



New Jersey Schools Insurance Group

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

Board of Trustees Meeting of September 16, 2015 Board of Trustees Meeting Minutes of June 17, 2015

New Jersey Schools Insurance Group's Board of Trustees Meeting of June 17, 2015 at the Forsgate Country Club, Monroe Township, NJ.

ATTENDEES

Trustees: Irene Le Febvre, Steven Robinson, Christopher Russo, Jeffrey Rutzky, and Anthony Tonzini

Participants: Neal Schonhaut and David Rapuano representing *Archer & Greiner*, Frank Domin, *Liaison* representing *BACCEIC*, Bernardo Giuliana, *Liaison* representing *ERIC North*.

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Staff: William Mayo, *Executive Director*; Michele Carosi, *Comptroller*; Anthony Jones, *Loss Control Manager*, Louis Giannetto, *Claim Manager*; Jeffrey Cook, *Information Systems Manager*, Kelly Machu, *Client Relations/Underwriting 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 February 6, 2015. Copies of these notices are on file with the New Jersey Secretary of State.

ITEM #2 ROLL CALL

Mark Finkelstein	A	Christopher Russo	√
William Herman	A	Jeffrey Rutzky	√
Irene Le Febvre	√	Anthony Tonzini, Jr.	√
Steven Robinson	√	Anthony Trongone	A



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ITEM #3 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:

3A. Matters involving attorney client privilege regarding chair and vice-chair selection;

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 (Robinson)\ S (Russo)\ Carried (Affirmative Votes = Robinson, Russo, Rutzky, Tonzini) to close public session at 4:05 p.m. and move to executive session.

Action Taken: M (Robinson)\ S (Russo)\ Carried (Affirmative Votes = Robinson, Russo, Rutzky, Tonzini) to close executive session at 4:35 p.m. and move to public session.

ITEM #4 CHAIRPERSON AND VICE CHAIRPERSON SELECTION

Roll Call Vote: M (Robinson)\ S (Rutzky)\ Abstention (Tonzini)\ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky) to approve Tonzini as NJSIG Chair for the term of 7/1/15 to 6/30/16.



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Roll Call Vote: M (Russo)\ S (Rutzky)\ Abstention (Le Febvre\ Carried (Affirmative Votes = Robinson, Russo, Rutzky, Tonzini) to approve Le Febvre as NJSIG Vice Chair for the term of 7/1/15 to 6/30/16.

ITEM #5 ACCEPTANCES OF THE PUBLIC AND EXECUTIVE SESSION MINUTES OF MAY 20, 2015.

Action Taken: M (Russo)\ S (Le Febvre)\ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) to accept the May 20, 2015 Public and Executive Session Board of Trustees Meeting Minutes.

ITEM # 6 PUBLIC PARTICIPATION

Action Taken: M (Le Febvre)\ S (Rutzky)\ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) to open the public session for public participation.

Action Taken: M (Robinson)\ S (Russo)\ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) to close the public session for public participation.

ITEM #7 SUB FUND LIAISONS - REPORTS/COMMENTS

Mr. Domin, BACCEIC Liaison, reported the BACCEIC sub fund participate in a training meeting on May 29, 2015. The topic was *Innovative and Affordable Security Practices*. He stated the training was engaging and well received.

ITEM #8 REPORTS

The Executive Director, William Mayo, reported relative to the E&O transition from XL to QBE.

He also reported Anthony Trongone has accepted a new position with a nonmember district and has resigned from the Board of Trustees effective May 21, 2015.



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Comptroller, Michele Carosi reported and invited the Trustees to participate in the pre audit meeting scheduled for July 1, 2015

Claim Manager, Louis Giannetto, announced the successful claim audit. He thanked and congratulated the Claims Staff for their hard work and dedication. He also thanked Assistant Claim Manager, Mike Cox and Claim Supervisor, Tony Ruggeri for their preparation and participation at the ERIC North and MOCSSIF training day.

Client Relations/Underwriting Manager, Kelly Machu, reported the Underwriting Department is still waiting for 20 outstanding applications and they have just under 100 proposals to be issued.

ITEM #9 DISCUSSION ITEM:

A. Staff Additions:

Executive Director, William Mayo, alerted the Board of two staff additions. The first position is Litigation Manager the job description has been reviewed by Archer and Greiner. He gave a brief summary of the job duties and provided the benefits of having this position on staff.

The second position is Reporting Analyst. IT Manager, Jeff Cook, gave a summary of the job duties and offered the benefits of having this position on staff.

ITEM #10 ACTION ITEM:

A. Checking Accounts and New Claims Ratification

Action Taken: M (Le Febvre)\ S (Russo)\ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) to approve and ratify the checks and new claims which have been issued from accounts XXXX392 (operating account) and XXXX555 (claim account) for the period of 5/1/2015 to 5/31/2015.



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B. Professional Services Approval 2015/2016

Action Taken: M (Rutzky)\ S (Russo)\ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) to approve Nisivoccia as the financial auditor, Towers Watson as the actuary, Archer and Greiner as the Group's legal counsel, Willis Pooling as the Group's insurance broker and RHB Consulting as the claim auditor for the 2015/2016 fund year.

C. 2015/2016 Budget

Action Taken: M (Robinson)\ S (Russo)\ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) to approve the 2015/2016 budget.

D. 2015/2016 Plan of Risk Management

Action Taken: M (Le Febvre)\ S (Russo)\ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) to approve the 2015/2016 Plan of Risk Management.

E. 2015/2016 Meeting Dates

Action Taken: M (Rutzky)\ S (Le Febvre)\ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) to approve the 2015/2016 Meeting Dates.

F. Rescind Broker Commission Rate

The Executive Director provided clarity of the rescinding the broker commission rate action item.



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Action Taken: M (Le Febvre)\ S (Russo)\ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) to approve adopting a policy of paying standard commission rates in all circumstances, unless the need for higher commission rates is substantiated in writing and fully disclosed to the member school district. Conversely, NJSIG will honor arrangements for accounts paying less than NJSIG standard commissions as of July 1, 2015 on all NJSIG lines of coverage but only for those districts whose brokers are receiving less than the standard commission rates for the 2014-2015 policy year if requested in writing by the member district. It is recommended that the May 20, 2015 motion be rescinded to state that only those accounts paying less than standard commissions on July 1, 2015 are eligible to continue with the lower commission rates. The change will be effective July 1, 2016.

G. Contract Approvals:

1. NJEIF Sub Fund Administrator Contract – RRM, LLC

Action Taken: M (Le Febvre)\ S (Russo) \ Abstention (Robinson) \ Carried (Affirmative Votes = Le Febvre, Russo, Rutzky, Tonzini) to approve the attached NJEIF contract between NJSIG and Regional Risk Managers, LLC for the period of 7/1/15 to 6/30/18.

2. CAIP Sub Fund Administrator Contract – J. Byrne Agency

Action Taken: M (Le Febvre)\ S (Russo)\ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) to approve the attached CAIP contract between NJSIG and J. Byrne Agency for the period of 7/1/15 to 6/30/18.

H. NJSBA Central Trustee Nomination Thomas F. Connors, Ph.D

Action Taken: M (Le Febvre)\ S (Rutzky)\ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) to approve the NJSBA nomination of Thomas F. Connors, Ph.D. for the term 7/1/15 to 6/30/18.



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I. NJSIG Investments

Action Taken: M (Le Febvre) \ S (Russo) \ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) to purchase a \$6 million CD for 365 days.

J. NJSIG Relocation

Action Taken: M (Rutzky) \ S (Russo) \ Carried (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) to approve the Executive Director signing a ten-year lease for 6000 Midlantic Dr., Mt. Laurel, NJ at a cost not to exceed \$450,000 in the first year and signing a five-year lease for 500 Campus Drive, Marlboro, NJ at a cost not to exceed \$60,000 for the first year, inclusive of operating costs and utilities. In addition, approve the Executive Director's signing of the six month lease extension for the existing Mt. Laurel data recovery center. The Mt. Laurel lease will commence by the end of the fourth quarter of 2015 and the Marlboro location will commence by the end of the third quarter 2015.

ITEM #11 NEW BUSINESS

Chairman, Anthony Tonzini, Jr., discussed a retreat to include Trustees and Senior Management for a time not yet determined in July or early August.

The Executive Director reminded the Trustees of the AGRiP Governance Conference.

Motion to Adjourn M (Robinson) \ S (Le Febvre) \ C (Affirmative Votes = Le Febvre, Robinson, Russo, Rutzky, Tonzini) 5:10 p.m.

William Mayo

William M. Mayo, CPCU, ARM
Executive Director