

MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – October 26, 2020
Meeting Held Telephonically
10:30 AM

Meeting was called to order by the Executive Director. Executive Director read the Open Public Meetings notice into record.

ROLL CALL OF COMMISSIONERS:

Lillian Nazzaro, Esq.	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 Amy Zeiders Yvonne Frey Suretha Hobbs Qual Lynx Chris Roselli PERMA Jennifer Conicella
Managed Care Services	First MCO Suzanne Rajsteter
NJCE Underwriting Manager	Conner Strong & Buckelew
Risk Management Consultant	Borden Perlman Salisbury & Kelly Diane Purcell
Auditor	Bowman and Company, LLP Jim Miles Dennis Skalkowski
Attorney	John Maloney Esq.
Safety Director	J.A. Montgomery Risk Control Jonathan Czarnecki

ALSO PRESENT:

Susan Schaefer, Susan Schaefer, LLC
Ana-Eliza Bauersachs, Esq., Capehart Scatchard
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN AND CLOSED MINUTES OF JULY 27, 2020 AND
SPETPEMBER 28, 2020

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF JULY
27, 2020**

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

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF
SEPTEMBER 28, 2020**

Moved:	Commissioner Walker
Second:	Chairman Nazzaro
Roll Call Vote:	2 Yes, 0 Nays

CORRESPONDENCE: None

SAFETY COMMITTEE REPORTS: Mr. Czarnecki was not sure when the committee last met but would find out after the meeting.

CLAIMS COMMITTEE: Ms. Conicella reported the Claims Committee did not meet, however the PARS would be presented during closed session. Ms. Conicella concluded her report unless there were any questions.

EXECUTIVE DIRECTOR REPORT: Executive Director advised his report was included in the agenda and there was one action item, which was the audit report. Executive Director stated Mr. Jim Miles of Bowman and Company, LLC was on the phone to present the audit.

2019 AUDIT REPORT AS OF DECEMBER 31, 2019: Mr. Miles advised Mr. Dennis Skalkowski, Senior Manager, who ran the audit was also on the call. Mr. Miles indicated due to the limitations of the remote meeting, he would be brief and efficient as possible. Mr. Miles advised pages 1-3 were the independent auditor's report and reviewed the auditor's responsibility. Mr. Miles reported pages 4-5 explained the government auditing standards along with internal controls. Mr. Miles referred to page 9 of the report and reviewed the 2019 column. Mr. Miles advised the total assets were \$18,842,237 and pointed out that included a receivable of \$14,842,232. Mr. Miles pointed out this was a large receivable from the County which was not collected yet. Mr. Miles noted the amount of \$1,363,975, Investments in Joint Ventures, was the amount of equity in the NJCE. Mr. Miles continued to review the net positions and results of operations for the Commission and advised the net position was \$11,927,974. Mr. Miles advised this was deceptive due to the large receivable from the County and noted there was actually a \$2 million deficit. Mr. Miles advised it was important to note there was cash in the amount of \$2,791,490 as of December 31, 2020. The average claim amount over the past

two years was \$2.6 million per year. Mr. Miles advised he discussed the figures with Mr. Hrubash and believed he would recommend a follow up conversation with the Commissioners and develop a funding policy to collect the receivable from the County. Executive Director reported when the Commission was set up the Treasurer had made it clear that he would fund on a as you go basis with the hope that in future years he would be able to make up some of the receivable amount. Executive Director thought the funding policy was a great idea and suggested a meeting with the Chair, Mr. Miles and himself to discuss further and at some point discuss with the Treasurer. Chair Nazzaro asked that the meeting be set up. Mr. Miles continued to review the audit, advising there were no recommendations and expressed his appreciation for the assistance provided to his office during the audit. Mr. Miles asked if there were any questions. Chair Nazzaro advised she did have some questions but they could be discussed later. Executive Director thanked Mr. Miles and Mr. Skalkowski and indicated they could leave the meeting.

MOTION TO APPROVE RESOLUTION 36-20 CERTIFICATION OF ANNUAL AUDIT REPORT FOR PERIOD ENDING DECEMBER 31, 2019

Moved:	Chair Nazzaro
Second:	Commissioner Walker
Roll Call Vote:	3 Yes, 0 Nays

CERTIFICATE OF INSURANCE ISSUANCE REPORT: Executive Director reported there were no certificate requests for the month of September.

NJ COUNTIES EXCESS JOINT INSURANCE FUND (NJCE): Executive Director reported the NJCE last met on September 24, 2020 and at the last meeting he provided a verbal report. Executive Director advised a written summary report of the meeting was included in the agenda. Executive Director advised the NJCE also met on October 22, 2020 and he would highlight a few of the items. Executive Director advised the Finance Committee met and reviewed the preliminary 2021 Budget. The Finance Committee supported and recommended a delay to the 2021 budget process. Executive Director stated the Fund Commissioners agreed to introduce the budget in November with budget adoption scheduled for December. This would allow the Underwriting Manager to conduct a widespread marketing effort of all of the excess and ancillary insurances. Executive Director advised it might also be a good time for the NJCE to take on additional retentions. Executive Director noted the NJCE was scheduled to meet again on November 19, 2020 at 9:30 AM.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director advised the July Financial Fast Track was included in the agenda. The Commission had a surplus of \$11,058,474 as of July 31, 2020. Executive Director also referred to line 10 of the report, “Investment in Joint Venture” and indicated \$1,439,278 of the surplus was the MCIFC’s share of the NJCE equity. Executive Director noted dividends of \$615,168 released from the NJCE and MCIFC were displayed on line 9 of the report. Executive Director advised the cash balance was \$3,175,209. Executive Director reported the NJCE Finance Committee also reviewed dividend options up to \$2 million and a recommendation on issuance of a dividend would be presented at the November meeting.

