

**MERCER COUNTY INSURANCE FUND COMMISSION**  
**OPEN MINUTES**  
**MEETING – September 28, 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

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Joseph Hrubash</b>
Claims Service	Inservco Insurance Services, Inc. <b>Nancy Fowlkes</b> <b>Keith Platt</b> <b>Matthew Baron</b>
	Conner Strong & Buckelew <b>Michelle Leighton</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>
Treasurer	
Safety Director	J.A. Montgomery Risk Control <b>Glenn Prince</b>
Auditor	Bowman & Company, LLP <b>James Miles</b>

**ALSO PRESENT:**

Susan Schaefer, Susan Schaefer, LLC  
Thomas J. Walls, Jr. Capehart Scatchard, P.A.  
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 Walker
Vote:	3 Ayes, 0 Nays

**CORRESPONDENCE:** None

**SAFETY COMMITTEE:** Mr. Prince reported the Safety Committee last met on September 16<sup>th</sup> and was scheduled to meet again on October 21<sup>st</sup>. Chairman Mair advised over the past few years there have been two serious accidents involving Cushman vehicles. Mr. Prince indicated he did have a report with recommendations and would discuss during the CEL Safety Director report.

**CLAIMS COMMITTEE:** Ms. Leighton reported the Claims Committee met prior to the Commission meeting to discuss and review the PARS that would be presented during closed session. Ms. Leighton reminded the Commission the Best Practices Workshop would be held at the Marlton office on October 6<sup>th</sup>. Ms. Leighton indicated the program would focus on past successes, future initiatives, managing risks in the jails, building a relationship with your third party administrator and cyber liability. Ms. Leighton encouraged everyone's attendance at the workshop.

**EXECUTIVE DIRECTOR REPORT:** Executive Director advised he had four action items for his report and the first two pertained to the 2014 audit. Executive Director introduced Mr. Jim Miles of Bowman and Company and asked him to review the 2014 audit with the Commission.

**2014 AUDIT REPORT AS OF DECEMBER 31, 2014:** Mr. Miles distributed a copy of the 2014 audit and thanked the Commission for his appointment as the Commission Auditor. Mr. Miles advised he had the opportunity to review the audit in detail with Chairman Mair and would make a brief presentation to the Commission. Mr. Miles noted he would be available for any questions. Mr. Miles referred to pages 1 through 3 and advised it was the independent auditors report recognizing the financial statements belonged to the Commission and it was his responsibility to form an opinion of those statements. Mr. Miles advised there were "no findings" and it was a "clean audit". Mr. Miles referred to pages 9 and 10 and reviewed the net position and statement of revenues with the Commission. Mr. Miles advised the net position of the Commission was \$1,566,925. Mr. Miles reviewed the other pertinent pages of the audit with the Commission. Mr. Miles notes the Commission's allocated share of surplus in the NJ CEL as of December 31, 2014 was \$245,491. Mr. Miles asked if anyone had any questions at this time. Executive Director referred to a copy of Resolution 37-15 which was included in the agenda certifying the annual audit report for period ending December 31, 2014.

**MOTION TO APPROVE RESOLUTION 37-15 CERTIFICATION OF ANNUAL AUDIT REPORT FOR PERIOD ENDING DECEMBER 31, 2014**

Moved: Commissioner Walker  
Second: Commissioner Hughes  
Vote: 3 Ayes, 0 Nays

**CORRECTIVE ACTION PLAN FOR THE 2014 AUDIT:** Executive Director reported there were no findings for the audit; however a Corrective Action Plan was required by State Law. Executive Director referred to Resolution 38-15 which was included in agenda and requested a motion for its approval.

**MOTION TO APPROVE RESOLUTION 38-15 AUTHORIZING THE ACCEPTANCE OF CORRECTIVE ACTION PLAN FOR THE 2014 MERCER COUNTY INSURANCE FUND COMMISSION AUDIT**

Moved: Commissioner Walker  
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 August 18, 2015 to September 20, 2015. There were (3) three certificate of insurances issued during this period.

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

Moved: Commissioner Walker  
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 the charter was revised to include Danielle Batchelor who replaced Robyn Walcoff. Executive Director asked if anyone had any questions and advised a motion was needed to approve Resolution 39-15, Amendment to the Claims Committee Charter.

**MOTION TO ADOPT RESOLUTION 39-15 AMENDMENT TO THE CLAIMS COMMITTEE CHARTER**

Moved: Commissioner Walker  
Second: Commissioner Hughes  
Vote: 3 Ayes, 0 Nays

**NJ EXCESS COUNTIES INSURANCE FUND (CELJIF):** Executive Director advised the CEL met on September 24, 2015 at 1:00 PM. Executive Director noted the CEL approved their 2014 audit which had no findings. Executive Director advised the Camden and Gloucester Commission's three year membership was expiring at the end of the year and both were renewing their membership in the CEL. Executive Director reported the CEL Underwriting Manager wanted

to review the aircraft exposure and would be sending out applications to all of the member entities. Executive Director advised the CEL was scheduled to meet again on October 22, 2015 at 1:00 PM.

**MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACKS:** Executive Director advised the July 31, 2015 monthly Financial Fast Track was included in the agenda. The Commission had a surplus of \$1,855,994 as of July 31, 2015. Executive Director pointed out the surplus for 2014 was \$1,566,924 which was the figure Mr. Miles noted as the net position of the Commission. Executive Director also referred to line 8 of the report, "Investment in Joint Venture" and indicated \$279,345 of the surplus was the MCIFC's share of the CEL JIF equity. The total cash amount was \$313,485.

**NJ CEL PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the July Financial Fast Track was included in the agenda. Executive Director advised as of July 31, 2015 the Fund had a surplus of \$5,345,387 and a total cash figure of \$9,256,526. Executive Director asked if anyone had any questions regarding the Financial Fast Tracks.

