

***School Pool for Excess Liability Limits Joint Insurance Fund  
SPELL JIF***

**Arthur J. Gallagher Risk Management Services, Inc.  
6000 Sagemore Drive, Suite 6203  
Marlton, New Jersey 08053**

**OPEN SESSION MINUTES  
Friday, February 1, 2019**

**I. MEETING CALLED TO ORDER**

The meeting of the School Pool for Excess Liability Limits Joint Insurance Fund (SPELL) was held at the Arthur J. Gallagher Risk Management Services Offices on Friday, February 1, 2019 at 10:00 a.m., with Tom Grossi, Greater Egg Harbor RHSD, Chairperson, presiding.

**II. STATEMENT OF COMPLIANCE WITH THE OPEN PUBLIC MEETING ACT**

Notice of this meeting was given by sending sufficient notice herewith to newspapers recognized by owner groups; filing advance written notice of this meeting with each member and their members districts; and by posting notice on the public bulletin boards of all municipalities served by the member districts of each owner group.

**III. ROLL CALL**

**2018-2019 Trustees present**

Thomas P. Grossi, Greater Egg Harbor RHSD, Chair – ACCASBO JIF  
Cherie Bratty, Upper Deerfield Township School District, Vice Chair – GCSSD JIF  
Robert Wachter, Jr., Mt. Laurel Twp. BOE, Secretary – BCIP JIF  
Joseph Smurlo, Egg Harbor City School District – ACCASBO JIF  
Richard J. Kaz, Jr., Northern Burlington County RSD – BCIP JIF  
Margaret F. Meehan, Washington Twp. BOE – GCSSD JIF

**2018-2019 Trustees absent**

None

**2018-2019 Alternate Trustees present**

Christopher Veneziani, Folsom BOE, Alternate Trustee – ACCASBO JIF  
Michael Colling, Medford Lakes SD, Alternate Trustee – BCIP JIF  
Diana Schiraldi, Eastern Camden County RSD, Alternate Trustee – BCIP JIF

**2018-2019 Alternate Trustees absent**

Kim Robinson, Mainland Regional High School, Alternate Trustee – ACCASBO JIF  
Joseph Collins, Elk Township School District, Alternate Trustee – GCSSD JIF  
Christopher Rodia, Westville/Woodbury Heights, Alternate Trustee – GCSSD JIF

**District Personnel present**

No one

D. *Executive Director/Underwriting Manager Summary*

1. Executive Director

*2019-20 Membership Renewal* - Mr. Wilkie reported that there are 22 districts within the local owner group funds that are up for membership renewal on July 1, 2019. Nineteen districts have already renewed. He advised that the remaining 3 districts should be renewing soon and discussed that Mercer County Vo-Tech is being pressured by the County to move over to the county JIF.

*Public School Works Course Expansion - MOTION REQUESTED* – Mr. Wilkie explained the addition of courses and the pricing to add Making Right Choices offerings and suicide prevention course work to the SPELL JIF contract with Public School Works. The pricing will be \$4.00 when these courses are accessed versus the \$2.50 for the courses currently in the SPELL contract.

*MOTION* by Mr. Veneziani, second by Ms. Meehan, to approve the addition of these courses to the SPELL contract with Public School Works at the above pricing. All in favor. Motion carried.

*SPELL JIF 2019 Joint Retreat – MOTION REQUESTED* – Mr. Wilkie reviewed a discussion at the October meeting to bring in Andras Tilcik as a presenter for the 2019 SPELL JIF Retreat. Mr. Tilcik was a keynote speaker at the Fall AGRIP Conference. Mr. Colling and Ms. Bratty attended AGRIP and recommended Mr. Tilcik. Mr. Wilkie distributed copies of Mr. Tilcik's book, Meltdown. It addresses how risk has changed in the last 5 years, both positively and negatively. He explained that he hopes this presentation will provide the JIFs with transition and planning for the next 5 years. The proposal received is for Mr. Tilcik and his colleague, Chris Clearfield, to present on Wednesday at the SPELL Retreat at the cost of \$15,000. He explained that Mr. Hoffman has advised that this expense can be covered by the SPELL budget. Discussion followed on the schedule of the retreat.

*MOTION* by Mr. Colling, second by Ms. Bratty, to approve the proposal of Andras Tilcik and Chris Clearfield to present at the SPELL JIF Joint Retreat in September, 2019. All in favor. Motion carried.

2. Underwriting and Finance Director

*Resolution 2018-12 Change in Designated Executive Director–MOTION REQUESTED* - A motion is requested to approve Resolution 2018-12 to change the Executive Director of the SPELL Joint Insurance Fund from Paul J. Miola to Bradford W. Hoffman. Mr. Hoffman explained that he has taken over the responsibilities previous handled by Mr. Miola.

*MOTION* by Mr. Wachter, second by Ms. Bratty, to approve Resolution 2018-12 Change in Designated Executive Director. All in favor. Motion carried.

*Contract Matter – Public School Works and CompanyNurse* - Mr. Hoffman explained that his office was contacted by Public School Works concerning their partnership with CompanyNurse, who provides triage services for injured employees. Mr. Hoffman noted that Mr. Tennant has advised Public School Works, in writing, that the SPELL members are not permitted to utilize the services of CompanyNurse and that no member of the SPELL JIF should be contacted by any of their representatives. The SPELL JIF and the local owner groups contract with Qual-Lynx for management of workers' compensation claims. A copy of Mr. Tennant's correspondence is included in the agenda packet.

*Audit Summary* - Mr. Hoffman provided a handout which he reviewed in detail. He discussed a summary of the audit for June 2018 and advised there were no unusual findings or recommendations. He noted that the net surplus position has improved by \$1,257,252.00.

*MOTION* by Ms. Bratty, second by Ms. Meehan, to accept the June 30, 2018 Financial Audit prepared by Jim Miles of Bowman & Company. All in favor. Motion carried.

*Corridor Deductible Update* - Mr. Hoffman reported on the Corridor Deductible Development for Fund Years 2016-2017, 2017-2018 and 2018-2019. He reviewed the puzzle chart provided. He explained that the SPELL assumed another layer of risk to reduce premiums. Fund Years 2016-2017 and 2017-2018 are fully funded. Fund Year 2018-2019 has one property claim that is developing, but the year looks positive overall so far.

*Initial Budget Outlook 2019-2020 – MOTION REQUESTED* - Mr. Hoffman reviewed the Budget Model for the 2019-20 Fund Year. He advised that conservative estimates of 5% were made in the budget and the percentages will most likely be lower.

*MOTION* by Mr. Kaz, second by Ms. Bratty to approve the 2019-2020 preliminary budget. All in favor. Motion carried.

*Insurance Renewal Update* - Mr. Hoffman discussed the package reinsurance through Great American. He estimated a conservative renewal package rate projection of +5% on all lines of coverage.

Mr. Hoffman noted that the Pollution/Mold coverage was estimated as 25% increase because the mold experience has been very bad this year. He advised that Mr. Tennant has met with representatives from SAIF and NJSIG to discuss the possibility of creating a statewide Joint Insurance Fund for pollution/environmental coverages.

Mr. Hoffman anticipates stable or flat renewal rates for statutory excess workers' compensation, boiler & machinery, cyber liability and violent and malicious acts and disaster management services. With regard to the property program renewal, he advised that Mr. Samuels of RPS Atlanta has advised that the global property losses over the last 2 years have impacted carriers and it will impact account renewals in 2019. Mr. Hoffman projected a conservative renewal rate increase of +20% for the property program. He is hoping for 10%, but wanted to project the worst-case scenario.

**VI. MOTION REQUESTED – Resolution 2018-13 to go into Closed Session.**

*MOTION* by Mr. Kaz, second by Ms. Bratty, to go into Closed Session. All in favor. Motion carried.

**VII. MOTION REQUESTED to come out of Closed Session.**

*MOTION* by Ms. Meehan, second by Ms. Schiraldi, to come out of Closed Session.

**VIII. MOTION REQUESTED Resolution 2018-14 Appointing Environmental Assessment Consultant.**

*MOTION* by Mr. Smurlo, second by Ms. Meehan, to approve Resolution 2018-14 Appointing Environmental Assessment Consultant. All in favor. Motion carried by unanimous vote.

**IX. MOTION REQUESTED to approve Recording Secretary for the SPELL JIF.**

*MOTION* by Mr. Kaz, second by Ms. Bratty, to approve Annette Reap as the Recording Secretary for the SPELL JIF. All in favor. Motion carried by unanimous vote.

**X. MISCELLANEOUS BUSINESS AND PUBLIC COMMENT**

The next meeting of the SPELLJIF is scheduled to be held on Friday, April 12, 2019 at 10:00 a.m. at the Arthur J. Gallagher Risk Management Services, Inc., 6000 Sagemore Drive, Suite 6203, Marlton, NJ 08053.

**XI. MOTION REQUESTED** to adjourn the meeting

*Motion* by Ms. Bratty, second by Ms. Meehan, to adjourn the February 1, 2019 meeting of the SPELLJIF. All in favor. Motion carried by unanimous vote.

The meeting adjourned at 11:31 a.m.



---