

***School Pool for Excess Liability Limits Joint Insurance Fund
SPELLJIF***

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

**OPEN SESSION MINUTES
Friday, February 3, 2017**

I. REORGANIZATION 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 3, 2017 at 9:30 a.m., with Tom Fanuka, Lumberton, 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

2016-2017 Delegates present

Thomas J. Fanuka, Lumberton Twp. BOE, SPELL Chair – BCIP JIF
Joseph Smurlo, Egg Harbor City School District, SPELL Vice Chair – ACCASBO JIF
Margaret F. Meehan, Washington Twp. BOE, SPELL Secretary – GCSSD JIF
Thomas P. Grossi, Greater Egg Harbor RHSD, Trustee – ACCASBO JIF
Cherie Bratty, Upper Deerfield Township School District, Trustee – GCSSD JIF

2016-2017 Delegates absent

Richard J. Kaz, Jr., Northern Burlington County RSD, Trustee – BCIP JIF

2016-2017 Alternate Delegates present

Suzanne Keller, Somers Point BOE, Alternate Trustee – ACCASBO JIF
Kim Jensen, Mainland Regional High School, Alternate Trustee – ACCASBO JIF
Barbara A. Godfrey, Southampton Twp., BOE, Alternate Trustee – BCIP JIF
Robert Wachter, Jr., Mt. Laurel Twp. BOE, Alternate Trustee – BCIP JIF
Brian Ferguson, Penns Grove-Carneys Point Regional BOE, Alternate Trustee – GCSSD JIF

2016-2017 Alternate Delegates absent

Joseph Collins, Elk Township School District, Alternate Trustee – GCSSD JIF

District Personnel present

No one

District Personnel absent

John Serapiglia, Jr., Passaic County Manchester – SE JIF
Karen Yeamans, Nutley – SE JIF

Fund Professionals present

Craig H. Wilkie, Area Vice President – AJGRMS, Inc.
Scott C. Tennant, Area Vice President – AJGRMS, Inc.
Bradford W. Hoffman, Area Vice President – AJGRMS, Inc.
Jennifer Fox, Sr. Account Manager – AJGRMS, Inc.
Lorraine Verrill, CPA, Fund Treasurer – Verrill & Verrill, LLC (left at 9:34 a.m.)
Sharon Wilson, Recording Secretary
Joseph Lawler, Cyber Auditor, K2 Intelligence

IV. APPROVAL OF MINUTES

Motion by Ms. Bratty, second by Ms. Godfrey to approve the Minutes of the October 14, 2016 meeting of the SPELLJIF. All in favor, with the exception of Ms. Keller and Ms. Jensen, who abstained. Motion carried by majority vote.

V. PROFESSIONAL REPORTS

A. *Accountant/Treasurer*

Ms. Verrill referred to the November and December, 2016, and January, 2017 Bill Lists and Cash Reconciliation Reports for September, October, November, and December, 2016 found in the agenda.

Motion by Ms. Meehan, second by Ms. Godfrey to approve the Bill Lists and Treasurer's Reports. All in favor. Motion carried.

B. *Attorney* – No report.

C. *Executive Director/Underwriting Manager Summary*

1. Executive Director

a. *2017-2018 Membership Renewal:* Mr. Wilkie reported that there are 23 districts within the local owner group funds that are up for membership renewal on July 1, 2017. They are as follows: ACCASBO – 5 districts (five have renewed to date); BCIP – 13 districts (6 have renewed to date); GCSSD – 5 districts (2 have renewed to date).

b. *Potential Members Update:* Mr. Wilkie reviewed potential prospects, as well as marketing strategy.

c. *Website Update:* Mr. Tennant reported that all three websites (public, private, and development) are now consolidated and managed by BigBoom Design. This reduces the complexity and allows for a single source of contact when managing accessibility and development. Every aspect of the website has been transitioned to WordPress, the industry leader and most common platform for website development. This increases compatibility for future integration efforts.

Mr. Tennant also reported that Chris Pistone and Melissa Ollendike have left AJG's employ. This was untimely, as we were just beginning to test the WordPress version of the Certificate of Insurance module. This work was put on hold, and work within the team was reallocated. Megan Matro, who has extensive WordPress experience, has been hired effective February 21, 2017. It is

anticipated that her expertise will raise the entire team's skillset and enable a far greater pace of website development.

d. *Conference Update:* Mr. Tennant reviewed the following upcoming conferences.

- i. AGRIP – March 5-8, 2017 in Champions Gate, FL
- ii. NJSIA – Worker's Compensation Conference – May 4-5, 2017 in Atlantic City
- iii. PRIMA – June 4-7, 2017 in Phoenix, AZ
- iv. Mold/Environmental Management Seminar – July 19, 2017, Indian Springs CC
- v. SPELL JIF Retreat – September 27-29, 2017 in Cape May
- vi. AGRIP – October 1-4, 2017 in Baltimore, MD

e. *Drones:* Mr. Tennant reported that No Drone Signs have been received and are being distributed to members upon request. The signs cost \$11.99 each and an initial order was for 150 signs; Mr. Tennant anticipates reordering fairly soon as members take advantage of obtaining them.

Mr. Tennant reported that there are a number of areas of ambiguity in the current FAA regulation schema that we are currently following and hoping to help members manage as they begin using drones. He reviewed recent FAA interpretations and summaries. Discussion ensued, and he urged members to notify the office in advance of deploying a UAS so that insurance needs can be met and possible fines can be avoided.

f. *Cyber Audit Competition* – Mr. Tennant reviewed the seven responses received from among the twenty members who had qualified to compete to receive the cyber assessment. He asked members to choose two from among the seven deserving districts to be awarded the assessment. Discussion ensued, regarding which type/size of districts to select. and Mr. Fanuka asked if AJG has a preference, which they do not.

Motion by Mr. Wachter, second by Ms. Bratty to approve Haddon Heights (small K-12) and Washington Township (large K-12) to receive the Cyber Audit at a cost of \$64,000.00. All in favor, with the exception of Ms. Meehan, who abstained. Motion carried by majority vote.

Mr. Tennant informed the members that the contract has been reviewed by Mr. Greco, and the process will begin immediately. Mr. Fanuka thanked Ms. Meehan for volunteering to participate in this process.

2. Underwriting and Finance Director

a. *New Jersey DOBI Compliance Audit Examination Report:* Mr. Hoffman reviewed this report and informed the members that this was a satisfactory audit, with no recommendations.

b. *Audit Update June 30, 2016, and Aggregate Liability Detail Review:* Mr. Hoffman reported that the audit is in extension, and should be completed shortly. He reviewed the Aggregate Liability Detail included in his report.

c. *2017-2018 Renewal Update:* Mr. Hoffman provided an update on the renewal process. He reviewed each carrier, and the anticipated increase in premiums if applicable, as detailed in his report.

d. *Excess/Reinsurance Partner Update:* Mr. Hoffman distributed an Underwriting & Finance Report to SPELL Board of Trustees and reviewed it in detail, including SPELL Carrier Comparisons for 2017-2018 for the following:

- Great American – Package AL / GL / ELL / WC / Property

- Safety National – Statutory Excess WC
- Risk Placement Services Atlanta – Layered Property Structure
- Travelers / RPS Chicago – Boiler & Machinery
- Beazley / AJG – Pollution / Environmental / Mold – Mr. Tenant reviewed this item, and reminded members that there is no remediation coverage included in the policy if lead testing results are positive.
- AIG / RPS Technology – Cyber Liability
- American Alternative / RPS Aviation – Unmanned Aerial Systems
- Lloyds of London – Violent Malicious Acts
- Lloyds of London / Disaster Management International – Disaster Management Services
- Hardenbergh Insurance Group – Student Accident Group Purchase Program
- AJG Public Sector High Excess Preferred Program

e. *2017-2018 Initial Budget Outlook – Motion Requested:* Mr. Hoffman reviewed this handout and asked for a motion to approve.

Motion by Mr. Smurlo, second by Ms. Bratty to approve 2017-2018 Budget Outlook as presented. All in favor. Motion carried by unanimous vote.

VI. MOTION REQUESTED TO GO INTO Closed Session

There is no Closed Session

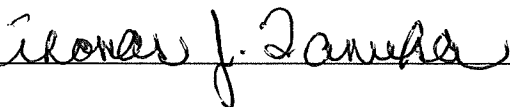
VII. MISCELLANEOUS BUSINESS AND PUBLIC COMMENT

The next meeting of the SPELLJIF is scheduled to be held on Friday, April 7, 2017 at 9:30 a.m. at the Arthur J. Gallagher Risk Management Services, Inc., 6000 Sagemore Drive, Suite 6203, Marlton, NJ 08053.

VIII. MOTION REQUESTED to adjourn the meeting

Motion by Ms. Bratty, second by Ms. Meehan to adjourn the February 3, 2017 meeting of the SPELLJIF. All in favor. Motion carried by unanimous vote.

The meeting adjourned at 10:39 a.m.





Sharon Wilson, Recording Secretary