

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – November 28, 2016
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 Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Nancy Fowlkes Keith Platt Matthew Baron Amy Zeiders Sureatha Hobbs
	Conner Strong & Buckelew Danielle Batchelor Monica Lester
Managed Care Services	First MCO Diana Cortes Mary Bresadola
CEL Underwriting Manager	Conner Strong & Buckelew
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
Paul Adezio, Esq., Mercer County
Susan Schaefer, Susan Schaefer, LLC
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF OCTOBER 24, 2016

MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF OCTOBER 24, 2016

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

Chairman Mair advised part of the minutes were regarding the pollution liability coverage. Chairman Mair asked Mr. Borden to provide an update. Mr. Borden suggested that the County proceed with the environmental liability policy. Mr. Borden reviewed the coverage and advised the retroactive date would be 1/1/17. Mr. Borden noted Chairman Mair and Ms. Hughes were aware of the fact that the policy would not cover any underground storage tanks because it was designed to be excess. Mr. Borden explained if we put in place underground storage tank coverage which he was quoting then the environmental policy would cover excess. Mr. Borden advised the policy cost was \$85,000 for three years. In response to Mr. Borden’s inquiry, Executive Director answered that the policy would be issued on an annual installment basis. Mr. Borden then explained how the retro active date was applied and noted the limits of the policy were shared among the CEL members.

In response to Chairman Mair’s inquiry, Executive Director advised the Auto ID cards would be distributed the beginning of December and the cards should be placed in the County’s vehicles. Ms. Dodd indicated the cards were being mailed to Ms. Hughes for distribution.

CORRESPONDENCE: NONE

SAFETY COMMITTEE: Mr. Prince reported the Safety & Accident Committee last met on October 19, 2016 and was scheduled to meet again on December 21, 2016. Mr. Prince advised Mercer County Safety Day was scheduled for November 30th and there were a variety of programs being presented such as CPR and AED. Also J. A. Montgomery would have a presentation on Fire Safety and an Active Shooter presentation. Mr. Prince advised that concluded his report unless anyone had any questions.

CLAIMS COMMITTEE: Ms. Batchelor reported the Claims Committee met prior to the Commission meeting and there were four PARS to present during closed session. Ms. Batchelor advised that concluded her report unless anyone had any questions.

EXECUTIVE DIRECTOR REPORT: Executive Director advised the first item for his report was the introduction of the 2017 Property & Casualty Budget.

2017 PROPERTY & CASUALTY BUDGET INTRODUCTION: Executive Director reported there were two budgets included in the agenda. The first budget on page 5 did not include the premium for the pollution liability policy; however, the second budget on page 7 included an additional amount of \$30,000 for the coverage. Executive Director noted as he mentioned earlier the premium of \$85,000 was for a three year policy so the budget included a line item for \$30,000.

Executive Director referred to the claim section of the budget and noted the actuary projects the loss funds and advised there was a 2% increase. Executive Director advised line 9 of the budget was for excess premiums paid to the NJ CEL and pointed out there was a reduction of 1.10%. Executive Director reviewed the expenses and explained if Inservco remained on the account their fee was \$190,000. Executive Director advised the Safety Director and Executive Director fees were based on their proposals. Executive Director advised that the prior actuary fee was higher due to the additional work in the beginning years of the Commission; however the fee was reduced to provide the ongoing annual maintenance. Executive Director reported there was no change in the Misc. Expense & Contingency line and noted this account was used for advertising costs and the bond premium. Executive Director advised the fee for the Risk Manager was based on their RFP response subject to final approval of the Freeholders.

Executive Director referred to the ancillary coverages and advised there was no increase in premium; however, as discussed there was now a line for the pollution liability coverage.

Executive Director advised the total 2017 budget amount including the pollution liability premium was \$8,041,932 representing an increase of 1.14% over last year's budget. Executive Director asked if anyone had any questions regarding the 2017 budget.

In response to Executive Director's inquiry, Chairman Mair advised the budget should be introduced including the pollution liability premium. Executive Director advised the assessments were included in the agenda; however, the assessments did not include the pollution liability. The assessments will be amended for the budget adoption.

MOTION TO INTRODUCE THE 2017 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$8,041,932 AND SCHEDULE A PUBLIC HEARING ON DECEMBER 19, 2016 AT THE MERCER COUNTY McDADE BUILDING, 640 S. BROAD STREET, TRENTON, NJ AT 10:30 AM

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

POLLUTION COVERAGE: Executive Director advised the next action item needed was to authorize the CEL Underwriting Manager to bind the pollution liability coverage as of January 1, 2017.

MOTION TO BIND THE POLLUTION LIABILITY COVERAGE EFFECTIVE JANUARY 1, 2017

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

CERTIFICATE OF INSURANCE ISSUANCE REPORT: Executive Director reported on the Certificate of Insurance Report for the period of October 19, 2016 to November 20, 2016. There was one (1) certificate of insurance issued during the period. Executive Director asked if there were any questions and requested a motion.

