



## 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](http://www.njsig.org)

### Board of Trustees Meeting of March 16, 2016 Board of Trustees Meeting Minutes of January 20, 2016

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New Jersey Schools Insurance Group's Board of Trustees Meeting of January 20, 2016 at the Forsgate Country Club, Monroe Township, NJ.

#### ATTENDEES

**Trustees:** Thomas F. Connors, Kevin Kitchenman, Irene Le Febvre, Steven Robinson, Christopher Russo, Tyler Seville, and Anthony Tonzini

**Participants:** David Rapuano representing *Archer & Greiner*, Valerie Dolan and Jenna Bauer representing *Nisivoccia LLP*, and Dave Ritch representing *Willis*

#### *NJSIG*

**Staff:** William Mayo, *Executive Director*; Michele Carosi, *Comptroller*; Jeffrey Cook, *Information Technology Manager*; Jill Deitch, *Chief Legal Officer*; Louis Giannetto, *Claim Manager*; Anthony Jones, *Loss Control Manager*, Kelly Machu, *Client Relations and Underwriting Manager*; Chai Respes, *Human Resource Manager*; and Renee Johnson-Payne, *Executive Assistant*.

#### ITEM #1 CALL TO ORDER

With a quorum present, the meeting was called to order at 4:05 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 1, 2015. Copies of these notices are on file with the New Jersey Secretary of State.

#### ITEM #2 ROLL CALL

Thomas F. Connors, Ph. D.	√	Christopher Russo, Ed. D.	√
Kevin Kitchenman	√	Tyler Seville	4:15pm
Irene Le Febvre	√	Anthony Tonzini, Jr.	√
Steven Robinson	A		



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**ITEM #3 ACCEPTANCES OF THE PUBLIC AND EXECUTIVE SESSION MINUTES OF NOVEMBER 18, 2015.**

*Action Taken: M (Le Febvre)\ S (Russo)\ Carried (Affirmative Votes = Connors, Kitchenman, Le Febvre, Robinson, Russo, Tonzini) to accept the November 18, 2015 Public and Executive Session Board of Trustees Meeting Minutes.*

**ITEM #4 PUBLIC PARTICIPATION**

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

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

**ITEM #5 SUB FUND LIAISONS – Reports/Comments**

Frank Domin, BACCEIC Liaison, reported on their January 13, 2016 meeting where Dr. John More, Response Law, presented. Mr. Domin commented there was a good turnout and positive feedback from business administrators

Jay Lynch, MOCSSIF Administrator, reported they will have guest speaker John Gainey present at their March 4, 2016 meeting. Mr. Lynch commented MOCSSIF is working with ERIC North planning their joint training seminar scheduled for May 2016. Lastly, he mentioned the business administrators are requesting projected budgets for the property and casualty for 2016/2017 year.

Jay Lawton, ERIC North Administrator, welcomed the opportunity to work with MOCSSIF on the May 2016 joint training seminar.

Tyler Seville arrived 4:15 p.m.



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### ITEM #6      REPORTS

The Executive Director, William Mayo, reported he met with the domestic property reinsurers on January 19, 2016 and international reinsurers December 7-9, 2015. Those meetings went very well. The upcoming renewal pricing is expected to be very palatable and he will get updates out as well as final numbers as they become available. He plans to keep everyone very well informed through the process.

Anthony Tonzini, Chairman, requested follow-up information on the generic email issue. Mr. Mayo, Executive Director, explained the purpose of the generic email address is to allow the membership entry to the Group's portal which contains each member's NJSIG information in one location. He further explained there has been some push back on the request due to a misunderstanding.

Mr. Mayo informed the Trustees of another issue which has surfaced. Jill Deitch, Chief Legal Officer, made the membership aware of an emerging area of claims called spoliation and how it can harm a member district.

Michele Carosi, Comptroller, reported that she still has not received results from the Department of Banking and Insurance audit. She will continue to follow-up for the audit results and update the Trustees at each meeting.

Ms. Carosi reported she will be working with Mr. Mayo researching investment possibilities. They will keep the Trustees abreast of the progress and request approvals as needed to move forward with the project.

Dave Ritch, Willis, explained the renewal terms for the Errors and Omissions program. He explained the E&O program applies to the entire organization, it covers the Trustees individually, errors that occur in the course of the scope of your serving for the Group, the employees of the Group, for things like errors in loss control, errors in claims administration, underwriting and all of those areas. It's a fairly broad product.



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### ITEM #7 DISCUSSION ITEM:

#### A. Travel Expense Report

Watson Consulting provides HR assistance to the Group and at the Trustees' request, there was an interest in reviewing policy and procedures. The Group would look at the policy and procedures, beginning with a couple of particular areas of interest, notably travel and expense and come to the Trustees with a revision of that policy and procedure. Michele, Comptroller, and Chai, HR Manager, worked with Deb Watson on this particular policy and procedure, first reading, to improve the travel and expense policy of the Group. There were three notable changes. One is paying an excess mileage reimbursement. Second, tightened up definitions on what is and what is not reimbursable and to what extent, and eliminated the word "entertainment" from the lexicon, it is travel and expense. Move away from our current policy of weekly expense reports and move to monthly on a graduated basis.

### ITEM #8 ACTION ITEMS:

#### A. Revised 6/30/15 Financial Report

Valerie Dolan, Nisivoccia, reported on the implications of the financial statement, since the inclusion of the GASB68 adjustment. There are two main areas that did change, and she highlighted those changes. They are on the income statement and the balance sheet. The first set had to be rerecorded and had to be restated to the June 30, 2014 financial statements. We were required to book a net pension liability that had not previously been included in the financial statements. That amount was \$11,773,176.

*Action Taken: M (Robinson)\ S (Le Febvre)\ Carried (Affirmative Votes Connors, Kitchenman, Le Febvre, Robinson, Russo, Seville, Tonzini) to approve the revised financial statements as presented by Nisivoccia for the 2014/2015 fund year.*



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### B. First Reading: Travel Expense Report

*Action Taken: M (Connors)\ S (Le Febvre)\ Abstention (Robinson)\ Carried (Affirmative Votes Connors, Kitchenman, Le Febvre, Russo, Seville, Tonzini) to approve the Travel Expense Policy 6020 as a first reading..*

### C. Second Reading: Defense Panel Counsel Policy 2212

*Action Taken: M (Russo)\ S (Kitchenman)\ Carried (Affirmative Votes Connors, Kitchenman, Le Febvre, Robinson, Russo, Seville, Tonzini) to approve the Defense Panel Counsel Policy 2212as a second reading.*

### D. Checking Accounts & New Claims Ratification

*Action Taken: M (Russo)\ S (Le Febvre)\ C (Affirmative Votes = Connors, Kitchenman, Le Febvre, Robinson, Russo, Seville, 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 11/1/2015 to 12/31/2015.*

### ITEM #9 NEW BUSINESS

There was no new business.

### ITEM #10 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:

3/10/16



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10A. Matters involving attorney client privilege regarding personnel;

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

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 (Le Febvre) \ S (Russo) \ C (Affirmative Votes = Connors, Kitchenman, Le Febvre, Robinson, Russo, Seville, Tonzini) to make a motion to close open session at 4:50 p.m. and move meeting into executive session.*

*William Mayo*

William M. Mayo, CPCU, ARM  
Executive Director