NJCE PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the July Financial Fast Track was included in the agenda. As of July 31, 2020 the Fund had a surplus of \$16,698,018 and the cash balance was \$32,002,009. Executive Director noted the NJCE had issued dividends in the amount of \$3,607,551.

CLAIMS TRACKING REPORTS: Executive Director advised the Claims Tracking Reports for the month of July were included in the agenda. Executive Director referred to the Expected Loss Ratio report and advised this report compared how the Commission was performing versus the actuary's projections. Executive Director reviewed the reports with the Commission and advised the Commission was performing very well.

NJCE BEST PRACTICES WORKSHOP, 2020 VIRTUAL EDITION: Executive Director reminded everyone the 9th Annual NJCE Best Practices Workshop was scheduled to be a Zoom Webinar on Thursday, October 29, 2020. Executive Director reported the workshop would be approximately 2.5 to 3 hours. Chair Nazzaro asked that the invitation be sent to her again. Ms. Hughes also asked for a copy of the invite.

2021 AUTO ID CARDS/WC POSTING NOTICES/RENEWAL CERTIFICATE OF INSURANCE – Executive Director reported the 2021 auto ID cards and WC Posting Notices would be sent out for distribution the beginning of December. Executive Director noted the NJCE Underwriting Manager's Team would review the certificates which need to be re-issued for the 2021 renewal.

2020 MEETING SCHEDULE – Executive Director advised the Commission was not scheduled to meet in November and the next scheduled meeting was on Thursday, December 17, 2020.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chair Nazzaro advised the October Bill List, Resolution 37-20 was included in the agenda.

MOTION TO APPROVE RESOLUTION 37-20, OCTOBER BILL LIST

Moved:	Commissioner Walker
Second:	Chair Nazzaro
Roll Call Vote:	3Yes, 0 Nays

Chair Nazzaro advised the monthly Treasurer Reports were included in the agenda.

ATTORNEY: Mr. Maloney advised there was no report from legal today.

CLAIMS SERVICE: Ms. Conicella advised she did not have anything else to report.

CLAIMS SERVICE: Chair Nazzaro advised Resolution 38-20, Disclosure of Liability Claims Check Registers were included in the agenda along with a copy of the check register for September 1, 2020 and September 30, 2020.

MOTION TO APPROVE RESOLUTION 38-20 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER

Moved:	Commissioner Walker
Second:	Chair Nazzaro
Roll Vote:	3 Yes, 0 Nays

MANAGED CARE: Ms. Rajsteter advised she would review First MCO’s report, which was included in the agenda for the month of September Ms. Rajsteter noted there were no appeals for the month.

Month	Provider Bill Amount	Repriced Amount	Savings	Percentage of	Number of Bills	In Network Bills	Net Savings	PPO %
September	\$ 84,874	\$ 47,530	\$ 37,741	44%	103	102	\$ 30,122	98%

Ms. Rajsteter advised that concluded her report unless anyone had any questions.

NJCE SAFETY DIRECTOR: Mr. Czarnecki advised a copy of the Safety’s Director Report for September through November was included in the agenda. Mr. Czarnecki referred to a copy of all of the training webinars scheduled for the months of October and November which was included in the agenda. Mr. Czarnecki advised a list of the Safety Director Bulletins issued were included in the agenda and could be viewed on the NJCE website. Mr. Czarnecki reviewed the Message from the Safety Director which was included in the agenda noting Landscape Safety would be broken down into four 1 hour webinars. Mr. Czarnecki reported that concluded his report unless there were any questions. Executive Director advised he wanted to mention J. A. Montgomery was successful in arranging a proposal with a vendor to provide a Learning Management System dedicated to NJCE JIF members. Executive Director noted more training would be available with a tracking system. In response to Ms. Walker’s inquiry regarding the Protecting Children from Abuse class, Executive Director advised last year there was new legislation with respect to molestation and as a result of the legislation J.A. Montgomery created a robust training session. Executive Director asked Mr. Czarnecki to reach out to Mr. Shives if there was any training on domestic abuse.

RISK MANAGER CONSULTANT: Ms. Purcell advised her office was involved in some contract review and they were working through the files relating to the 3M lawsuit. They will then re-engage with the archiving firm to obtain a better quote.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

CLOSED SESSION: Executive Director read and requested a motion to approve Resolution 39-20 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 39-20 FOR EXECUTIVE SESSION

Moved: Commissioner Walker
 Second: Chair Nazzaro
 Vote: 3 Yes, 0 Nays

Ms. Dodd advised anyone that was participating in closed session should hang up and call back again using the number and password provided prior to the meeting.

**MOTION TO APPROVE THE PARS/SARS AS REVIEWED DURING
CLOSED SESSION**

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

MOTION TO ADJOURN:

Moved:	Commissioner Walker
Second:	Chair Nazzaro
Vote:	3 Yes, 0 Nays

MEETING ADJOURNED: 11:30 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary