mr. Borden advised Mr. Cooney already discussed the pollution policy. Mr. Borden noted he was still working with Mr. Cooney to determine specifically what additional information Zurich needed on the several of the sites. Mr. Borden reported he did review the Risk Management Plan and he typically reviews the plan when the policies are available.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: In response to Chairman Mair's inquiry, Ms. Dodd advised the Chairman wanted to discuss the inventory of Mercer County's property; however, the subject was discussed earlier.

PUBLIC COMMENT:

MOTION TO OPEN THE MEETING TO THE PUBLIC

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

CLOSED SESSION: Chairman Mair read and requested a motion to approve Resolution 15-17 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 15-17 FOR EXECUTIVE SESSION

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

MOTION TO RETURN TO OPEN SESSION

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

MOTION TO AUTHORIZE PAYMENT AUTHORITY/SETTLEMENT AUTHORITY REQUESTS DISCUSSED IN CLOSED SESSION

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 11:34 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary