

**MERCER COUNTY INSURANCE FUND COMMISSION  
OPEN MINUTES  
MEETING – October 28, 2019  
Mercer County  
McDade Administration Building  
640 South Broad Street  
Trenton, NJ 08650-0068  
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
Lillian Nazzaro ( <i>Alternate</i> )	Excused

**FUND PROFESSIONALS PRESENT:**

Executive Director	PERMA Risk Management Services <b>Joseph Hrubash</b>
Claims Service	Inservco Insurance Services, Inc. <b>Nancy Fowlkes</b> <b>Amy Zeiders</b>  Qual-Lynx <b>Christopher Roselli</b>  PERMA <b>Robyn Walcoff</b>
Managed Care Services	First MCO <b>Suzanne Rajsteter</b>
NJCE Underwriting Manager	Conner Strong & Buckelew <b>Edward Cooney</b>
Risk Management Consultant	Borden Perlman Salisbury & Kelly <b>Jeff Martin</b>
Attorney	<b>Paul Adezio, Esq.</b>
Safety Director	J.A. Montgomery Risk Control <b>Jonathan Czarnecki</b>

**ALSO PRESENT:**

Jim Miles, Bowman & Company, LLP  
Ana- Eliza Bauersachs, Esq. Capehart Scatchard, PA  
Suzette Price, Esq. County Counsel Office  
Susan Schaefer, Susan Schaefer, LLC  
Cathy Dodd, PERMA Risk Management Services

**APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF SEPTEMBER 23, 2019**

**MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF SEPTEMBER 23, 2019**

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

**CORRESPONDENCE:** None

**SAFETY COMMITTEE REPORTS:** Mr. Czarnecki advised the Safety Committee last me on October 16, 2019 and reviewed 15 claims. Mr. Czarnecki reported a Fire Drill was conducted shortly after the meeting. Mr. Czarnecki advised the next meeting was scheduled for November 20, 2019. Mr. Czarnecki advised that concluded his report unless there were any questions.

Chairman Mair advised there was a claim where someone fell out of a golf cart and asked that this issue be revisited to see if there was anything additional that could be done to avoid this, possibly a passive restraint.

**CLAIMS COMMITTEE:** Ms. Walcoff reported the Claims Committee met just prior to the Commission Meeting and the PARS would be presented during closed session. Ms. Walcoff referred to a copy of a letter which was included in the agenda. Ms. Walcoff advised the letter included a list of policies that provided coverage on a “discovery” or “claims made and reported” basis. Ms. Walcoff explained with these type of coverages any loss discovered or claim made against you must be reported during the same policy year within which you discovered the loss or received the claim. Ms. Walcoff also referred to a copy of the agenda for the Risk Management Best Practices Workshop which was included in the agenda. Ms. Walcoff advised the Workshop was scheduled for October 30, 2019 at Conner Strong & Buckelew’s office in Camden and indicated video conference would be available at the Parsippany and Toms River Offices. Ms. Walcoff reviewed the topics and presenters for the Workshop.

Ms. Walcoff introduced Chris Roselli, Account Manager of Qual-Lynx. Ms. Walcoff reported the NJCE appointed Qual-Lynx to handle the property claims this year. Ms. Walcoff advised that concluded her report unless anyone had any questions.

**EXECUTIVE DIRECTOR REPORT:** Executive Director advised he had three action items for his report and then introduced Mr. Jim Miles of Bowman & Company, LLP to present the audit.

**2018 AUDIT REPORT AS OF DECEMBER 31, 2018:** Mr. Miles distributed copies of the Audit Report for the Period Ending December 31, 2018. Mr. Miles advised he was pleased to report there were no recommendations or findings. Mr. Miles pointed out the Commission was professional managed. Mr. Miles reported for the year ending December 31, 2018 there was a net position of

\$10,998,696. Mr. Miles highlighted some of the key information of the audit and asked if anyone had any questions. Mr. Miles expressed his appreciation for the assistance provided during the audit. Executive Director advised if there were no questions, he requested a motion to approve Resolution 38-19.

**MOTION TO APPROVE RESOLUTION 38-19 CERTIFICATION OF ANNUAL AUDIT REPORT FOR PERIOD ENDING DECEMBER 31, 2018**

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

Mr. Miles thanked the Commission for the opportunity to serve as auditor and again if there were any questions, to let the Executive Director know. At this time Mr. Miles left the meeting.

**REVISED PLAN OF RISK MANAGEMENT:** Executive Director reported at the September meeting the Commission discussed and agreed to include coverage for drones and working animals in the Plan of Risk Management. Executive Director referred to Resolution 39-19, Revised Risk Management Plan which was included in the agenda and noted the changes were highlighted in yellow.

**MOTION TO APPROVE 39-19, REVISED PLAN OF RISK MANAGEMENT**

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

**CERTIFICATE OF INSURANCE ISSUANCE REPORT:** Executive Director reported the certificate of issuance report from the NJCE listing the certificates issued for the month of September was included in the agenda. Executive Director advised there were 4 certificate of insurances issued during the month.

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

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

**NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE):** Executive Director reported the NJCE met on September 26, 2019 and a summary report of the meeting was included in the agenda. Executive Director advised the NJCE also met on October 24, 2019 and a summary report of the meeting was distributed at the start of the meeting. Executive Director advised at the October meeting the NJCE introduced the 2020 Budget in the amount of \$24,930,466 which represented a 3.1% increase over the 2019 Budget. Executive Director noted the NJCE increase was primarily due to property and excess property premiums increasing based on both the high loss ratio and hardening property market. Executive Director noted the SIR was increasing at the NJCE level to \$750,000 x \$250,000 from \$150,000 x \$100,000. Executive Director noted that when the Mercer County Insurance Commission Budget is introduced the property SIR will increase to \$250,000 from \$100,000. Executive Director reported the NJCE adding funding for an instructor-led and online

training programs for the NJCE members through a Learning Management System, (LMS). Executive Director advised the NJCE also approved a dividend of \$2 million.

**MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director advised the August Financial Fast Track was included in the agenda. The Commission had a surplus of \$11,874,247 as of August 31, 2019. Executive Director also referred to line 10 of the report, “Investment in Joint Venture” and indicated \$1,598,426 of the surplus was the MCIFC’s share of the NJCE equity.

**NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK:** Executive Director reported the August Financial Fast Track was included in the agenda. As of August 31, 2019 the Fund had a surplus of \$19,197,827 and the cash balance was \$32,071,912.

**CLAIMS TRACKING REPORTS:** Executive Director advised the Claims Tracking Reports for the month of August were included in the agenda. Executive Director referred to a copy of the Claims Management Report Expected Loss Ratio Analysis Report and reviewed the actuary’s projections compared to the actual losses. Executive Director noted the report supported the Financial Fast Track as all of the Fund Years were running below the actuary’s projections.

**PROFESSIONAL SERVICE AGREEMENTS:** Executive Director reported the service agreements for the positions of Executive Director, Actuary, Claims Administrator and Risk Management Consultant were due to expire on 12/31/19. Executive Director noted the County had issued the RFP’s.

**MCIFC 2020 BUDGET:** Executive Director reported the Mercer County Insurance Fund Commission 2020 Budget would be introduced at the December 19, 2019 meeting. Executive Director advised Budget Adoption would be scheduled for the January meeting.

**2020 AUTO ID CARDS/WC POSTING NOTICES/RENEWAL CERTIFICATE OF INSURANCE:** Executive Director advised the 2020 auto ID cards and WC Posting Notices will be sent out for distribution the beginning of December. Executive Director stated the NJCE Underwriting Manager’s Team would review the certificates which need to be re-issued for the 2020 renewal.

**MERCER COUNTY ROWING CENTER:** Executive Director reported the Chairman wanted to have a discussion on the Mercer County Rowing Center. Mr. Adezio advised there were a couple issues, one was the insurance requirements and indemnification language that the tenants at the Rowing Center. Executive Director advised he had asked Mr. Cooney to review the letter and asked Mr. Cooney to comment. Mr. Cooney reported regarding the indemnification language, although PNRA was only asking for mutual indemnification provisions, the County should attempt to maintain its current indemnification position since it is the lessor. Executive Director asked Mr. Cooney to pass along his comments and recommendations to the Chairman and Commission Attorney.

**2019 MEETING SCHEDULE:** Executive Director advised the Commission was not scheduled to meet in November. Executive Director noted the next scheduled meeting was on Thursday, December 19, 2019.

Executive Director's Report Made Part of Minutes.

**TREASURER REPORT:** Mr. Mair advised the Treasurer was not present. Mr. Mair advised the October Bill List, Resolution 40-19 was included in the agenda.

**October 28, 2019 Mercer County Insurance Fund Commission OPEN Minutes**

**MOTION TO APPROVE RESOLUTION 40-19, OCTOBER BILL LIST**

Moved: Commissioner Hughes  
Second: Chairman Mair  
Vote: 2 Yes, 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. Mr. Adezio thanked Executive Director for reviewing the Parks issue, however, there was another outstanding insurance issue involving Amtrak. Mr. Cooney indicated he had commented on the Amtrak issue previously, however it was difficult to work with Amtrak and Mr. Adezio indicated they would not change anything, and they were looking for limits of \$25 million. Executive Director reviewed the limits schematics and suggested issuing a certificate of insurance.

**CLAIMS SERVICE:** Ms. Fowlkes reported she would present the PARS during closed session. Ms. Fowlkes advised Resolution 41-19, Disclosure of Liability Claims Check Register, was included in the agenda along with copies of the check registers for September 1, 2019 to September 30, 2019.

**MOTION TO APPROVE RESOLUTION 41-19 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTERS**

Moved: Commissioner Hughes  
Second: Commissioner Walker  
Vote: 2 Yes, 0 Nays

**MANAGED CARE:** Ms. Rajsteter advised First MCO’s report was included in the agenda and she would review the figures for the month of September as noted below.

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of Savings	Number of Bills	In Network Bills	PPO %
September	\$ 187,277	\$ 106,246	\$ 81,031	43%	76	64	84%

Ms. Rajsteter advised that concluded her report unless there were any questions.

**NJCE SAFETY DIRECTOR:** Mr. Czarnecki reported the Safety’s Director Report for September through October was included in the agenda. Mr. Czarnecki advised the report also included all of the Training Conducted and Scheduled. Mr. Czarnecki advised that concluded his report unless anyone had any questions. Ms. Hughes reported the County Sheriff Department facilitated CPR and AED training one day last week as well as a Driving Course. In response to Chairman Mair’s inquiry, Ms. Hughes advised attendance was good at both training sessions.

**RISK MANAGER CONSULTANT:** Mr. Martin advised his office also reviewed the indemnification that was mentioned earlier and they agree 100%. Mr. Martin advised there was also a request to look at Mercer Meadows easement for a walking path. Mr. Martin indicated he could put his comments in writing, however, there was no problem with the language. Mr. Martin mentioned the County Jail and Mr. Adezio advised they were not closing the County Jail, however just transporting some inmates to Hudson County and the Jail will remain open.

Correspondence Made Part of Minutes.

**MOTION TO CLOSE THE MEETING TO THE PUBLIC**

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

**CLOSED SESSION:** Mr. Mair read and requested a motion to approve Resolution 42-19 authorizing a Closed Session to discuss PARS.

**MOTION TO APPROVE RESOLUTION 42-19 FOR EXECUTIVE SESSION**

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

**MOTION TO RETURN TO OPEN SESSION**

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

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

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

**OLD BUSINESS: None**

**NEW BUSINESS: None**

**PUBLIC COMMENT:**

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

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

Seeing no member of the public wishing to speak Chairman Mair asked for a motion to close the public comment portion of the meeting.

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 10:44 AM**

Minutes prepared by:

Cathy Dodd, Assisting Secretary