



New Jersey Schools Insurance Group

6000 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054
(609) 386-6060 • FAX (609) 386-8877
www.njsig.org

Board of Trustees Meeting of January 23, 2018 Board of Trustees Meeting Minutes of November 29, 2017

New Jersey Schools Insurance Group's (NJSIG) Board of Trustees Meeting of November 29, 2017 at NJSIG's Mount Laurel office.

ATTENDEES

Trustees: Thomas F. Connors, Anthony Grafton, Irene Le Febvre, Joseph Meloche, Christopher Russo, Steven Robinson, and Dana Sullivan.

Participants: David Rapuano, Esquire representing *Archer & Greiner*, Stacy Mina representing *Willis Towers Watson*; Dave Ritch and Phil Williams representing *Willis Re*; Jay Lynch, representing *Alliance/Boynton*; Al Kirk representing *Connor Strong & Buckelew*; Mary Alice Avery, Dominick D'Eramo, Zia Qasim representing *Wilmington Trust*.

NJSIG

Staff: William Mayo, *Executive Director*; Michele Carosi, *Comptroller*; Jill Deitch, *Chief Legal Officer*; Kelly Machu, *Underwriting/Client Relations Manager*; Jeffrey Cook, *Information Systems Manager*; and Renee Johnson-Payne, *Executive Assistant*.

ITEM #1 CALL TO ORDER

With a quorum present, the meeting was called to order at 4:04 p.m. In accordance with the Sunshine Law, due notice of all pending meetings was given to the *Atlantic City Press*, *Newark Star Ledger*, and *Trenton Times* on September 6, 2017. Copies of these notices are on file with the New Jersey Secretary of State.

ITEM #2 ROLL CALL

Thomas F. Connors, Ph.D.	√	Irene Le Febvre.	√	Steven K. Robinson.	√
Anthony Grafton.	√	Joseph Meloche, Ed.D	√	Christopher Russo, Ed.D.	√
James J. Jencarelli, Jr.	A	Gerald North	A	Dana Sullivan.	√



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ITEM #3 ACCEPTANCES OF THE PUBLIC AND EXECUTIVE SESSION MINUTES OF OCTOBER 24, 2017.

Action Taken: M (Meloche) | S (Robinson) | Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) to accept the October 24, 2017 Public Session Board of Trustees Meeting Minutes.

ITEM #4 PUBLIC PARTICIPATION

There was no public participation.

ITEM #5 SUB-FUND LIAISONS – Reports/Comments

Jay Lynch, MOCSSIF Sub-fund Administrator, reported there will be MOCSSIF meeting on Friday, December 1st. We have a full agenda planned with about 80 participants.

Al Kirk, BACCIEC and ERIC South Sub-fund Administrator, reported saved the dates will be sent for BACCIEC, January 24th and ERIC South January 26th meetings. Both meetings have full agendas.

ITEM #6 REPORTS

A. Executive Director's Report

William Mayo, Executive Director, solicited commentary regarding the Atlantic City conference. Feedback and any ideas for changes or additions to NJSIG's current format were welcome. He reported very positive feedback, other than the distance of the meeting room. The format worked well and elicited the goal of one on one conversation.

He also mentioned the beginning of reinsurance negotiations. It is a very difficult market for property this year due to the hurricanes and other significant losses. Willis introduced a new team out of their Atlanta office that is using metrics and more sophisticated modeling.

William Mayo acknowledged Lauren Schilling's commitment to implementing the Atlantic City conference. She did a terrific job and deserves credit.



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B. Comptroller

Comptroller, Michele Carosi, reported NJSIG lost three approved check signers and payment authorizers. Currently, NJSIG has two check signers in-house, which affects payment workflow process. In order to keep the process moving and make payments in a timely fashion, the Executive Director will request to add Jill Deitch to NJSIG accounts as a check signer.

NJSIG will be revising some of internal control procedures for accounts payable, providing a level of internal control that will have a segregation of duties and protect against fraud.

C. Client Relations/Underwriting

Kelly Machu, Client Relations/Underwriting Manager, reported Underwriting has been searching for two additional underwriters. NJSIG hired an Underwriter scheduled to begin next Monday, December 4th.

D. Information Technology

Jeff Cook, Information Technology Manager, reported the dashboard is complete with an online demonstration and training scheduled for December 10th and 11th. He invited the Trustees to attend.

ITEM #9 EXECUTIVE SESSION

EXECUTIVE SESSION

EXECUTIVE SESSION RESOLUTION

WHEREAS, N.J.S.A. 10:4-6 et. seq., (“the Open Public Meetings Act”), authorizes public entities to meet in executive session under certain circumstances; and

WHEREAS, the Open Public Meetings Act requires that the Group adopt a resolution at a public meeting to go into private session; now, therefore,

BE IT RESOLVED by the Board of Trustees of the New Jersey Schools Insurance Group, that it is necessary to meet in executive session to discuss certain items involving:



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9B. Matters involving attorney client privilege;

BE IT FURTHER RESOLVED that any discussion held by the Board of Trustees which need not remain confidential will be made public as soon as feasible. The minutes of the executive session will not be disclosed until the need for confidentiality no longer exists.

FURTHER RESOLVED that the Board of Trustees will return to open session to conduct business at the conclusion of the executive session.

Action Taken: M (Connors) | S (Robinson) | C (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) to close open session at 4:30p.m. and move meeting into executive session.

Action Taken: M (Meloche) | S (Robinson) | C (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) to move meeting to open session at 5:30p.m. and close executive session.

ITEM #7 SPECIAL REPORTS/ACTION ITEMS:

A. Willis Towers Watson – Pricing Study

Stacy Mina, Tower Watson, conducted a detailed presentation which provided clarity of the rates for the July 1, 2018 - June 30, 2019 fund year.

Action Taken: M (Russo) | S (Meloche) | Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) to approve a 13% rate decrease for GL, AL, APD and property lines of coverage, and a 5% increase in the WC line of coverage for the retained risk pricing component. The result is an overall average rate increase of 1% for the Members.

B. Wilmington Trust Investment Presentation

Dominick D'Eramo, Wilmington Trust, conducted a detailed presentation which provided an in-depth explanation of fixed-income taxable investing relative to NJSIG.



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Action Taken: M (Russo) | S (Meloche) | Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) approve an investment plan (as per Wilmington Trust's presentation and advice) and an investment amount of \$180,000,000 (as per the attached analysis and discussions with Wilmington Trust).

C. Contracting

1. ESCNJ Cooperative Pricing System

Action Taken: M (Russo) | S (Meloche) | Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, North, Robinson, Russo, Sullivan) to approve NJSIG's participation in the ESCNJ cooperative pricing system.

2. Vision Benefits Insurance Coverage

Action Taken: M (Sullivan) | S (Robinson) | Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, North, Robinson, Russo, Sullivan) to award the contract for vision benefits insurance coverage services to Vision Benefits of America; The Executive Director is hereby authorized to execute a contract with the above-referenced service provider;

3. Sub-fund Administration services

Action Taken: M (Russo) | S (Meloche) | Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) to award a contract for sub-fund administration services for the Burlington & Camden County Educators Insurance Consortium (BACCIEC) sub-fund to Connor Strong & Buckelew Companies, LLC for a duration of five years; NJSIG awards the contract to this provider based on technical criteria, management criteria and cost criteria; The Executive Director is hereby authorized to execute a contract with the above-referenced provider;



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Action Taken: *M (Russo) \ S (Meloche) \ Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) to reject all proposals for sub-fund administration services for the Cape May Atlantic Insurance Pool (CAIP) sub-fund; NJSIG rejects all proposals submitted for because the lowest bid substantially exceeds NJSIG's cost estimates for the services; The Executive Director is hereby directed to reissue the request for proposals for sub-fund administration services for the Cape May Atlantic Insurance Pool (CAIP) sub-fund;*

Action Taken: *M (Russo) \ S (Meloche) \ Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) to reject all proposals for sub-fund administration services for the Educational Risk & Insurance Consortium (ERIC North) sub-fund; NJSIG rejects all proposals submitted for because the lowest bid substantially exceeds NJSIG's cost estimates for the services; The Executive Director is hereby directed to reissue the request for proposals for sub-fund administration services for the Educational Risk & Insurance Consortium (ERIC North);*

Action Taken: *M (Russo) \ S (Meloche) \ Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) to award a contract for sub-fund administration services for the Educational Risk & Insurance Consortium-South (ERIC South) sub-fund to Connor Strong & Buckelew Companies, LLC for a duration of five years; NJSIG awards the contract to this provider based on technical criteria, management criteria and cost criteria; The Executive Director is hereby authorized to execute a contract with the above-referenced provider;*

Action Taken: *M (Russo) \ S (Meloche) \ Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) to reject all proposals for sub-fund administration services for the Educational Risk & Insurance Consortium-West (ERIC West) sub-fund; NJSIG rejects all proposals submitted for because the lowest bid substantially exceeds NJSIG's cost estimates for the services; The Executive Director is hereby directed to reissue the request for proposals for sub-fund administration services for the Educational Risk & Insurance Consortium -West (ERIC West) sub-fund;*



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Action Taken: *M (Russo) \ S (Meloche) \ Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) to award a contract for sub-fund administration services for the Monmouth Ocean County Shared Services Insurance Fund (MOCSSIF) sub-fund to Alliant/Boynton Insurance Services, Inc. for a duration of five years; NJSIG awards the contract to this provider based on technical criteria, management criteria and cost criteria; The Executive Director is hereby authorized to execute a contract with the above-referenced provider;*

Action Taken: *M (Russo) \ S (Meloche) \ Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) to reject all proposals for sub-fund administration services for the North Jersey Educational Insurance Fund (NJEIF) sub-fund; NJSIG rejects all proposals submitted for because the lowest bid substantially exceeds NJSIG's cost estimates for the services; The Executive Director is hereby directed to reissue the request for proposals for sub-fund administration services for the North Jersey Educational Insurance Fund (NJEIF) sub-fund;*

D. Investors Bank

Action Taken: *M (Russo) \ S (Meloche) \ Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) designated \$180,000,000.00 of cash assets as available for investment via Wilmington Trust to be invested in laddered US treasuries with a maximum two year term as outlined in their presentation to the Trustees dated November 29th, 2017 and based on NJSIG's bylaws and policy 3615, and based on investment advisory provided by Wilmington Trust.*



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E. Checking Accounts and New Claims

Action Taken: M (Russo) | S (Meloche) | Carried (Affirmative Votes = Connors, Grafton, Le Fevre, Meloche, Robinson, Russo, Sullivan) to approve and ratify the checks and new claims which have been issued from accounts XXXXXXXX210 (operating account) and XXXXXXXX229 (claim account) for the period of 10/1/2017 to 10/31/2017 as shown in the online (Microscribe) version of the meeting package.

ITEM #8 NEW BUSINESS

William Mayo, Executive Director, discussed an alternative approach to researching auditing services as an avenue to acquire more RFP respondents.

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WHEREAS, the Open Public Meetings Act requires that the Group adopt a resolution at a public meeting to go into private session; now, therefore,

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- 9A. Litigation;
 - 1. 16WC05012C Walzer vs. Butler & 14GL00799D Agnew vs. Middlesex Reg. Educational Services
 - 2. 14GL00780Q Agnew vs. South Plainfield
- 9C. Contract negotiations;



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BE IT FURTHER RESOLVED that any discussion held by the Board of Trustees which need not remain confidential will be made public as soon as feasible. The minutes of the executive session will not be disclosed until the need for confidentiality no longer exists.

FURTHER RESOLVED that the Board of Trustees will not return to open session to conduct business at the conclusion of the executive session.

Action Taken: M (Grafton) | S (Russo) | Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) to close open session at 6:01p.m. and move meeting into executive session.

Action Taken: M (Grafton) | S (Russo) | Carried (Affirmative Votes = Connors, Grafton, Le Febvre, Meloche, Robinson, Russo, Sullivan) to close executive session at 6:50p.m. and adjourn meeting.

William Mayo

William M. Mayo, CPCU, ARM
Executive Director