

School Pool for Excess Liability Limits Joint Insurance Fund SPELL JIF

Teleconference Meeting via Zoom

Friday, April 23, 2021 – 10:00 AM

OPEN SESSION MINUTES

I. MEETING CALLED TO ORDER

The meeting of the School Pool for Excess Liability Limits Joint Insurance Fund (SPELL) was held remotely on Friday, April 23, 2021 at 10:03 a.m., with Thomas 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

2020-2021 Trustees present

Thomas P. Grossi, Greater Egg Harbor RHSD, **Chair** – ACCASBO JIF
Robert F. Wachter, Jr., Mt. Laurel Twp BOE, **Secretary** – BCIP JIF
Christopher Veneziani, Folsom BOE, **Trustee**– ACCASBO JIF
Richard J. Kaz, Jr., Northern Burlington County RSD, **Trustee** – BCIP JIF (arrived 10:10 am)

2020-2021 Trustees absent

Cherie Bratty, Upper Deerfield Twp School District, **Vice Chair** – GCSSD JIF
Joseph Collins, Elk Twp School District, **Alternate Trustee** – GCSSD JIF

2020-21 Alternate Trustees present

Chandra Anaya, Egg Harbor Twp SD, **Alternate Trustee** – ACCASBO JIF (arrived 11:00 am)
Michael Colling, Medford Lakes SD, **Alternate Trustee** – BCIP JIF

2020-21 Alternate Trustees absent

Diane Fox, Middle Township BOE – ACCASBO JIF
Kathleen Huder, Lindenwold BOE, **Alternate Trustee** – BCIP JIF
Chris Rodia, Westville/Woodbury Heights, **Alternate Trustee** – GCSSD JIF
Rose Wang Chin, Woodstown-Pilesgrave RSD, **Alternate Trustee** – GCSSD JIF

District Personnel absent

John Serapiglia, Jr., Passaic County Manchester Regional BOE– SE JIF
Edward Appleton, Interim, Nutley BOE– SE JIF

Fund Professionals present

Bradford Hoffman, Director of Program Administration – RPA, a division of Gallagher
Craig H. Wilkie, Sr. Program Administrator – RPA, a division of Gallagher
Scott C. Tennant, Sr. Program Strategist– RPA, a division of Gallagher
Jennifer Fox, Sr. Account Manager – RPA, a division of Gallagher
Megan Matro, Marketing Specialist- RPA, a division of Gallagher
Louis J. Greco, Esquire, Fund Solicitor
Lorraine Verrill, CPA, Fund Treasurer – Verrill & Verrill, LLC
Tracy Lopez, Account Manager, PERMA
Annette Reap, Recording Secretary

IV. APPROVAL OF MINUTES

Motion by Mr. Wachter, second by Mr. Veneziani, to approve the Minutes of the February 5, 2021 meeting of the SPELL JIF. All in favor. Motion carried.

V. PROFESSIONAL REPORTS

A. Accountant/Treasurer

Ms. Verrill reviewed the February, 2021 through April, 2021 Bill Lists and Cash Reconciliation Reports for January through March, 2021 found in the agenda.

Motion by Mr. Veneziani, second by Mr. Wachter to approve the Bill Lists and Treasurer's Reports. All in favor. Motion carried.

Ms. Verrill left the meeting at 10:06 am.

B. Solicitor – No report.

C. Student Accident Program Report – No report.

D. Executive Director/Underwriting & Finance Director Report

1. UNDERWRITING & FINANCE DIRECTOR

2021-2022 Budget Process – Vendor Review – Mr. Hoffman reviewed Addendum A of the agenda, as well as shared on the virtual meeting screen. Each vendor was reviewed in detail, with specific discussions noted below.

Solicitor – No increase requested. Mr. Greco advised that he will retire effective January 31, 2022. Mr. Hoffman advised that a search will begin to try to find a suitable replacement. Mr. Greco will be involved in the process, which will begin after renewal is wrapped up sometime in the fall.

Environmental Hazard Risk Consultant – Mr. Hoffman reminded the Trustees that this line item has been rolled into the contract with the Safety Director with the SPELL.

Safe & Secure Legal File Exchange – Mr. Hoffman reiterated that this was discussed at the February meeting and it was agreed to transfer ownership to the SPELL. The cost remains the same. Miles Software manages the platform and between Ms. Boyle and Ms. Fox will manage the monthly input and posting of information. No increase in those fees.

HR Helpline – Mr. Hoffman stated that this service is provided through Enquiron and there is no change in cost. His office just learned that Enquiron was acquired by Zywave, but there is

no anticipation of any changes to the platform or the services that we get from them. More information will be provided as it is received.

Property Appraiser – No increase has been requested. Mr. Hoffman reminded the Trustees that this service was changed over to Lynn Forsythe last year. Ms. Forsythe transitioned from Duff & Phelps over to Gallagher Bassett Appraisal Services. Ms. Forsythe has been familiar with the SPELL for over 25 years.

Public School Works – Mr. Wilkie referred to page 12 of Addendum A in the supporting documents and noted that PSW is changing how they operate. They have proposed moving the SPELL to an enhanced managed training program where a designated person would be assigned to a district to direct training. Mr. Wilkie has been trying to figure out the cost of the new proposed program. Mr. Wilkie asked the Trustees to read over the material included in the agenda and make a recommendation or form a committee to research and evaluate the whole program. The Trustees agreed to do so.

Mr. Kaz left the meeting at 10:20 am.

Safety Coordinator – Mr. Hoffman reported that this contract was added at the SPELL level recognizing that Mr. Geitz needs to maintain the level of training that has been provided and the JIF has come to expect. Mr. Wilkie stated that Mr. Geitz has brought on a part-time person, Joe Biluck, who has been working with him over the past 2 years on specific projects. The goal is to bring Mr. Biluck on full time. Mr. Geitz has also brought in someone to help conduct remote training in the last year. Mr. Hoffman explained that no monies have been paid to Mr. Geitz out of the budgeted amount for 2020-21. It was established and the number will be specific when Mr. Geitz gets the program up and running and establishes what the expansion of services is going to be.

Stopit/24 HR IMS – Mr. Wilkie explained that Stopit picked up WeTip, which is a 24 hour monitoring service. It seems the relationship between Stopit and WeTip has been severed and they are now working with another company. Another added service is the mental wellness and compliance training center component being offered on a JIF-wide basis for a flat fee of \$5000.

Underwriting Manager – Mr. Hoffman explained that the +3% request is required by his corporate office, but the number can be adjusted according to Trustees. Mr. Hoffman stated that the bulk of services provided are as the underwriting manager and placement of coverage and the process during renewal. He noted that the Trustees' consideration is always appreciated. Mr. Grossi suggested that the Underwriting Manager's request be adjusted to +2-2.5% range in line with the other vendors. After some discussion, the Trustees agreed to adjust the fee to +2.5%. He thanked the Executive Director's office for putting the vendor review package together. He knows it's a huge undertaking, but it is needed. The Trustees agreed.

Collaborative Network/Web Hosting & Administration – Mr. Tennant advised that he is working on an enterprise risk management approach for the members and the JIF that is a single access through the JIF website. At a point using Power BI, which currently looks like a review of loss reports, but it is going to be far more than that. It will integrate all the underwriting data, usage data and will begin to help the members see themselves relative to activity, risk, loss information on an on-demand basis right through the website. In order to do that, the only real change in cost is the request to use a Power BI consultant, which was

Cloudburst prior, at a rate of \$40/hour. That individual would be used on an on-demand, as-needed basis. Mr. Tennant is looking forward in the year ahead to producing on-demand loss reports, exception reporting and a grouping of reports that will help members see themselves and the SPELL see the entire JIF.

Mr. Hoffman concluded vendor review. He noted that the numbers discussed will be moved into the final budget to be approved in May.

Mr. Tennant wanted to discuss cyber risk. He advised that he was working on a consulting assignment and it is clear that there is concern about cyber and IT going forward, as the result of a survey of 81 school districts in Washington. He assumes it will be a concern here as well, especially with the way the pandemic has distorted the IT footprint. Mr. Tennant explained that he is looking at a variety of ways to approach, knowing there are limited resources, but wanted to make the Trustees aware that he hopes, by May, to have the opportunity to assess what the budget capabilities are and perhaps present an additional service that would help the members with cyber and IT issues.

2021-2022 Renewal Update – Excess / Reinsurance Partner Update – Mr. Hoffman reviewed handout provided on screen. Mr. Hoffman said it is another challenging insurance market. The renewal numbers provided are a worst-case scenario on a percentage basis on the individual lines of coverage. No real anticipated changes in the carriers. The property and excess coverages are layered between 12-16 carriers once we get above Great American. The Great American program was not marketed, as there was a pretty good outlook from Great American early on. Property last year was up over 40% and is going to be up again, but is consistent with what everyone is seeing worldwide in the marketplace. He is hoping to bring the budget in under 30%. Mr. Hoffman noted that he hopes that all the worst-case scenario numbers will come in lower when final proposal is presented next month.

Aggregate Corridor Deductible Status Update – MOTION REQUESTED - Mr. Hoffman provided an update on the aggregate corridor deductible. He explained that in 2016-17, through Great American, the SPELL was given the option to retain \$1M as a corridor deductible. Mr. Hoffman noted that for any individual claims that hit the \$250K SIR, the SPELL pays the first \$1M of the claim or multiple claims. He stated that it was money previously given away in premium that now can be retained if the SPELL doesn't have experience in that layer. Mr. Hoffman reviewed the handout by fund year. He asked for a motion to make the payments as discussed.

Motion by Mr. Wachter, second by Mr. Veneziani, to make payments from the aggregate corridor deductible to the individual owner groups as presented. All in favor. Motion carried.

Initial Budget Outlook 2021-2022 – MOTION REQUESTED – Mr. Hoffman presented a Preliminary Budget for the 2021-2022. He requested a motion to accept the preliminary budget for 2021-2022.

Motion by Mr. Veneziani, second by Mr. Wachter, to adopt the 2021-2022 preliminary budget as presented. All in favor. Motion carried.

Certificates of Insurance Report - Mr. Hoffman referred to the report included in the agenda packet. Any questions concerning the report can be directed to Jennifer Fox at the Administrator's office.

2. EXECUTIVE DIRECTOR

2021-2022 Membership Renewal - Mr. Wilkie reported that there are 33 districts within the local owner group funds that are up for membership renewal on July 1, 2021. They are broken down as follows: ACCASBO - 11 districts, BCIP - 15 districts, GCSSD - 7 districts. All 33 districts have renewed, plus Riverside (BCIP) and Westville (GCSSD) have renewed their memberships early. He explained discussion of districts early renewing when a BA is retiring, as in Riverside Township's case.

2021-22 SPELL Retreat - Mr. Wilkie advised there was a request to discuss holding the annual SPELL retreat in person in 2021-2022. After some discussion, it was decided to survey the SPELL membership before moving forward. Mr. Wilkie stated that The Grand Hotel is available for September 22-24, 2021. He also noted that the program is already planned since last year's retreat was not held. A survey will be sent and the results reported on at the May meeting.

NJSBA 2021 Virtual Fall Workshop – Mr. Wilkie reported that this annual fall workshop will be held virtually again this year on October 26-28, 2021. The SPELL usually has an exhibit booth at this conference. We are looking for the Trustees' support to participate virtually. The cost for the exhibit booth is \$2,000.00. After much discussion, the Trustees agreed to participate as an exhibitor at the virtual conference.

Mr. Wilkie advised that, at the NJASBO Spring Conference scheduled for June 9-11, 2021, has added a virtual Exhibit Hall where Associate Business members may participate by reserving a booth for \$200.

Proposed Meeting Dates for 2021-22 – Mr. Wilkie referred to the attached proposed meeting dates for the 2021-22 Fund Year. He asked the Trustees to review the schedule for any conflicts. Mr. Wilkie noted that February 4, 2022 will be a conflict for a few Trustees, so date was moved to the following Friday, February 11, 2022. Also, the date of the April 22, 2022 meeting was changed to April 29, 2022 due to some districts being closed for Easter/Spring break the week following Easter on April 17, 2022.

No items were presented for Closed Session.

VI. MISCELLANEOUS BUSINESS AND PUBLIC COMMENT

The next meeting of the SPELL JIF is scheduled to be held on **Thursday, May 27, 2021** at 10:00 a.m. either virtually via Zoom or at the Gallagher offices, 6000 Sagemore Drive, Suite 6203, Marlton, NJ 08053.

VII. MOTION REQUESTED to adjourn the meeting

Motion by Mr. Wachter, second by Mr. Colling, to adjourn the April 23, 2021 meeting of the SPELL JIF. All in favor. Motion carried by unanimous vote.

The meeting adjourned at 11:04 a.m.

A handwritten signature in black ink, appearing to read "Robert C. Wachter", is written over a horizontal line.