

**MORRIS ESSEX INSURANCE GROUP
MINUTES
BOARD OF TRUSTEES MEETING
JUNE 12, 2014**

The June 12, 2014 Board of Trustees meeting of the Morris Essex Insurance Group was called to order 12:00 Noon, by the Chairperson, Catarina Bilotta, at Café Na Vona in Rockaway, NJ.

ROLL CALL OF TRUSTEES:

CHAIRPERSON, Catarina Bilotta	ESC of Morris CO	PRESENT
VICE CHAIRPERSON Doug Pechanec	WEST MORRIS REGIONAL	PRESENT
SECRETARY, Liz George	WASHINTON TWSP	PRESENT
Susan Young	MCS of TECHNOLOGY	PRESENT
Vanessa Wolsky	HANOVER TWSP	PRESENT
John Esposito	LONG HILL TOWNSHIP	PRESENT
Cheryl Nardino	VERONA BOARD	PRESENT

MEMBERS

CATHERINE JENISCH	DOVER BOARD	PRESENT
VINCENT OCCHINO	ROSELAND BOARD	ABSENT
PETER CAPRIO	GLEN RIDGE BOARD	ABSENT
PAM HINMAN	WEST ESSEX REGIONAL	PRESENT
MELISSA SIMMONS	MINE HILL BOARD	PRESENT
THOMAS KRYGER	MENDHAM TWSP	PRESENT
ROBIN TEDESCO	MT. ARLINGTON BOARD	PRESENT
DANIEL BORGO	MT. LAKES BOARD	ABSENT
WARREN CEURVELS	MORRIS PLAINS BOARD	PRESENT
MICHAEL HALIK	NORTH CALDWELL BOARD	PRESENT
GARY LANE	MADISON BOARD	PRESENT

FUND PROFESSIONALS PRESENT

EXECUTIVE DIRECTOR

**Robert Kanwisher
Debra Ginetto**

TREASURER

Jon Rheinhardt

INSERVCO

**Debbie Stout
Nancy Fowlkes**

ATTORNEY

John Tort

SAFETY

Michael Berta

AUDITOR

Bud Jones

FIRST MCO

Kelly Royce

Willis

John Moore

OTHERS PRESENT

Angelo Vilardi, Superintendent, Morris ESC

**MOTION TO APPROVE THE MINUTES OF THE March 20, 2014
BOARD OF TRUSTEES MEETING**

**MOVED: Cheryl Nardino
SECOND: Doug Pechanec
VOTE: UNANIMOUS**

**MOTION TO APPROVE THE TREASURER'S REPORT FOR MARCH 1, 2014
THROUGH May 31, 2014 AND THE BILLS LIST**

**MOVED: Doug Pechanec
SECOND: Liz George
VOTE: UNANIMOUS**

MOTION TO ADJOURN SINE DIE MEETING:

MOVED: Liz George
SECOND: Doug Pechanec
VOTE: Unanimous

SINE DIE MEETING ADJOURNED -CHAIRS VACATED. Catarina Bilotta ASKED THE EXECUTIVE DIRECTOR TO CONDUCT THE MEETING.

ROLL CALL OF THE MEMBERS:

DOUG PECHANEC	WEST MORRIS REGIONAL	PRESENT
VINCENT OCCHINO	ROSELAND	ABSENT
MICHAEL HALIK	NORTH CALDWELL	PRESENT
CHERYL NARDINO	VERONA BOARD	PRESENT
GARY LANE	MADISON BOARD	ABSENT
CATHERINE JENISCH	DOVER BOARD	PRESENT
LIZ GEORGE	WASHINGTON TWSP BOARD	PRESENT
PETER CAPRIO	GLEN RIDGE BOARD	ABSENT
PAM HINMAN	WEST ESSEX REGIONAL	PRESENT
JOHN ESPOSITO	LONG HILL TOWNSHIP	PRESENT
MELISSA SIMMONS	MINE HILL BOARD	PRESENT
SUSAN YOUNG	MCS OF TECHNOLOGY	PRESENT
ROBIN TEDESCO	MT. ARLINGTON BOARD	PRESENT
DANIEL BORGIO	MT. LAKES BOARD	ABSENT
VANESSA WOLSKY	HANOVER TWP BOARD	PRESENT
WARREN CEURVELS	MORRIS PLAINS BOARD	PRESENT
THOMAS KRYGER	MENDHAM TOWNSHIP	PRESENT
CATARINA BILOTTA	MORRIS CO ESC	PRESENT

It was determined that there was a quorum of membership and the Reorganization Meeting would take place.

MOTION TO ACCEPT THE NOMINATING COMMITTEE'S RECOMMENDATION TO RENEW THE SEVEN TRUSTEES AS EXPIRING,

MOVED: Liz George
SECOND: John Esposito
VOTE: 14 Yeas 0 Nays 0 Abstention

MOTION TO ACCEPT THE NOMINATING COMMITTEE'S RECOMMENDATION TO ELECT DOUG PECHANEC AS CHAIR, LIZ GEORGE AS VICE CHAIR AND VANESSA WOLSKY AS SECRETARY FOR A TERM OF 2 YEARS.

MOTION TO APPROVE OFFICERS: CHAIRPERSON, Doug Pechanec, VICE CHAIRPERSON, Liz George, and SECRETARY, Vanessa Wolsky, for a 2 year term, July 1, 2014-June 30, 2016

**MOVED: Liz George
SECOND: John Esposito
VOTE: 7 Yeas 0 Nays 0 Abstention**

MOTION TO APPROVE THE APPOINTMENT OF THE PROFESSIONALS FOR FUND YEAR 2014 - 2015 AS OUTLINED IN THE AGENDA.

**Executive Director - Burton Agency Inc
Actuary - O'Neil Consulting Services
Auditor - Nisivoccia & Company
Safety - Aero Environmental, Michael Berta
Claims Administrator – Inservco
Treasurer – Jon Rheinhardt
Defense Attorney - John Tort, Esq.
First MCO**

**MOVED: Doug Pechanec
SECOND: Liz George
VOTE: Unanimous**

It was noted for the record that Professional Fees for Executive Director, Actuary, Auditor, Safety Treasurer, and 1st MCO were renewed with 2% increase. Inservco presented the Fund with a 3 Year Contract, 0% 1st year, 2% 2nd year and 0% 3rd year.

MOTION WAS MADE TO ACCEPT THE 2014-2015 WC ASSESSMENTS/BUDGET and INSURED ASSESSMENT

**MOVED: Liz George
SECOND: Doug Pechanec
VOTE: Unanimous**

IT WAS NOTED THAT IN ORDER TO RECEIVE THE 3% DISCOUNT ON THE ANNUAL ASSESSMENTS, MEMBERS WOULD HAVE TO ATTEND 3 OUT OF THE 4 MEETINGS.

The only change to the Cash Management Plan and the Fiscal Management Plan was adding Santander Bank.

MOTION WAS MADE TO ADOPT THE MEETING DATES, 2014 CASH MANAGEMENT & INVESTMENT POLICY, THE 2014 FISCAL MANAGEMENT PLAN, 2014 RISK MANAGEMENT PLAN AND ADOPT THE PROFESSIONAL NON-CONFLICT OF INTEREST FORM AND ADOPT THE 2014 WORKER'S COMPENSATION COVERAGE POLICY

**MOVED: Liz George
SECOND: Gary Lane
VOTE: Unanimous**

EXECUTIVE DIRECTOR'S REPORT

The Executive Director reported on the Paid and Reserved Claims in the Agenda. For the 2014 year as of May 2014, the Fund is doing very well. We have Paid and Reserve of \$408,297 against a Loss Fund of \$2,025,807. Average potential Return of Surplus, excluding the 2014 year, is 44%.

Once again the Members received surplus checks distributed by the Treasurer during the June meeting.

The Executive Director reviewed the WC Assessments for 2014-2015. The mod for the Fund is .755 up slightly from .743. Overall, the Fund's average increase was 1.06%, against an average of 6% by the WC Bureau.

The upfront discount for each member, that received the 3% discount for attendance at the meetings, was an average of 40%.

The Excess WC purchased by the Fund remained at a specific retention of \$500,000. We continue to fund the retention and have \$47,388 accumulated so far since 2013.

Executive Director will look into holding back a minimum of 25% of a declared Return of Surplus for the members that have left the Fund until each year is totally closed out.

All Lines had a 5% overall increase over last year and that included exposure changes for (1) Board.

An informational packet on Scholastic Student Athlete Act, Janet's Law and Sports Related Head Injuries prepared by Attorney Steve Fogarty was shared with the members.

The information included a revised "Use of Facility Form" with language for a Waiver of Liability arising from AED devices. Boards should discuss this sample Form with their Board Attorney.

WILLIS/John Moore

John Moore discussed the Cyber Proposals - 3 Options.
It was decided to offer Option 1, \$1,000,000 per claim, \$3,000,000 aggregate for a cost of \$1,633. This price per participating board would be locked in if the majority of the 9 boards that received proposals participated.

Option 1 Proposal will be open to the entire membership. The more that participate the better the rate. Decision deadline is August 1, 2014.
A summary of the Plan will be sent with the email.

FIRST MCO

Quarterly reports were handed out to the members present and reviewed by Kelly Royce of 1st MCO.

SAFETY COMMITTEE REPORT

Minutes of April 9th meeting included in the Agenda.
Job Description for Post-Offer Medical Exams was amended and included in the Agenda.
Mike Berta distributed “NJ Right to Know Hazardous Communication Status Update” for everyone’s information.

MOTION TO RENEW SAFE SCHOOLS SAFETY PROGRAM FOR JULY 1, 2014 TO JUNE 30, 2015 AT A COST OF \$10,500

MOTION: Gary Lane
SECOND: Liz George
VOTE: UNANIMOUS

OLD BUSINESS

No one attended PRIMA Conference this year.

NEW BUSINESS

None

MOTION TO ADJOURN MEETING

MOTION: John Esposito
SECOND: Liz George
VOTE: UNANIMOUS

MEETING ADJOURNED: 1:30 PM

Catarina Bilotta
Chairperson

Date