**CLAIMS TRACKING REPORTS:** Executive Director reported the agenda included the claim monitoring reports as of August 31, 2015. Executive Director advised he reviewed the "Claims Activity Report" and noted he did not have any comments regarding the report as there did not seem to be any inconsistencies. Executive Director also reviewed the "Claims Management Report Expected Loss Ratio Analysis" report and advised the losses were running a little higher than the actuary projected 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. Executive Director asked if anyone had questions on the claim reports.

**2016 RENEWAL:** Executive Director reported the 2016 Property and Casualty Budget was reliant on a number of factors including updated renewal applications and exposure data. Executive Director advised the CEL Underwriting Manager was still waiting for a few completed applications.

**NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND –JOINT INSURANCE CLAIMS COMMITTEES BEST PRACTICES WORKSHOP:** Executive Director advised Ms. Leighton discussed the workshop during the Claims Committee Report and 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 September Bill List, Resolution 40-15, was included in the agenda.

**MOTION TO APPROVE RESOLUTION 40-15, SEPTEMBER BILL LIST  
IN THE AMOUNT OF \$1,006,734.21**

Moved:	Commissioner Walker
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 41-15, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of August 1, 2015 to August 31, 2015.

**MOTION TO APPROVE RESOLUTION 41-15 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

Moved:	Commissioner Hughes
Second:	Commissioner Walker
Vote:	3 Ayes, 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 August provider bills were received in the amount of \$59,278 and First MCO re-priced the bills to \$40,425 for a savings of \$18,853 or 32% with 81% PPO penetration. Ms. Isabella advised that concluded her report unless anyone had any questions. Chairman Mair advised he was pleased with the PPO penetration percentage.

**CEL SAFETY DIRECTOR:** Mr. Prince reviewed the August – October Risk Control Activity Report which was included in the agenda. Mr. Prince advised J.A. Montgomery would be participating in the Mercer County Safety Day on October 28, 2015 at the Mountain View Golf Course. Mr. Prince advised CPR was planned for the morning and a presentation on Ergonomics and Office Safety. Mr. Prince provided Chairman Mair with a photograph of a replica picture of a Cushman vehicle. Mr. Prince advised they conducted some research and there were some retro fit kits which were available and highly recommended. The kits include roll over protection and seat belts for the operator as well as the passengers. Mr. Prince advised his office would make the recommendations to the Parks Department as well. Commission Attorney advised the airport also used this type of vehicle. Mr. Prince provided the Commission on his findings regarding the recent accident involving the moving utility vehicle. A brief discussion took place on purchasing the kits and the use of the BRIT grant. Executive Director asked Mr. Prince to provide Chairman Mair with a recommendation letter for the purchase of kits.

**RISK MANAGER CONSULTANT:** Mr. Borden advised there was a lot going on but he did not have anything to report. Mr. Adezio thanked Mr. Borden’s office with working with Conner Strong & Buckelew for handling the waiver to allow their medical reserve team to go to Philadelphia during the Pope’s visit in case of a calamity. Chairman Mair also thanked Mr. Borden and advised he was going to determine how often the medical reserve team works outside of the County in an effort to determine if the additional coverage is needed throughout the year.

Correspondence Made Part of Minutes.

**OLD BUSINESS:** None

**NEW BUSINESS:** Commissioner Walker advised she had a concern regarding the policies and procedures regarding worker compensation safeguards. Commissioner Walker suggested any discussions or questions be directed to the Commission or one of the Commissioners and not to a

team member who is not in a position to answer. Chairman Mair suggested that Commissioner Walker be the contact person and Commissioner Hughes as a resource.

**PUBLIC COMMENT:**

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

Moved:	Commission Walker
Second:	Commission Hughes
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:	Commission Walker
Second:	Commissioner Hughes
Vote:	3 Ayes, 0 Nays

**CLOSED SESSION:** Chairman Mair read and requested a motion to approve Resolution 42-15 authorizing a Closed Session to discuss PARS.

**MOTION TO APPROVE RESOLUTION 42-15 FOR EXECUTIVE SESSION**

Moved:	Commissioner Walker
Second:	Commissioner Hughes
Vote:	3 Ayes, 0 Nays

**MOTION TO RETURN TO OPEN SESSION**

Moved:	Commissioner Walker
Second:	Commissioner Hughes
Vote:	3 Ayes, 0 Nays

Executive Director advised there was one settlement to approve along with four payment authority requests. Chairman Mair asked Ms. Dodd to read the information regarding the claims. Ms. Dodd requested an approval for claim # 0023 in the amount of \$34,790.40 representing claim settlement.

**MOTION TO APPROVE SETTLEMENT AUTHORITY REQUEST IN THE AMOUNT OF \$34,790.40 FOR CLAIM # 0023**

Moved:	Commissioner Walker
Second:	Commissioner Hughes
Vote:	3 Ayes, 0 Nays

Ms. Dodd advised approvals were needed for the below claims:

#0772	\$ 57,246.22
#0762	\$ 109,139.67
#0878	\$ 250,000.00
#0435	\$ 70,000.00

**MOTION TO APPROVE PAYMENT AUTHORITY REQUESTS  
FOR CLAIM NUMBERS 0772, 0762, 0878, & 0435**

Moved: Commissioner Walker  
Second: Commissioner Hughes  
Vote: 3 Ayes, 0 Nays

**MOTION TO ADJOURN:**

Moved: Commissioner Walker  
Second: Commissioner Hughes  
Vote: 3 Ayes, 0 Nays

**MEETING ADJOURNED: 11:35 AM**

Minutes prepared by:  
Cathy Dodd, Assisting Secretary