

**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – June 26, 2017  
Mercer County  
McDade Administration Building  
640 South Broad Street  
Trenton, NJ 08650-0068  
10:30AM**

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>Amy Zeiders</b>
	Conner Strong & Buckelew <b>Danielle Batchelor</b>
Managed Care Services	First MCO <b>Kelly Royce</b>
CEL Underwriting Manager	Conner Strong & Buckelew
Risk Management Consultant	Borden Perlman Salisbury & Kelly <b>Doug Borden</b>
Attorney	<b>Paul Adezio, Esq.</b>
Treasurer	
Safety Director	J.A. Montgomery Risk Control <b>Glenn Prince</b>

**ALSO PRESENT:**

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

**APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF MAY 22, 2017**

**MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF MAY 22, 2017**

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

**CORRESPONDENCE:** Executive Director advised there was a letter from First MCO and asked Ms. Royce to discuss. Ms. Royce referred to a copy of First MCO’s letter which was included in the agenda. Ms. Royce advised Mr. Tom Mooney was no longer with the company and was pleased to announce Mr. Bruce Nash had been appointed as the new President and Chief Operating Officer. Ms. Royce indicated this should be a seamless transition and asked if anyone had any questions.

Executive Director reported the other correspondence would be discussed during closed session.

**SAFETY COMMITTEE:** Mr. Prince reported the Safety & Accident Review Committee last met on June 21<sup>st</sup> and were scheduled to meet again on July 19<sup>th</sup>. Mr. Prince advised sixteen incidents were discussed and his associate Mr. Sloane completed several accident investigations and the results and recommendations of those reports would be discussed at the next Safety & Accident Review Committee Meeting.

**CLAIMS COMMITTEE:** Ms. Batchelor reported the Claims Committee met prior to the Commission meeting and there were five PARS/SARS to discuss during closed session as well as a couple of additional items. Ms. Batchelor reported the committee was scheduled to meet again on July 24<sup>th</sup>. Ms. Batchelor advised that concluded her report unless there were any questions.

**EXECUTIVE DIRECTOR REPORT:** Executive Director reported there were two action items during his report today.

**WELCOME JACQUELINE TOLBERT:** Executive Director welcomed Jackie Tolbert from the Mercer County Improvement Authority and advised she had just attended her first Claims Committee Meeting.

**2016 AUDITOR PROPOSAL:** Executive Director referred to a copy of a letter from Mr. Jim Miles of Bowman & Company, LLP which was included in the agenda. Executive Director advised the proposed fee to conduct the 2016 Commission audit was \$9,400 and the letter was sent to the Commissioners for their review. Executive Director requested a motion to accept the proposal fee.

**MOTION TO ACCEPT THE PROPOSAL FEE OF \$9,400 FROM BOWMAN & COMPANY, LLP TO PERFORM THE 2016 INSURANCE COMMISSION AUDIT**

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

**CERTIFICATE OF INSURANCE ISSUANCE REPORT:** Executive Director reported on the Certificate of Insurance Report for the month of May. Executive Director advised there were 2 certificate of insurances issued for the period of 5-1-17 to 5-31-17. Executive Director asked if anyone had any questions on the report.

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

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

**NJ EXCESS COUNTIES INSURANCE FUND (CELJIF):** Executive Director reported the CELJIF met on June 22, 2017. Executive Director advised Mr. Jim Miles of Bowman & Company LLP presented a draft of the 2016 audit. Executive Director said Amerihealth was re-appointed as the Third Party Administrator. Executive Director advised there was also a discussion on a payroll auditor and the Fund Attorney noted additional documentation or action was needed. The Board tabled this matter. Executive Director explained the payroll auditor would provide the payroll information for each member so the figures were consistent. Executive Director noted Atlantic, Burlington, Cumberland and Salem County were scheduled to renew their membership as of January 1, 2018. Executive Director noted the next CEL meeting was scheduled for September 28, 2017. Executive Director asked if anyone had any questions or if the Chairman had anything to add. Chairman Mair said the fund balance of the CEL was very healthy.

**MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director advised the April Financial Fast Track was included in the agenda. The Commission had a surplus of \$5,493,053 as of April 30, 2017. Executive Director also referred to line 10 of the report, "Investment in Joint Venture" and indicated \$691,879 of the surplus was the MCIFC's share of the CELJIF equity. Executive Director noted the cash balance was \$724,242. In response to Chairman Mair's inquiry Executive Director advised the claim information on the Financial Fast Track for 2017 represented the first 4 months of the year.

**NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the May Financial Fast Track was included in the agenda. As of April 30, 2017 the Fund had a surplus of \$7,476,092 and the cash balance was \$20,195,055. Executive Director asked if anyone had any questions regarding the Financial Fast Tracks.

