

Robin Racioppi, IMAC – *via teleconference*

Carol Mack, Conner Strong & Buckelew – *via teleconference*

MINUTES: Open Minutes as of November 21, 2019 were included in agenda for review; Closed Minutes as of November 21, 2019 were distributed to the Board only.

MOTION TO APPROVE OPEN AND CLOSED MINUTES FROM NOVEMBER 21, 2019 AS PRESENTED:

Moved: Chairman Angilella
Second: Commissioner Wood
Roll Call Vote: Unanimous

CORRESPONDENCE: None

SPECIAL PRESENTATION: None

2020 REORGANIZATION: Executive Director said the meeting would be conducted as Fund’s 2020 reorganization. The NJCE Bylaws require that the fund elect a Chair, Secretary, five-member Executive Committee and up to four Alternate Commissioners; Chairman Angilella asked for a roll call of the 2020 Fund Commissioners.

ROLL CALL OF 2020 FUND COMMISSIONERS

Ross Angilella, Commissioner	Camden County	Present
John Kelly, Commissioner	Ocean County	Absent
Jeanette Kessler, Commissioner	Atlantic County	Present
Sander Friedman, Commissioner	Burlington County	Present - <i>via teleconference</i>
Kimberly Wood, Commissioner	Cumberland County	Present - <i>via teleconference</i>
Tim Sheehan, Commissioner	Gloucester County	Present
Edmund Shea, Commissioner	Hudson County	Present - <i>via teleconference</i>
Lillian Nazaro, Commissioner	Mercer County	Absent
Laura Scutari, Commissioner	Union County	Present - <i>via teleconference</i>

ALTERNATE FUND COMMISSIONERS

Anna Marie Wright	Camden County	Present
Carl Block	Ocean County	Present - <i>via teleconference</i>
Raissa Walker	Mercer County	Absent
Eugenio Esquivel	Union County	Present - <i>via teleconference</i>

Chairman Angilella asked for nominations of Chairman followed by a nomination for Secretary.

ELECTION OF 2020 CHAIRPERSON AND SECRETARY:

MOTION TO NOMINATE ROSS ANGILELLA, CAMDEN COUNTY, AS CHAIR:

Moved: Commissioner Wood
Second: Commissioner Kessler

Hearing no other nominations,

MOTION TO CLOSE NOMINATIONS FOR CHAIR AND CAST UNANIMOUS BALLOT FOR ROSS ANGILELLA AS 2020 CHAIR:

Moved: Commissioner Wood
Second: Commissioner Kessler
Roll Call Vote: 7 Ayes – 0 Nays

MOTION TO NOMINATE TIM SHEEHAN, GLOUCESTER COUNTY, AS SECRETARY:

Moved: Commissioner Wood
Second: Commissioner Kessler
Roll Call Vote: 7 Ayes 0 Nays

Fund Attorney administered the oaths to Chairman and Secretary and would be filed as part of the minutes.

MOTION TO CONFIRM ELECTIONS AND ADOPT RESOLUTION 1-20 CERTIFYING THE ELECTION OF CHAIRMAN AND SECRETARY:

Moved: Commissioner Wood
Second: Commissioner Kessler
Vote: Unanimous

2020 REORGANIZATION RESOLUTIONS: Included in the agenda were the balance of the reorganization resolutions for Fund Year 2020.

Executive Director asked that Resolution 5-20 Fixing 2020 & 2021 Reorganization Meeting, and Resolution 6-20 Designating Depositories for Fund Assets, Interest Rate and Establishing a Cash Mgmt. Plan be held for action in order for additional discussion and review.

Chairman Angillella asked for a motion to approve the following resolutions as part of the consent agenda:

- Resolution 2-20, Appointing PERMA as Agent for the Fund for Process of Service
- Resolution 3-20, Designating Custodian of Fund Records
- Resolution 4-20, Designating Official Newspapers for the Fund
- Resolution 6-20, Designating Depositories for Fund Assets, Interest Rate, Cash Mgmt. Plan
- Resolution 7-20, Designating Signatures for Fund Bank Accounts
- Resolution 8-20, Indemnifying NJCE Officials/Employees
- Resolution 9-20, Fund Treasurer to Process Contracted Payments/Expenses
- Resolution 10-20, Appointing Fund Treasurer
- Resolution 11-20, Appointing Fund Attorney
- Resolution 12-20, 2020 Risk Management Plan

MOTION TO ADOPT RESOLUTIONS 2-20 THROUGH 12-20, BUT NOT INCLUDING RESOLUTION 5-20, and 6-20:

Moved: Chairman Angillella
Second: Commissioner
Vote: 7 Ayes – 0 Nays

EXECUTIVE DIRECTOR'S REPORT:

2020 Reorganization Resolutions: Included as part of the consent agenda are the 2020 Reorganization Resolutions. Prior to action Executive Director requested a discussion on the following Resolutions:

- Resolution 5-20, Fixing 2020 & 2021 Reorganization Meeting Dates – Executive Director made a request to consider changing the meeting date or time as this meeting conflicts with a current County's Board of Freeholders meeting date and time.

Executive Director said the NJCE currently meets at 1:00PM on the 4th Thursday of February, April, June, September, October and November. With the exception of November, these coincide with meetings held by GCIC at 9:30AM and CCIC at 2:00PM.

Board members discussed and agreed to
Option chosen:

1. Keep the 4th Thursday date, but change the meeting time as follows: NJCE JIF at 9:30AM, CCIC at 10:30AM and GCIC at 1:00PM.

Commissioner Lillian Nazaro of Mercer County joined and introduced herself to the meeting in-person at 1:18PM

- Resolution 6-20 Designating Depositories for Fund Assets, Interest Rate and Establishing a Cash Mgmt. Plan – Executive Director stated under item #2 this plan has been amended to reference the NJ Statute regarding permissible investments instead of listing each investment in order to reduce typographical errors.

1. Motion to approve Resolutions 5-20 to 6-20.

Moved: Chairman Angilella

Second: Commissioner Wood

Roll Call: Unanimous

2020 EXCESS RENEWAL/BUDGET IMPACT: The Executive Director reviewed the 2020 Excess Renewal/Budget prepared by the Underwriting Manager. The Executive Director noted the renewal came in \$676,000 higher than the budget, which was driven by the excess liability line item within the budget. Renewal for Excess Casualty coverages with the incumbent carriers was challenging due to unexpected market hardening at year-end. Underwriting Manager was able to restructure the Excess Casualty program. This restructuring of the program left a delta in budgeted versus actual premiums; however, the recommendation was to have the NJCE absorb the difference for 2020. Finance Committee reviewed and agreed with the recommendation.

In November, the Board previously approved authorization for the Underwriting Manager to bind coverage of the 2020 renewal program. Enclosed as part of the Underwriting Manager's report is the Extraordinary Unspecifiable Services (EUS) statement binding the coverage, as well as, Resolution 13-20 authorizing the purchase of insurances to memorialize the action taken in November.

Motion to adopt Resolution 13-20 authorizing purchase of excess and ancillary coverages.

Moved: Commissioner Kessler

Seconded: Chairman Angilella

Vote: Unanimous

PROFESSIONAL CONTRACTS/SERVICES/COMPETITIVE CONTRACTS: Executive director noted PERMA and the Fund Attorney are working together to

- **Auditor, Payroll Auditor and Actuary:** The contracts for these services have expired. The Fund office will conduct a request for price quotes for the respective services and results will be prepared by the next meeting for the Board to review and take action. These contracts are all under \$17,500.
- **Learning Management System – Competitive Contract Request for Proposals (CCRFP):** As previously discussed, a dedicated safety institute of instructor-led and online training programs will be provided to members of the NJCE JIF through a Learning Management System. Enclosed is a resolution prepared by the Fund Attorney to initiate the CCRFP process; the Fund office will work with the Fund Attorney for the procurement of this online platform.

▪ **Motion to adopt Resolution 14-20 authorizing the use of competitive contracting request for proposals for a learning management system.**

Moved: Chairman Angilella

Second: Commissioner Kessler

Vote: Unanimous

FINANCIAL FAST TRACK: Executive Directed discussed he Financial Fast Track as of December 31, 2019 reflecting a statutory surplus of \$15.5 million. Executive Director reported a loss of \$1.6 million for the Month of December due to accounting entries not taking the accruals for excess insurance into account.

SEXUAL ABUSE MOLESTATION LEGISLATION: Executive Director stated the Fund Office will be reaching out to the membership on training regarding the protection of children. Please provide any locations to Nancy Ghani that you would like to see the training.

2020 MEL & MRHIF & NJCE EDUCATIONAL SEMINAR: The 10th annual seminar is scheduled for Friday, May 1, 2020, beginning at 9:00 AM at the National Conference Center, 399 Monmouth Street, in East Windsor, NJ. The seminar qualifies for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for attendance; enclosed is the enrollment form.

NJCE 10TH YEAR ANNIVERSARY: Deputy Executive Director stated that this year marks the 10th anniversary of the Fund's inception, which began with two members and has grown to ten members. The Deputy Executive Director would like to acknowledge the progress over the last decade with a luncheon at a Central Jersey venue for all Fund Commissioners, Professionals, and staff to attend. Deputy Executive Director recommended inviting the original commissioners, and Commissioner Wood acknowledged that this would be a good idea. The attorney inquired about how the luncheon would be funded. Executive Director mentioned PERMA would reach out to fund professionals to contribute to the luncheon.

2020 FINANCIAL DISCLOSURES: Board members should anticipate the online filing of the Financial Disclosure forms as both a NJCE Commissioner, as well as, any County-related positions that require filing. Based on last year, it is expected the Division of Local Government Services will distribute a notice in March and forms will need to be filed by April 30th.

NJCE CLAIMS REVIEW COMMITTEE: The Claims Review Committee met prior to the Fund's April meeting. The executive committee entered into Closed Session to discuss the committee's recommendations and other matters; enclosed is a resolution authorizing closed session.

The Executive Director, Paul Laracy, concluded his report, and noted this will be his last meeting as the Executive Director. Paul Laracy will be shifting his focus to the Health Insurance Fund. Paul Laracy stated it was a pleasure, and an honor working with the NJCE and its professionals representing the counties of the local Government. Chairman Angilella congratulated Paul, and thanked him for his service to the NJCE.

Paul Laracy noted that going forward Joseph Hrubash will be the Executive Director, and Nancy Ghani will be the Deputy Executive Director. Joseph Hrubash, as the Executive Director, and Nancy Ghani, as the Deputy Executive Director took over the rest of the meeting after Paul Laracy reviewed the Financial Fast Track. The new Executive Director thanked Paul Laracy for his time and efforts. Executive Director also noted Brandon Tracy, of PERMA, will act as the Assisting Secretary for the New Jersey Counties Excess Joint Insurance Fund.

UNDERWRITING MANAGER REPORT:

2020 EXCESS RENEWAL/BUDGET IMPACT: Underwriting Manager reviewed the overall market outlook in the Market place nationwide. There has been a hardening market between excess, primary, and umbrella. Claims are taking a toll on the insurance companies. Decision making is now at the most senior executive level of the Insurance company. Insurers have been increasing their rates from 30% to 100%, and reducing the limits insured. The members of the CEL are still receiving better rates than any standalone public entity. Underwriter Manger stated the property Insurance marketplace has been hardening over the past five years, and limits are being cut back due to the severity and frequency of natural disasters worldwide. The lost history has been severe for the past five years across the CEL as well. In December 2019, the market

shifted drastically resulting in insurance companies and reinsurers to either cut back their offerings in certain areas of the United States Casualty market or back out altogether.

Underwriting Manager reviewed the 2020 Excess Renewal/budget impact focusing on Property Insurance and the 2020 Excess Renewal memorandum, which was prepared by the Underwriting Manager. The fund saw an increase to million-dollar retention. There has also been a lot of volatility in the overall Property & Casualty industry across all industries. Primary insurer, Brit, cut back their limits to \$10 million limit leaving the NCJE with a \$5 million gap excess of \$10 million. Underwriter Manager marketed the program with Argonaut and Old Republic to fill the gap. After careful review, the fund has recommended Old Republic as the new insurer to fill the \$5-million-dollar gap.

Due to the above, the Underwriting Manager stated the excess liability line item drove the 2020 budget caused the actual budget to go over the projected budgeted amount. As the memo notes, renewal for Excess Casualty coverages with the incumbent carriers was challenging due to unexpected market hardening at year-end. Underwriting Manager was able to restructure the Excess Casualty program. The program restructures left a delta in the budget versus actual premiums; however, the recommendation was to have the NJCE absorb the delta for 2020. Finance Committee reviewed and agreed with the recommendation. We can expect comprehensive marketing in the future years.

In November, the Board previously approved authorization for the Underwriting Manager to bind coverage of the 2020 renewal program. Enclosed as part of the Underwriting Manager's report is the Extraordinary Unspecifiable Services (EUS) statement binding the coverage, as well as, Resolution 13-20 authorizing the purchase of insurances to memorialize the action taken in November.

1. Motion to adopt Resolution 13-20 authorizing purchase of excess and ancillary coverages.

Motion: Commissioner Kessler

Second: Chairman Angilella

Vote: Unanimous

Alternate Commissioner Block joined via teleconference at 1:30PM

TREASURER REPORT:

Included in the agenda was the confirmation of bills lists and the Treasurer's reports for October, November and December 2019.

VOUCHER PAYMENTS (BILL LIST) –

Resolution 15-20 December 2019 Bills Confirmation of Payments \$134,345.13
 Resolution 16-20 January 2020 Bills Confirmation of Payments \$10,407,250.69
 Resolution 18-20 February 2020 Bills Approval of Payments \$476,583.06

CONFIRMATION OF OCTOBER 2019 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:

2011	6,250
2012	2,761.31
2013	12,729.95
2014	854.23
2015	71,569.41
2016	64.45
2017	35,226.00
2018	1,299.97
2019	24,631.42
TOTAL	\$155,386.74

CONFIRMATION OF NOVEMBER 2019 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:

2011	(5,762.84)
2012	692.93
2013	5,551.03
2014	568.88
2015	(811.93)
2016	250,141.81
2017	2160.25
2018	2316.77
2019	273,832.10
TOTAL	\$528,689.00

CONFIRMATION OF DECEMBER 2019 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:

2011	2,422.50
2012	1,363.17
2013	72,087.65
2014	577.53
2015	5,575.95
2016	5,713.49
2017	1,818.50
2018	5,321.41
2019	145,967.52
TOTAL	\$240,847.72

MOTION TO CONFIRM PAYMENTS OF DECEMBER 2019 BILLS LIST AS RESOLUTION 15-20:

Moved: Commissioner Sheehan
 Second: Commissioner Wood
 Roll Call: Unanimous

MOTION TO CONFIRM PAYMENTS OF JANUARY 2020 BILLS LIST AS RESOLUTION 16-20:

Moved: Commissioner Sheehan
 Second: Commissioner Wood
 Roll Call: Unanimous

MOTION TO CONFIRM PAYMENTS OF JANUARY 2020 SUPPLEMENTAL BILLS LIST AS RESOLUTION 17-20:

Moved: Commissioner Sheehan
 Second: Commissioner Wood
 Roll Call: Unanimous

MOTION TO APPROVE FEBRUARY 2020 BILLS LIST AS RESOLUTION 18-20 AND THE TREASURER'S REPORTS AS PRESENTED:

Moved: Chairman Angilella
 Second: Commissioner Kessler
 Roll Call: Unanimous

SAFETY DIRECTOR:

REPORT: Safety Director reviewed the report included in the agenda, which included the risk control activities from November 2019 through February 2020 and the Safety Director Bulletins.

Safety Director submitted a memorandum on the 2020 BRIT Safety Grant Program in which Counties may receive reimbursement up to 50% of the cost of a “non-typical” safety item or service to assist in controlling the frequency and severity of general liability claims. Safety Director said the annual grant available to all members is \$45,000. Safety Director informed the committee that all submissions should be sent to himself- Glen Prince. The BRIT Safety Grant Committee, which consists of one member from each member county, has been set up to review applicable grant submissions, and will meet on an as-needed basis; Safety Director will send out a memorandum and solicit interested volunteers.

FUND ATTORNEY:

REPORT: Fund Attorney said there was nothing additional to report.

RESOLUTIONS:

2020 REORGANIZATION RESOLUTIONS 1-20 TO 12-20

- Resolution 1-20**, Certifying the Election of Chairman & Secretary
- Resolution 2-20**, Appointing PERMA as Agent for the Fund for Process of Service
- Resolution 3-20**, Designating Custodian of Fund Records
- Resolution 4-20**, Designating Official Newspapers for the Fund
- Resolution 5-20**, Fixing 2020 & 2021 Reorganization Meeting Dates
- Resolution 6-20**, Designating Depositories for Fund Assets, Interest Rate, Cash Mgmt. Plan
- Resolution 7-20**, Designating Signatures for Fund Bank Accounts
- Resolution 8-20**, Indemnifying NJCE Officials/Employees
- Resolution 9-20**, Fund Treasurer to Process Contracted Payments/Expenses
- Resolution 10-20**, Appointing Fund Treasurer
- Resolution 11-20**, Appointing Fund Attorney
- Resolution 12-20**, 2020 Risk Management Plan
- Resolution 13-20**, Resolution Authorizing purchase of excess and ancillary coverages.
- Resolution 14-20**, Authorizing Use of Competitive Contract RFP for Learning Mgmt. System
- Resolution 15-20**, Confirmation of December 2019 Payments
- Resolution 16-20**, Confirmation of January 2020 Payments
- Resolution 17-20**, Confirmation of January 2020 Supplemental Payments
- Resolution 18-20**, Approval of February 2020 Payments

CLAIMS ADMINISTRATOR:

REPORT: AmeriHealth Casualty Services is in need of a Closed Session to discuss claims status and other matters; enclosed in the agenda was **Resolution 19-20** authorizing closed session. Under separate cover, Fund Commissioners received materials from AmeriHealth Casualty Services and/or the Executive Director.

MOTION TO ADOPT RESOLUTION 19-20 AUTHORIZING THE NEED TO ENTER INTO CLOSED SESSION FOR THE PURPOSE AS PERMITTED BY THE OPEN PUBLIC MEETINGS ACT, MORE SPECIFICALLY TO DISCUSS POTENTIAL LITIGATION ON CLAIM NUMBER #64GL017613, #64CA019083,

Moved: Chairman Angilella
Second: Commissioner Sheehan
Roll Call: Unanimous

All others vacated the room and/or left the teleconference with the exception of Fund Commissioners, Fund Attorney and Professionals.

MOTION TO RETURN TO OPEN SESSION:

Moved: Chairman Angilella
Second: Commissioner Sheehan
Roll Call: Unanimous

As per discussion held during Closed Session permitted via Resolution 19-20 motion to approve the following:

Property Liability

Payment Authority Request for Claim 2020190344 has been tabled for further discussion
Payment Authority Request for Claim 2020187183 in the amount of \$150,000.00
Payment Authority Request for Claim 2020197520 in the amount of \$150,000.00

MOTION TO APPROVE THE SETTLEMENT AUTHORITY REQUEST AND PAYMENT AUTHORITY REQUESTS AS PRESENTED:

Moved: Chairman Angilella
Second: Commissioner Sheehan
Roll Call: 7 Ayes – 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

Robyn Walcoff, of PERMA claims, stated next week on March 6th; PERMA claims will be meeting with the TPAs that work in conjunction with the county and NJCE program. Robyn Walcoff, also stated that due to the large number of agencies reporting to PERMA Claims it would be best to discuss and develop a best practices going forward.

PUBLIC COMMENT

MOTION TO OPEN MEETING TO PUBLIC

Moved: Chairman Angilella
Second: Commissioner Sheehan
Vote: Unanimous

MOTION TO CLOSE MEETING TO PUBLIC

Moved: Chairman Angilella
Second: Commissioner Sheehan
Vote: Unanimous

NON- AGENDA ITEMS

NONE

MOTION TO ADJOURN:

Moved: Chairman Angilella
Second: Commissioner Kessler
All in favor: Unanimous

MEETING ADJOURNED: 1:42PM

**NEXT MEETING: April 23, 2020 - 9:30 AM
Camden County College Regional
Emergency Training Center
420 Woodbury-Turnersville Road
Blackwood, NJ**

Brandon Tracy, Assisting Secretary