



New Jersey School Boards Association Insurance Group

450 Veterans Drive
Burlington, New Jersey 08016
(609) 386-6060 • FAX (609) 386-8877
www.njsbaig.org

Board of Trustees Meeting of January 23, 2013 Board of Trustees Meeting Minutes of November 28, 2012

New Jersey School Boards Association Insurance Group's Board of Trustees Meeting of November 28, 2012 at the Courtyard by Marriott, Cranbury, NJ

ATTENDEES

Trustees: James Edwards, Leon Kaplan, Eva M. Nagy, K. Chris Pierson, Daniel Vivarelli, Sr., Donald Webster and Raymond Wiss.

Participants: Susan Hodges representing *Archer & Greiner*, Dave Ritch representing *Willis*, Chris Russo, *Liaison* representing *BACCEIC Sub Fund*, James Savage, *Liaison* representing *MOCSSIF Sub Fund*, Stacy Mina representing *Towers Watson* and Jay Lawton representing *GR Murray*.

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Staff: Marty Kalbach, *Director*; Michele Carosi, *Comptroller*; Lisa White, *Member Services Manager*; Tony Jones, *Loss Control Manager*; Louis Giannetto, *Claim Manager*; Jeff Cook, *Information Technology Manager*; Kelly Machu, *Underwriting Supervisor*; Chai Respes, *Human Resource Manager* and Renee Johnson-Payne, *Administrative Assistant*

ITEM #1 CALL TO ORDER

With a quorum present, the meeting was called to order at 4:00 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 August 10, 2012. Copies of these notices are on file with the New Jersey Secretary of State.



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Board of Trustees Meeting Minutes of November 28, 2012

Pg. 2

ITEM #2 ROLL CALL

James Edwards	√	K. Chris Pierson	√
Mark Finkelstein	A	Daniel Vivarelli	√
William Herman	A	Donald Webster	√
Leon Kaplan	√	Ray Wiss (representing John Bulina)	√
Eva M. Nagy	√		

ITEM #3 ACCEPTANCES OF THE PUBLIC AND EXECUTIVE SESSION MINUTES OF OCTOBER 10, 2012

Action Taken: M (Vivarelli)\ S (Pierson)\ Abstention (Edwards)\ C (Affirmative Votes = Kaplan, Nagy, Pierson, Vivarelli, Webster, Wiss) to accept the October 10, 2012 Public and Executive Session Board of Trustees Meeting Minutes.

ITEM #4 RECOGNITION OF RAYMOND WISS' NJSBAIG TRUSTEE SERVICE

The Chairperson thanked Mr. Wiss for his contributions and service to the Group and presented him a plaque of appreciation from NJSBAIG Trustees.

Action Taken: M (Kaplan)\ S (Pierson)\ Abstention (Wiss) C (Affirmative Votes = Edwards, Kaplan, Nagy, Pierson, Vivarelli, Webster)

WHEREAS, Raymond Wiss served as a member of the New Jersey School Boards Association Insurance Group Board of Trustees from May 2010 through November 2012; and,

WHEREAS, during those 2 years, Raymond Wiss' dedication has impacted the growth and future of the Group and helped provide the best possible service to School Districts throughout New Jersey; and,

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby expresses its appreciation for Raymond Wiss' time, talent and service to the New Jersey School Boards Association Insurance Group and members.



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Board of Trustees Meeting Minutes of November 28, 2012

Pg. 3

Mr. Wiss thanked the Board of Trustees for recognizing his service to the Group. He also complimented the Trustees and staff on the evolution and growth of the Group.

ITEM #5 PUBLIC PARTICIPATION

Action Taken: M (Kaplan \ S (Vivarelli) \ C (Unanimously = Edwards, Kaplan, Nagy, Pierson, Vivarelli, Webster, Wiss) to open and close the public session for public participation.

There was no public comment.

ITEM #6 SUB FUND LIAISONS - REPORTS/COMMENTS

The Chairperson opened the floor to the sub fund liaisons. Mr. Savage reported on the overall devastation sustained by districts in Monmouth and Ocean counties due to super-storm Sandy.

ITEM #7 REPORTS

The Director gave detailed report on Group's managers and supervisory staff participation in a two day team building professional development seminar. As a result of the seminar the participants are reading *All In* by Adrian Gostick and Chester Elton. He will be bringing the lessons learned from *All In* to the entire staff to assist in boosting company moral and building culture.

The Member Services Manager reported that because of the devastation caused by super-storm Sandy the MOCSSIF Sub Fund was unable to hold it's regularly scheduled meeting. In lieu of the regularly scheduled meeting MOCSSIF will host a Safety Grant Check Distribution & Holiday Reception on December 13, 2012. There will be a claims representative and a Boynton & Boynton agent at the event to address claims inquiries.

A question was raised regarding purchase and use of a natural gas generator for the Group. The Information Technology Manager reported that he is investigating the purchase of a natural gas generator to power the server room. A discussion ensued and the conclusion was



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Board of Trustees Meeting Minutes of November 28, 2012

Pg. 4

the Group has a solid disaster recovery plan which requires adjustments to improve the current plan.

The Personnel/Finance Committee reported that the Medical Benefits Policy 6420 have been reviewed by the Committee and moved to the Trustees for approval.

The Director reported that Stacy Mina, Towers Watson would be facilitating a presentation on the pricing study during the meeting.

ITEM #8 SPECIAL REPORTS/ACTION ITEM:

A. Pricing Study

Ms. Mina, Towers Watson gave a detailed presentation which provided clarity of the rates for the July 1, 2013-2014 fund year.

Action Taken: M (Kaplan \ S (Pierson) \ C (Unanimously = Edwards, Kaplan, Nagy, Pierson, Vivarelli, Webster, Wiss) to approve the implemented rate changes as defined on page 13 of 158 in the November 12, 2012 draft Towers Watson pricing study. Approve an E&O price increase not to exceed 15% above the negotiated price with the E&O insurer.

ITEM #9 DISCUSSION ITEMS

A. Super-storm Sandy Update

The Claim Manager and the Member Services Manager provided details of the condition of the Group's member districts. To date there have been 161 claims reported worth about \$6 million.

The Director reported that he is optimistic that the property reinsurance increase due to super-storm Sandy is not going to be catastrophic to the Group or its membership.

A detailed discussion ensued relative to super-storm Sandy the conclusion was the Group needs to put more plans and trainings in place to service the member district during a catastrophe.



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Board of Trustees Meeting Minutes of November 28, 2012

Pg. 5

Action Taken: M (Pierson)\ S (Kaplan)\ C (Unanimously = Edwards, Kaplan, Nagy, Pierson, Vivarelli, Webster, Wiss) to thank Louis Giannetto, Lisa White and the NJSBAIG Staff for working tirelessly during and after super-storm Sandy.

B. NJSBA Workshop

The Chairperson and Trustees complimented the Group on their entire presentation and work at the NJSBA Workshop.

C. AGRiP Conference

Trustee Vivarelli thanked the board for allowing the Trustees to attend the AGRiP Conference. He encouraged other Trustees to attend the conference as it was a tremendous learning experience. He also reported on the book *Smart Trust* by Stephen Covey and how it could benefit the Trustee and staff of the Group. The book was purchased and distributed to the Trustees.

The Chairperson reported that one of the workshops was on the importance of succession planning.

D. Bylaw Committee Update

The Chairperson reported that Steve Robinson, North Jersey Educational Insurance Fund (NJEIF) will be the second business administrator on the Bylaw Committee. The members of the Bylaw Committee are Eva M. Nagy, Daniel G. Vivarelli, Mark Finkelstein, Dennis Cox, James Edwards and Steve Robinson.

E. Change of Meeting Location

The Chairperson presented the pros and cons of moving to the Forsgate for future Trustee meetings. She also presented the history of the various meeting sites and the pros and cons of the current meeting location. The Trustees were favorable of the proposed changes. Once all logistics are complete the topic will return to the agenda for a vote.



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Board of Trustees Meeting Minutes of November 28, 2012

Pg. 6

ITEM #10 ACTION ITEMS

A. Checking Accounts & New Claim Ratification

Action Taken: M (Vivarelli) \ S (Edwards) \ C (Unanimously = Edwards, Kaplan, Nagy, Pierson, Vivarelli, Webster, Wiss) to approve and ratify the checks and new claims which have been issued from accounts 7557713 (operating account) and 3970555 (claim account) for the period of 10/1/2012 to 10/31/2012.

B. Second Reading:

Action Taken: M (Pierson) \ S (Edwards) \ C (Unanimously = Edwards, Kaplan, Nagy, Pierson, Vivarelli, Webster, Wiss) to approve the Medical Benefits Policy 6240 and the Discretionary Settlement Authority Policy 7680 as a second reading.

ITEM #11 NEW BUSINESS

There was no new business.

ITEM #12 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 School Boards Association Insurance Group, that it is necessary to meet in executive session to discuss certain items involving:



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Board of Trustees Meeting Minutes of November 28, 2012

Pg. 7

1. Litigation;
2. Matters involving personnel issues, including but not limited to, the employment, appointment, termination of employment, terms and conditions of employment, evaluation of performance, promotion or discipline of any public officer or employee;
3. Director's Evaluation;
4. Director's Contract;

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 (Edwards)\ S (Vivarelli)\ C (Unanimously = Edwards, Kaplan, Nagy, Pierson, Vivarelli, Webster, Wiss) to close open session at 6:00 p.m. and move meeting into executive session after dinner.

The Trustees returned at 8:15 to open session.

Action Taken: M (Kaplan)\ S (Vivarelli)\ C (Unanimously = Edwards, Kaplan, Nagy, Pierson, Vivarelli, Webster, Wiss) to approve the contract for the Director.

Action Taken: M (Kaplan)\ S (Vivarelli)\ C (Unanimously = Edwards, Kaplan, Nagy, Pierson, Vivarelli, Webster, Wiss) to adjourn the public meeting at 8:20 p.m.

Marty

Marty Kalbach, Director