

**SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND
OPEN MINUTES
JANUARY 25, 2016
THE GREENVIEW INN AT EASTLYN GOLF COURSE
12:00 PM**

Meeting of Executive Committee called to order by Gene Mercoli Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE

ROLL CALL OF 2015 FUND COMMISSIONERS:

Member	Commissioner	
Township of Middle	Connie Mahon	Present
Buena Regional Board of Education	Pasquale Yacovelli	Absent
Cumberland County Technical Education Center	Gene Mercoli	Present
Cumberland Regional Board of Education	Bruce Harbinson	Present
Bridgeton Board of Education	Nicole M. Albanese	Present
Borough of Woodstown	Joe Hiles	Present
Millville Board of Education	Bryce Kell	Present
Lower Cape May Regional Board of Education	Mark Mallett	Present
Hopewell Township Board of Education	Stephanie Kuntz	Absent
Upper Deerfield Board of Education	Cherie Bratty	Present
Vineland Public Charter School	Doug McGarry	Alternate Ann Garcia Present
Millville Public Charter School	Doug McGarry	Alternate Ann Garcia Present
Dennis Township Board of Education	Paige Rumaker	Present
Millville Public Library	Susan D'Ottavio	Absent
Commercial Township Board of Education	Pam Zook	Absent
Bridgeton Public Charter School	Doug McGarry	Alternate Ann Garcia Present
West Cape May Board of Education	Alfred Savio	Present

MEETING OF EXECUTIVE COMMITTEE CALLED TO ORDER

ROLL CALL OF 2016 EXECUTIVE COMMITTEE

PRESENT FUND PROFESSIONALS:

FUND ADMINISTRATOR: PERMA Risk Management
Paul Laracy
Emily Koval
Brandon Lodics
Karen Kamprath

FUND ATTORNEY: Ken Harris

FUND COORDINATOR: Rich Allen

Gerald Cowen
Dina Murray
Rick Alessandrini
Abbie Geletka

FUND TREASURER:
DEPUTY TREASURER:

Mike Zambito
Ken Verrill
Lorraine Verrill

ALSO PRESENT

Karen Lalla, Integrity Insurance Advisors
Mark Senior, Middle Township
EJ Garcia III, MPCs
Chuck Grande, Integrity Consulting Group

APPROVAL OF MINUTES: October 1, 2015 Open

MOTION TO APPROVE OPEN MINUTES OF OCTOBER 1, 2015:

Moved:	Commissioner Harbinson
Second:	Commissioner Kell
Vote:	Unanimous

CORRESPONDENCE – None

Roll Call of 2015 Fund Commissioners indicated a quorum of Commissioners.

ELECTION OF OFFICERS, EXECUTIVE COMMITTEE & ALTERNATES

Executive Director asks for nominations. Attorney swears in Officers and Executive Committee.

2015 Officers

Gene Mercoli-Chairman
Connie Mahon -Secretary

2015 Executive Committee

Bryce Kell
Bruce Harbinson
Nicole Albanese
Cherie Bratty
Pat Yacovelli

MOTION TO ADOPT 2016 SLATE OF EXECUTIVE COMMITTEE AS RECOMMENDED AND CLOSE NOMINATIONS:

MOTION:	Commissioner Kell
SECOND:	Commissioner Bratty
ROLL CALL VOTE:	13 Ayes, 0 Nays

ROLL CALL OF 2016 EXECUTIVE COMMITTEE

Chairperson		
Gene Mercoli	Cumberland County Tech	Present
Secretary		
Connie Mahon	Township of Middle	Present
Executive Committee	Members	
Bryce Kell	Millville BOE	Present
Bruce Harbinson	Cumberland Regional BOE	Present
Nicole Albanese	Bridgeton BOE	Present
Cherie Bratty	Upper Deerfield BOE	Present
Pat Yacovelli	Buena Regional BOE	Absent
Alternates		

Fund Attorney swore in the Executive Committee Commissioners.

EXECUTIVE DIRECTOR'S REPORT

Executive Director said the certificate of authority is included in the agenda.

The Committee agreed to use a consent agenda structure for all future Fund agendas.

FINANCES

PRO FORMA REPORTS

- **Fast Track Financial Reports** - SNJHIF as of *November 30, 2015*
 - **Historical Income Statement**
 - **Consolidated Balance Sheet**
 - **Indices and Ratios Report**

Executive Director reviewed the Financial Fast Track for SNJHIF which illustrated a gain of 1 million in November. He said \$5.4 million was transferred into the Coastal Fund to pay claims and allow the fund to operate on its own.