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 CELJIF met on November 17, 2016 and the Fund Commissioners adopted the 2017 budget in the amount of \$20,977,357. Executive Director advised the CEL Underwriting Manager was given authorization to bind the 2017 excess and ancillary policies. The Fund Commissioners also authorized a Professional Service Agreement to the incumbent, The Actuarial Advantage Inc. for actuary services. Executive Director advised a summary report would appear in the next agenda. Executive Director noted the CELJIF would hold its 2017 Reorganization Meeting on February 23, 2017.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACKS: Executive Director advised the September Financial Fast Track was included in the agenda. The Commission had a surplus of \$4,402,843 as of September 30, 2016. Executive Director also referred to line 10 of the report, "Investment in Joint Venture" and indicated \$628,783 of the surplus was the MCIFC's share of the CELJIF equity. Executive Director noted the cash balance was \$794,893.

NJ CEL PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the September Financial Fast Track was included in the agenda. Executive Director advised as of September 30, 2016 the Fund had a surplus of \$7,631,542 and a total cash figure of \$19,720,440. Executive Director asked if anyone had any questions regarding the Financial Fast Tracks.

CLAIM TRACKING REPORTS: Executive Director advised the Claims Tracking Reports for the month of October was included in the agenda. Executive Director reported he reviewed the Claim Activity Report and did not find any anomalies for the month. Executive Director reviewed the Claims Management Report Expected Loss Ratio Analysis report and stated the reports reflected the strong financials of the Commission.

OUTSOURCING OF MEDICAL EXAMINER'S OFFICE: Chairman Mair advised they were in the process of Outsourcing the Medical Examiner's office and gave the Executive Director a draft copy of the contract for his review.

PROFESSIONAL SERVICE CONTRACTS: Executive Director reported the County issued the RFP's for the positions of Executive Director, Actuary, Risk Management Consultant and Third Party Claims Administrator. Executive Director advised an evaluation was done by the County and recommendations would be made to the Freeholders.

NEW JERSEY COUNTIES EXCESS JOINT INSURANCE FUND – JOINT INSURANCE CLAIMS COMMITTEES BEST PRACTICES WORKSHOP: Executive Director advised he thought the Workshop was a great success and asked Ms. Batchelor for her comments. Ms. Batchelor reported the Workshop was held on Wednesday, November 2nd at the Conner Strong & Buckelew office in Marlton. Ms. Batchelor thanked everyone involved with the Workshop and also thought it was a success. Ms. Batchelor noted that if anyone was interested in reviewing any of the presentations to let her know and she would provide copies of the material.

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 November Bill List, Resolution 47-16, was included in the agenda.

**MOTION TO APPROVE RESOLUTION 47-16, NOVEMBER BILL LIST
IN THE AMOUNT OF \$49,468.89**

Moved:	Chairman Mair
Second:	Commissioner Walker
Vote:	3 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.

CLAIMS SERVICE:

Executive Director advised Resolution 48-16, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of October 1, 2016 to October 31, 2016.

**MOTION TO APPROVE RESOLUTION 48-16 AUTHORIZING
DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

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

MANAGED CARE: Executive Director introduced Mary Bresola and the new Client Services Coordinator, Diana Cortes, of First MCO. Ms. Cortes reported for the month of October provider bills were received in the amount of \$45,376 and First MCO repriced the bills to \$ 22,827 for a savings of \$22,550 or 50 %. Ms. Cortes advised the PPO penetration for the month of October was 90%. Ms. Cortes advised that concluded her report unless anyone had any questions.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the October - November Risk Control Activity Report which was included in the agenda. Mr. Prince noted the agenda also included the training calendar for the months of October and November. Mr. Prince reviewed two Loss Control Reports

conducted by his colleague, Mr. Sloane, which were included in the agenda one for the Mercer County Libraries and the Mercer County Park System. Mr. Prince advised both reports included some minor recommendations. Chairman Mair indicated he would follow up with the Parks Department. Chairman Mair noted that all but two of their Cushman vehicles were now equipped with safety gear. Mr. Prince advised that concluded his report unless anyone had any questions.

RISK MANAGER CONSULTANT: Mr. Borden advised he was working with Ms. Hughes on an additional air carrier at the Airport, Allegiant Airlines. Executive Director thanked Ms. Hughes, Mr. Borden and his office for all of their work regarding the pollution application which was a lengthy process.

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

CLOSED SESSION: Chairman Mair read and requested a motion to approve Resolution 49-16 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 49-16 FOR EXECUTIVE SESSION

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

MOTION TO RETURN TO OPEN SESSION

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

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

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

MOTION TO ADJOURN:

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

MEETING ADJOURNED: 10:59 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary