

**MORRIS ESSEX INSURANCE GROUP  
MINUTES  
BOARD OF TRUSTEES MEETING  
JUNE 16, 2016**

The June 16, 2016 Board of Trustees meeting of the Morris Essex Insurance Group was called to order 12:00 Noon, by the Chairperson, Douglas Pechanec, at Café NaVona in Rockaway, NJ.

**ROLL CALL OF TRUSTEES:**

<b>CHAIRPERSON, Doug Pechanec</b>	<b>WEST MORRIS REGIONAL</b>	<b>PRESENT</b>
<b>VICE CHAIRPERSON Liz George</b>	<b>WASHINGTON TWSP</b>	<b>PRESENT</b>
<b>SECRETARY, Vanessa Wolsky</b>	<b>HANOVER TWSP</b>	<b>PRESENT</b>
<b>Susan Young</b>	<b>MCS of TECHNOLOGY</b>	<b>PRESENT</b>
<b>John Esposito</b>	<b>LONG HILL TOWNSHIP</b>	<b>PRESENT</b>
<b>Cheryl Nardino</b>	<b>VERONA BOARD</b>	<b>ABSENT</b>
<b>Catarina Bilotta</b>	<b>ED SERVICES OF MO CO</b>	<b>PRESENT</b>

**MEMBERS**

<b>CATHERINE JENISCH</b>	<b>DOVER BOARD</b>	<b>PRESENT</b>
<b>JASON M. BOHM</b>	<b>ROSELAND BOARD</b>	<b>PRESENT</b>
<b>PETER CAPRIO</b>	<b>GLEN RIDGE BOARD</b>	<b>ABSENT</b>
<b>PAM HINMAN</b>	<b>WEST ESSEX REGIONAL</b>	<b>PRESENT</b>
<b>CAROLINA RODRIGUEZ</b>	<b>MINE HILL BOARD</b>	<b>PRESENT</b>
<b>THOMAS KRYGER</b>	<b>MENDHAM TWSP</b>	<b>ABSENT</b>
<b>ROBIN TEDESCO</b>	<b>MT. ARLINGTON BOARD</b>	<b>ABSENT</b>
<b>DANIEL BORGO</b>	<b>MT. LAKES BOARD</b>	<b>ABSENT</b>
<b>AMY BARKMAN</b>	<b>MORRIS PLAINS BOARD</b>	<b>ABSENT</b>
<b>MICHAEL HALIK</b>	<b>NORTH CALDWELL BOARD</b>	<b>PRESENT</b>
<b>GARY LANE</b>	<b>MADISON BOARD</b>	<b>PRESENT</b>

**FUND PROFESSIONALS PRESENT**

**EXECUTIVE DIRECTOR**

**Deb Ginetto**

**TREASURER**

**Jon Rheinhardt**

**INSERVCO**

**Nancy Fowlkes**

**SAFETY**

**Michael Berta**

**FIRST MCO**

**Kelly Royce**

**WILLIS**

**John Moore**

**AUDITOR**

**Bud Jones**

**ATTORNEY**

**John Tort**

**OTHERS PRESENT**

**Angelo Vilardi, Superintendent, Morris ESC**

**MOTION TO APPROVE THE MINUTES OF THE March 17, 2016**

**MOVED: Gary Lane**  
**SECOND: Cathy Jenisch**  
**VOTE: UNANIMOUS**

**MOTION TO APPROVE THE TREASURER'S REPORT FOR MARCH 1, 2016  
THROUGH May 31, 2016 AND THE BILLS LIST**

**MOVED: Gary Lane**  
**SECOND: Catarina Bilotta**  
**VOTE: UNANIMOUS**

**MOTION TO ADJOURN SINE DIE MEETING:**

**MOVED: Catarina Bilotta**  
**SECOND: Michael Halik**  
**VOTE: Unanimous**

**SINE DIE MEETING ADJOURNED -CHAIRS VACATED. Douglas Pechanec  
ASKED Executive Director TO CONDUCT THE MEETING.**

**ROLL CALL OF THE MEMBERS:**

Doug Pechanec	WEST MORRIS REGIONAL	PRESENT
Liz George	WASHINGTON TWSP	PRESENT
Vanessa Wolsky	HANOVER TWSP	PRESENT
Susan Young	MCS of TECHNOLOGY	PRESENT
John Esposito	LONG HILL TOWNSHIP	PRESENT
Cheryl Nardino	VERONA BOARD	ABSENT
Catarina Bilotta	ED SERVICES OF MO CO	PRESENT
Cathy Jenisch	DOVER BOARD	PRESENT
Jason M. Bohm	ROSELAND BOARD	PRESENT
Peter Caprio	GLEN RIDGE BOARD	ABSENT
Pam Hinman	WEST ESSEX REGIONAL	PRESENT
Carolina Rodriguez	MINE HILL BOARD	PRESENT
Thomas Kryger	MENDHAM TWSP	ABSENT
Robin Tedesco	MT. ARLINGTON BOARD	ABSENT
Daniel Borgo	MT. LAKES BOARD	ABSENT
Michael Halik	NORTH CALDWELL BOARD	PRESENT
Gary Lane	MADISON BOARD	PRESENT