**CLAIMS TRACKING REPORTS:** Executive Director advised the Claims Tracking Reports for the month of April were included in the agenda. Executive Director reported he reviewed the Claim Activity Report and did not see any anomalies. Executive Director reviewed the Claims Management Report Expected Loss Ratio Analysis report and advised this report compared the actuary's projections of the loss funds versus the actual figures. Executive Director noted in 2017 the report indicated the Commission was running higher than the actuary's projection. Executive Director referred to the 2016 figures and explained the current figures were similar to last year and during the year the figures improved. Executive Director explained there was more activity during the winter months. Executive Director indicated 2016 was performing great along with 2014 and 2015. Executive Director said he planned to have a conversation with the Chairman and Treasurer to discuss the surplus and the funding. Executive Director noted the Treasurer was funding on a cash basis.

**2018 RENEWALS:** Executive Director advised the Fund Office would start the data collection process for the 2018 renewal and would work with the Commission Risk Manager to collect the data. Executive Director reported as mentioned earlier the payroll auditor would assist by conducting payroll audits.

**CYBER SECURITY INITIATIVES:** Executive Director reported Mr. Marc Pfeiffer had become the cyber expert for public entities in New Jersey. Mr. Pfeiffer was on his second contract with the MEL performing certain projects. Executive Director advised everyone is concerned with cyber and its growing area of exposure. Executive Director noted he wanted to offer the Commission as a potential source for partially or fully funding a project the County might be interested in. Executive Director asked the Chairman to keep him posted.

**BAN ON SPARKLERS & OTHER FIREWORKS:** Executive Director advised he had a discussion with the Chairman on legislation that would amend current law with respect to the sale, possession, storage and use of certain fireworks. Executive Director referred to an e-mail from the MELJIF lobbyist on the current status along with the bill with the proposed changes which was included in the agenda. Chairman Mair advised the members of fire services have expressed dismay with this legislation. Chairman Mair explained the dangers of sparklers and its problems. A brief discussion took place on the legislation. Executive Director advised he would reach out to the lobbyist again and then communicate with the Commission.

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 May Bill List, Resolution 29-17, was included in the agenda.

**MOTION TO APPROVE RESOLUTION 29-17, JUNE BILL LIST IN THE AMOUNT OF \$46,600.98**

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. Adezio advised he did not have anything to report.

**CLAIMS SERVICE:** Executive Director advised Resolution 30-17, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of May 1, 2017 to May 30, 2017.

**MOTION TO APPROVE RESOLUTION 30-17 AUTHORIZING  
DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER**

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

**MANAGED CARE:** Ms. Royce reported for the month of May, provider bills were received in the amount of \$138,284 and First MCO repriced the bills to \$37,557 for a total savings of \$100,727 or a 73%. Ms. Royce asked if anyone had any questions and concluded her report. Chairman Mair noted he was pleased with the PPO penetration of 86% and thanked everyone involved.

**CEL SAFETY DIRECTOR:** Mr. Prince reviewed the May – June Risk Control Activity Report which was included in the agenda. Mr. Prince referred to a copy of the Short Term Stationary Work Zones Bulletin which was included in the agenda. In response to Chairman Mair’s inquiry Mr. Prince advised they were not consulting with the Park Commission at this time for water safety however it would be a topic for discussion at the next Safety meeting. Mr. Prince advised that concluded his report unless there were any questions.

**RISK MANAGER CONSULTANT:** Mr. Borden advised he had two items to discuss; the first was the cancellation of events. Mr. Borden reported he received a list of the events from Mr. Adezio and he had a quote for the two big events, Ambassadors of Funk on July 5<sup>th</sup> and War on August 5<sup>th</sup>. Mr. Borden reviewed the quote of \$1400 which was fully earned. Mr. Borden asked Mr. Adezio to confirm there were no rain dates which he confirmed. After a brief discussion with the respect to purchasing the event cancellation for the summer concerts it was agreed Mr. Borden would secure a quote to cover all events scheduled for the summer in addition to the two larger events. Ms. Walker suggested that a discussion be held with Aaron Watson. Chairman Mair requested Mr. Adezio talk to Mr. Watson while he was on vacation.

Mr. Borden advised the above ground storage tanks were automatically covered by the excess pollution policy that the County purchased from the CEL. Mr. Borden reported he did have a list of under ground storage tanks that they knew of and there were four new ones at the boathouse which he was able to obtain quotes for. The premium was \$1,150 for a year with a one million dollar limit and a \$25,000 deductible. Executive Director reported the policy that was purchased through the CEL would automatically respond over underground storage tanks as long as there was primary coverage in place. Mr. Borden explained the premium was for an annual policy and he suggested

the policy coincide with the CEL pollution policy date of January 1<sup>st</sup>. Mr. Borden advised there were some tanks that he cannot obtain coverage for as they are active sites. Mr. Borden indicated his office checks with Brinkerhoff Environmental Services on a quarterly basis for the status of those tanks. Ms. Hughes noted she thought an internal meeting was needed to discuss the importance and urgency of which tanks they needed to focus on.

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

**CLOSED SESSION:** Chairman Mair read and requested a motion to approve Resolution 31-17 authorizing a Closed Session to discuss PARS.

**MOTION TO APPROVE RESOLUTION 31-17 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

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

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

**MOTION TO RE-LITIGATE THE LONGSTREET CASE DISCUSSED  
DURING CLOSED SESSION**

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

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 11:43 AM**

Minutes prepared by:  
Cathy Dodd, Assisting Secretary