RATIFICATION OF 2016 BUDGET - In November 2015, the Southern Regional Employee Benefits Fund adopted the 2016 Coastal Budget at the recommendation of the Coastal Sub Committee. Now that the Fund is its own entity, the Executive Committee should formally adopt the budget, as well. The Budget and Assessments are included in the agenda.

Executive Director said the 2016 budget should be formally ratified by the executive committee. The current rates are in place and will not be changing. There is an average increase of 2.9%. In response to Chair Mercoli, Executive Director said the previous years should be closed out by June 2016. If the IBNR calculation is underrated, then money could be released earlier.

TRANSFER RESOLUTION - Enclosed is a copy of the Southern HIF Resolution 25-15 allowing for the closed years and current year owned surplus and cash from the SNJHIF to the new Schools Fund and the Southern Coastal HIF. The Resolution was unanimously passed by the Executive Committee at their November meeting and the transactions were made prior to January 1.

Executive Director said Bowman & Company will be doing an audit of the transfers and that should be ready in the next 4-6 weeks.

ADMINISTRATION

ORGANIZATIONAL RESOLUTIONS - A consent agenda has been included with the necessary resolutions for the Fund to operate for the year. Executive Director said the Cash Management plan list the depositories to which the Treasurers have put an aggressive investment plan in effect.

It was decided that Commissioner Harbinson will serve as the MRHIF Fund Commissioner and Chair Mercoli will serve as the MRHIF Alternate

MUNICIPAL REINSURANCE HEALTH INSURANCE FUND - The Municipal Reinsurance Health Insurance Fund has met on December 9, 2015 to adopt the 2015 budget in the amount of \$9,625,083, which was passed unanimously. Coastal's annual assessment is \$2,019,192. In addition, the Committee unanimously accepted the membership of the Southern Coastal HIF and will welcome the new representative at the January reorganization meeting on February 10. A report of the meeting is included in Appendix II.

Executive Director reviewed the MRHIF report that was included in Appendix II.

COMMITTEE APPOINTMENTS - Sub Committees are typically appointed by the Fund Chair, although may be appointed however the Executive Committee sees fit. The Fund would like to fill the following committees with no more than 3 Commissioners. The Chairperson will always sit Ex Officio:

The following Commissioners will sit on each Sub Committee:

1. Finance & Contracts	2. Operations & Nominations	3. Wellness & Claims
Bryce Kell	Nicole Albanese	Bruce Harbinson
Cherie Bratty	Pay Yacovelli	Connie Mahon
Pat Yacovelli	Bruce Harbinson	Cherie Bratty

NEW MEMBER - BRIGANTINE BOARD OF EDUCATION - Brigantine BOE has submitted an application to join the Fund which has been reviewed by the Fund Actuary. Pending a fully executed Indemnity and Trust agreement, we feel this group is a good fit for the Fund.

Underwriting Factor	Brigantine BOE	Fund Average or Standard	Relativity
Current Carrier or Arrangement	SHBP	Aetna and AHA	
Age Sex Factor	1.091	1.16	93.98%
Enrollment	113	2,716	4.16%
Claims Pick (Per Employee Per Month)	\$ 1,358.43	\$ 1,329.91	102.14%
Trend Applied	10.3%	8%	128.13%
Risk Manager Fee Applied	2%		
Rate Effective Date			
From	1/1/2016		
To	12/31/2015		
Prior Fund Member?	No		
Current P&C JIF Member?	No		
Lines of Coverage to Fund			
Medical	Yes		
Dental	No		
Rx	No		
Anticipated Commissioner Involvement	To be determined		
Explanatory Notes or Contingencies	None		

Fund Coordinator noted that the new member application is for the City of Brigantine not Brigantine Board of Education.

MOTION TO APPROVE MEMBERSHIP FOR THE CITY OF BRIGANTINE EFFECTIVE MARCH 1, 2016, PENDING A SIGNED INDEMNITY AND TRUST AGREEMENT TO THE SOUTHERN COASTAL REGIONAL EMPLOYEE BENEFITS FUND.