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

**MOTION TO ACCEPT THE FOLLOWING NOMINATIONS OF TRUSTEES  
AND (2) ALTERNATES FOR JULY 1, 2016 THROUGH JUNE 30, 2017**

Doug Pechanec	WEST MORRIS REGIONAL
Liz George	WASHINGTON TWSP
Vanessa Wolsky	HANOVER TWSP
Susan Young	MCS of TECHNOLOGY
Michael Halik	NORTH CALDWELL
Cheryl Nardino	VERONA BOARD
Catarina Bilotta	ED SERVICES OF MO CO
John Esposito Alternate #1	Long Hill
Cathy Jenisch Alternate #2	Dover
<b>MOVED:</b>	<b>Gary Lane</b>
<b>SECOND:</b>	<b>Carolina Rodriguez</b>
<b>VOTE:</b>	<b>12 Yeas      0 Nays      0 Abstention</b>

**MOTION TO ELECT OFFICERS: CHAIRPERSON, Liz George, VICE CHAIRPERSON, Vanessa Wolsky and SECRETARY, Cheryl Nardino, for 1<sup>st</sup> year of 2 year term, July 1, 2016-June 30, 2018**

**MOVED: Gary Lane**  
**SECOND: Jason Bohm**  
**VOTE: 6 Yeas 0 Nays 0 Abstention**

**MOTION TO APPROVE THE APPOINTMENT OF THE PROFESSIONALS FOR FUND YEAR 2016 - 2017 AS per RESOLUTION IN THE AGENDA.**

**Executive Director - Burton Agency Inc**  
**Actuary - O'Neil Consulting Services**  
**Auditor - Nisivoccia & Company**  
**Safety - Aero Environmental**  
**Claims Administrator – Inservco**  
**Treasurer – Jon Rheinhardt**  
**Defense Attorney - John Tort, Esq.**  
**Managed Care - First MCO**  
**MOVED: Gary Lane**  
**SECOND: Catarina Bilotta**  
**VOTE: Unanimous**

**MOTION WAS MADE TO ACCEPT THE 2016-2017 WC ASSESSMENTS/BUDGET and INSURED ASSESSMENT**

**MOVED: Cathy Jenisch**  
**SECOND: Gary Lane**  
**VOTE: Unanimous**

**MOTION WAS MADE TO ADOPT THE MEETING DATES, 2016 CASH MANAGEMENT & INVESTMENT POLICY, THE 2016 FISCAL MANAGEMENT PLAN, 2016 RISK MANAGEMENT PLAN AND ADOPT THE PROFESSIONAL NON-CONFLICT OF INTEREST FORM AND ADOPT THE 2016 WORKER'S COMPENSATION COVERAGE POLICY**

**MOVED: Susan Young**  
**SECOND: Doug Pechanec**  
**VOTE: Unanimous**

## **EXECUTIVE DIRECTOR'S REPORT**

Executive Director reported on the Paid and Reserved Claims in the Agenda. For the 2016 year as of May 2016, the Fund is doing very well. We have Paid and Reserve of \$429,911 against a Loss Fund of \$2,061,739. Last year this time the paid and reserve was \$239,616 with 155 claims vs. 162 claims this year. Average potential Return of Surplus, excluding the 2016 year, is 62%.

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

The Executive Director reviewed the WC Assessments for 2016-2017. The mod for the Fund is .613 up from .589. Overall, the Fund's average increase was less than 1%. The upfront discount for each member, that received the 3% discount for attendance at the meetings, was an average of 38%.

The Excess WC purchased by the Fund remained at a specific retention of \$500,000. We continue to fund the retention and have \$77,502 accumulated so far since 2013.

All Lines had a 5% overall increase over last year, including exposure changes.

## **WILLIS/John Moore**

John Moore reviewed the Insured Program, policies were distributed.

## **FIRST MCO**

Quarterly reports were reviewed by Kelly Royce of 1<sup>st</sup> MCO.

## **SAFETY COMMITTEE REPORT**

Michael Halik reported that the Committee was working on a date for the Training of Supervisor of Buildings and Grounds and Business Administrators at Embassy Suites in Parsippany. Mike Berta is working on approval from the State for CE credits.

Mike reported that half the districts were inspected.

## **MOTION TO RENEW SAFE SCHOOLS SAFETY PROGRAM FOR JULY 1, 2016 TO JUNE 30, 2017 AT A COST OF \$10,500**

<b>MOTION:</b>	<b>Michael Halik</b>
<b>SECOND:</b>	<b>Susan Young</b>
<b>VOTE:</b>	<b>UNANIMOUS</b>

## **OLD BUSINESS**

None

**NEW BUSINESS**

**Discussion on the MEIG Fund and the PIP Fund combining.**

**MEIG members decided on forming a Task Force Committee and authorized Bud Jones to move forward with a financial analysis.**

**MOTION TO FORM A TASK FORCE COMMITTEE APPOINTED BY THE CHAIR, LIZ GEORGE, AND TO AUTHORIZE THE FUND AUDITOR, BUD JONES TO MOVE FORWARD WITH A FINANCIAL ANALYSIS TO COMBINE FUNDS**

**MOTION: Gary Lane  
SECOND: Michael Halik  
VOTE: UNANIMOUS**

**Liz George reported on the handling of her Cyber Claim through XL.**

**MOTION TO ADJOURN MEETING**

**MOTION: John Esposito  
SECOND: Sue Young  
VOTE: UNANIMOUS**

**MEETING ADJOURNED: 1:30 PM**

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**Liz George  
Chairperson**

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**Date**