

***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 5, 2016**

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 5, 2016 at 9:40 a.m., with Tom Fanuka, Lumberton Twp. BOE, 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

2015-2016 Delegates present

Thomas J. Fanuka, Lumberton Twp. BOE, SPELL Chair – BCIP JIF
Margaret F. Meehan, Washington Twp. BOE, SPELL Secretary – GCSSD JIF
Joseph Smurlo, Egg Harbor City School District, Trustee – ACASBO JIF

2015-2016 Delegates absent

Kateryna Bechtel, Egg Harbor Twp. School District, SPELL Vice Chair – ACCASBO JIF
Richard J. Kaz, Jr., Northern Burlington County RSD, Trustee – BCIP JIF
Edgar S. Keepers, Wenonah BOE, Trustee – GCSSD JIF

2015-2016 Alternate Delegates present

Barbara A. Godfrey, Southampton Twp., BOE, Alternate Trustee – BCIP JIF (arrived at 9:41 .M.)
Robert Wachter, Jr., Mt. Laurel Twp. BOE, Alternate Trustee – BCIP JIF

2015-2016 Alternate Delegates absent

Frank Onorato, Lower Twp. Elementary School District, Alternate Trustee – ACCASBO JIF
Suzanne Keller, Somers Point BOE, Alternate Trustee – ACCASBO JIF
Cherie Bratty, Upper Deerfield Township School District, Alternate Trustee – GCSSD JIF
Gary Moore, Oldmans Twp. BOE, 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 9:45 a.m.)
Sharon Wilson, Recording Secretary

IV. APPROVAL OF MINUTES

Motion by Mr. Wachter, second by Ms. Meehan to approve the Minutes of the October 2, 2015 meeting of the SPELLJIF. All in favor. Motion carried.

V. PROFESSIONAL REPORTS

A. Accountant/Treasurer

Ms. Verrill referred to the October, November and December, 2015 and January, 2016 Bill Lists and Cash Reconciliation Reports for September, October, November, and December, 2015 found in the agenda. Ms. Verrill announced that Republic Bank, as of 12/31/15, increased all interest rates to .7%

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

- B. Attorney* – Mr. Greco reminded the members that ALL email is subject to OPRA, and urged them to be cautious of email content. Ms. Meehan asked if Mr. Greco is copied on the email, would that fall under attorney/client privilege, and he responded perhaps, but not guaranteed.

C. Executive Director/Underwriting Manager Summary

1. Executive Director

a. *2016-2017 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, 2016. They are as follows:

- ACCASBO – 6 districts (5 have renewed to date); Pitman may move to BCIP.
- BCIP – 8 districts (7 have renewed to date); Princeton is still pending.
- GCSSD – 8 districts (6 have renewed to date); Fairfield and Deptford have committed for February approval.

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

c. *Website Update:* Mr. Tennant provided an update on the SPELL JIF website. The Website Committee is pulling together to build Administrative Structure for Certificates of Insurance, Claims reporting, etc. The major holdup has been blending the old website with the new modern version, but the process is going well.

d. *Conference Update:* Mr. Wilkie reviewed the following dates:

- i. AGRIP – March 6-9, 2016 in Nashville, TN: Mr. Fanuka, BCIP, is attending.
- ii. NJSIA Worker's Compensation Conference – April 28-29 in Atlantic City

- iii. PRIMA – June 5-8, 2016 in Atlanta, GA: Mr. Kaz, Mr. Colling, and Ms. Clement are attending from BCIP.
- iv. SPELL JIF Retreat – September 28-30, 2016 in Cape May
- v. AGRIP – October 2-5, 2016 in Denver, CO
- e. *STOPIT Program* – Mr. Tennant reviewed this program. A combined Seminar and Webinar was recently held. It was determined that only one event should be scheduled at a time. The webinars were recorded and will be available to members.

2. Underwriting and Finance Director

- a. *Audit June 30, 2015 – MOTION REQUESTED:* Mr. Hoffman reviewed the Financial Audit Summary, the Aggregate Contingency Account Update, and Transfer Recommendations. A full copy of the June 30, 2015 Audit was provided. It was a clean audit, with no recommendations. A motion is requested to accept the full report.

Motion by Mr. Wachter, second by Mr. Smurlo to approve the June 30, 2015 Audit Report as presented. All in favor. Motion carried by unanimous vote.

- b. *2016-2017 Renewal Update:* Mr. Hoffman provided an update on the renewal process. He said that due to the soft market we are able to budget flat, but may realize some savings. Some items to note are: AIG will be leaving the Pollution market so we will need to switch carriers; the Extranet is in need of upgrades, mostly security changes; the Marketing budget will need to be increased and we are looking at a five percent increase for General Liability.

- c. *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 2016-2017 for the following:

- Great American – Package AL / GL / ELL / WC / Property
- Safety National – Statutory Excess WC
- Risk Placement Services – Layered Property Structure
- Travelers – Boiler & Machinery
- AIG – Pollution / Environmental / Mold
- AIG – Cyber Liability
- Lloyds of London – Violent Malicious Acts

Motion by Mr. Smurlo, second by Ms. Godfrey to approve 2016-2017 Budget Outlook as presented. All in favor. Motion carried by unanimous vote.

- d. *Coverage Needs / Considerations:* Mr. Hoffman reviewed the following areas of coverage for consideration:

- Drones - Coverage for Drones – Mr. Hoffman reported that drones are NOT covered with the JIF. He is reviewing this issue with Great American to see if coverage is feasible. A public entity has no 400 ft. exclusion: no matter what height the drone reaches, FAA requirements must be followed, the district would be liable, and there is no liability coverage in force if a person is injured. Discussion ensued on this issue.
- Disaster Management

VI. MOTION REQUESTED TO GO INTO Closed Session

Motion by Ms. Meehan, second by Ms. Godfrey to go into Executive Closed Session. All in favor. Motion carried by unanimous vote.

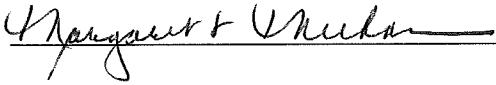
VII. MISCELLANEOUS BUSINESS AND PUBLIC COMMENT

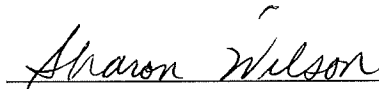
The next meeting of the SPELLJIF is scheduled to be held on Friday, April 15, 2016 at 9:30 a.m. at the Arthur J. Gallagher Risk Management Services, Inc., 6000 Sagemore Drive, Suite 6203, Marlton, NJ 08053.

VIII. MOTION REQUESTED to adjourn the meeting

Motion by Ms. Meehan, second by Mr. Smurlo to adjourn the February 5, 2016 meeting of the SPELLJIF. All in favor. Motion carried by unanimous vote.

The meeting adjourned at 10:54 a.m.





Sharon Wilson, Recording Secretary