Moved: Commissioner Mahon
 Second: Commissioner Harbinson
 Vote: 7 Ayes, 0 Nays

CONSENT AGENDA - The following Resolutions listed on the Consent Agenda will be enacted in one motion. Copies of all Resolutions are available to any person upon request. Any Commissioner wishing to remove any Resolution(s) to be voted upon, may do so at this time, and said Resolution(s) will be moved and voted separately

- Resolution 1-16:** Approval of Service Contracts
- Resolution 2-16:** Designation of Service of Process
- Resolution 3-16:** Designation of Secretary as Custodian of Records
- Resolution 4-16:** Designation of Official Newspaper
- Resolution 5-16:** Designation of Regular Meeting Times and Place

- Resolution 6-16:** Designation of Bank Depositories & CMP
- Resolution 7-16:** Designation of Authorized Signatories
- Resolution 8-16:** Approval of Risk Management Plan
- Resolution 9-16:** Appointment of MRHIF Fund Commissioners
- Resolution 10-16:** Establishing a plan for Compensating Producers
- Resolution 11-16:** MRHIF Indemnity and Trust Agreement
- Resolution 12-16:** Authorizing Treasurer to Process Contracted Payments and Expenses
- Resolution 13-16:** Approving 2016 Budget and Assessments
- Resolution 14-16:** Approval of the January 2016 Bills List

Executive Director reviewed the resolutions for adoption. Chair Mercoli asked that Resolution 7-16 be removed from the consent agenda and amended to say that checks can never be signed by both treasurer and deputy treasurer.

MOTION TO ADOPT RESOLUTION 1-16 THROUGH 14-16, EXCLUSIVE OF RESOLUTION 7-16, AS DISCUSSED.

MOTION:	Commissioner Mahon
SECOND:	Commissioner Harbinson
VOTE:	7 Ayes, 0 Nays

FUND COORDINATOR'S REPORT

- Claims
 - See attached
- New Groups
- Dual Effective Date
- Cape May County Expansion with Aetna
- Low Cost Options & Alternative Plan Designs
- Open Enrollment
- Wellness Update
- Coastal Website
- Delay of Cadillac Tax

CLAIMS INFORMATION - The comparison of the Aetna results for 12/1/14 to 11/30/15 against the prior 12 months is favorable.

- The number of employees covered is up to 8.4% while paid claims are up only 4%.
- Paid claims per members is down 2.6%.
- In patient claims are down 8.9%, while admits are down 14.9%.

- ER visits are down 6.1%.
- High dollar claims while up by 4% are down for amount paid by 5%.
- Coastal in network utilization is at 93% which is 1% better than the Aetna book of business of 92%.
- ER utilization for Coastal for ER is 10% while Aetna book of business is 5%.
- ER costs is up 26.9% even though visits are down 6.1%.

Fund Coordinator thanked everyone for their support. Fund Coordinator reviewed the claims report and said while enrollment is up, claims are down. ER visits are down from years prior, but still above the Aetna book of business. He encouraged urgent care usage. The City of Brigantine will be joining the fund on 3/1/16 and West Cape May joined on 12/1/15. Low cost plan options have been successful and recommendations have been made to the entities including rx and dental.

Ms. Murray said open enrollment will be in April or May for the 7/1 renewals. Fund Coordinator said wellness grant applications are being accepted. In response to Chair Mercoli, Ms. Murray said formal applications can be sent out. Fund Coordinator also advised that the Fund website is up and running and a snow plan can be put in effect for future meetings.

TREASURER - Fund Treasurer introduced himself and the Deputy Treasurers and thanked the Fund for appointment. Deputy Treasurer reviewed the January 2016 Bills List that was included in the consent agenda. In response to Chair Mercoli, Deputy Treasurer said there will be more reports after the SNJHIF break, 4.2 million has been invested already for Coastal.

RESOLUTION 14-16 JANUARY 2016 BILLS LIST

FUND YEAR	AMOUNT
2016	\$521,470.50
TOTAL	\$521,470.50

FUND ATTORNEY- Fund attorney thanks for the appointment. He said the Cadillac Tax has been postponed until 2020. He said this tax does not apply multiemployer plans. Although the Fund is not categorized as a multiemployer plan, it follows similar characteristics and may be worth pursuing to be exempt from the tax.

AETNA- Chair Mercoli reviewed the monthly and large claims reports. Fund Commissioner said it would be helpful to have an Aetna representative at the meetings going forward. In response to Chair Mercoli, Executive Director said it would not be necessary to have Express Scripts or Delta Dental at the meetings since the population with those carriers is low.

OLD BUSINESS: None

NEW BUSINESS: Chair Mercoli thanked the Committee for attending the innaugraual meeting. He said the Fund is currently in the green. The claims and data matured and premiums became more in line as the group aged. The positive aspect for a member to be in a pool is that a member will not get a high rate increase for one or two bad years. He said he is hoping for a successful year.

MOTION TO ADJOURN:

MOTION:

Commissioner Bratty

SECOND:

Commissioner Kell

VOTE:

Unanimous

MEETING ADJOURNED: 1:00pm

NEXT MEETING: February 22, 2016
Eastlyn Golf Course
12:00pm

Emily Koval, Assisting Secretary
Date Prepared: February 11, 2016