

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

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

**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF 2016 EXECUTIVE COMMITTEE:**

Gene Mercoli - Chairman	Cumberland County Technical Education Center	Present
Connie Mahon - Secretary	Township of Middle	Present
Cherie Bratty	Upper Deerfield Board of Education	Present
Pasquale Yacovelli	Buena Regional Board of Education	Present
Bruce Harbinson	Cumberland Regional Board of Education	Present
Nicole Albanese	Bridgeton Board of Education	Absent
Bryce Kell	Millville Board of Education	Present

**PRESENT FUND PROFESSIONALS:**

**FUND ADMINISTRATOR:**

**PERMA Risk Management  
Paul Laracy  
Emily Koval  
Karen Kamprath**

**FUND ATTORNEY:**

**Ken Harris**

**FUND COORDINATOR:**

**Rich Allen  
Gerald Cowen  
Dina Murray  
Robert Allen**

**DEPUTY TREASURER**

**Lorraine Verrill**

**ALSO PRESENT**

Pam Zook, Commercial Township  
Jeanne Frank, Conner Strong & Buckelew  
Stephanie Kuntz, Hopewell Township  
Joe Hiles, Borough of Woodstown  
Lynn Malloy, AHA  
Kim Ward, Aetna  
Alfred Savio, West Cape May BOE  
Kaytie Keating, Township of Middle

Susan D'Ottavio, Millville Public Library  
Tom Byrne, J. Byrne Insurance  
Claudine Ayscue, Marsh & McLennan  
Paige Rumaker, Dennis Township  
Janice Liu, Dennis Township  
Chuck Grande, Integrity Consulting Group  
Karen Lalla, Integrity Consulting Group

**APPROVAL OF MINUTES: February 22, 2016 Open**

**MOTION TO APPROVE OPEN MINUTES OF FEBRUARY 22, 2016:**

Moved:	Commissioner Kell
Second:	Commissioner Harbinson
Vote:	Unanimous

**CORRESPONDENCE - None**

Chair Mercoli said all resolutions are included in the consent agenda and will be enacted in one motion unless anything is pulled for discussion.

**EXECUTIVE DIRECTOR'S REPORT**

**PRO FORMA REPORTS**

- **Fast Track Financial Reports - SNJHIF and Coastal as of February 29, 2016**
  - **Historical Income Statement**
  - **Consolidated Balance Sheet**
  - **Indices and Ratios Report**

Executive Director reviewed the Financial Fast Track for the SNJHIF and Coastal Funds. He said the SNHIF includes the Coastal run out. The Coastal report is tentative and the numbers were lower than expected so the IBNR was significantly increased. The transition of claim payments should take 4-6 months to balance out.

**TRANSFER OF FUNDS -** At the end of last year, Southern NJ HIF transferred owned funds to Coastal and SHIF. Subsequent to those transfers, there is additional closed year balances due to the Funds for liabilities that should be paid by the respective Funds, rather than SNJHIF. The Southern NJ Regional Employee Benefits Fund resolution attached will be passed at the Monday night meeting and the funds will be included on their April bills list.

Executive Director said a resolution is included in the SNJHIF to allow funds including liabilities and money associated with liabilities to be transferred from the SNJHIF to Coastal and SHIF Funds. He said this is in accordance with Fund Auditor.

**JULY 1 RENEWALS** - Cumberland Regional BOE and the Bridgeton, Millville and Vineland Charter Schools renew on July 1. The same increases were given to these entities as the January 1 renewals.

Executive Director said he is reviewing the July 1 renewal options for the entire membership. The data is being updated and re-reviewed by the Actuary.

**AMERIHEALTH AUDIT** - The Reinsurance HIF finances audits of claims agents for local HIFs on a three year cycle. In 2016, using 2015 data, AmeriHealth's operations for the SNJ HIF, including Coastal and School entities, will be audited. We will keep the Executive Committee advised of this process, the report findings, and, if needed, corrective action plans.

In response to Chair Mercoli, Fund Attorney said the claims audit is to check processed claims for accuracy. Executive Director said this audit is to make sure the transactions are being processed in accordance with the plan documents.

**HIF EXAMINATION BY NJ DEPARTMENT OF BANKING AND INSURANCE** - We have received a verbal indication from the DOBI that they will be examining all HIFs this year using financial statements and transactions from 2015. Generally, such examinations take place every 5 to 6 years. The last examination was completed as of 12/31/2009. The cost of the exams will be borne by the Reinsurance HIF. The examination normally includes an independent confirmation of financial statements and reviews for regulatory compliance. The examiners normally conduct their tests at PERMA's offices. Executive Director said the audit typically double checks the auditor's reports and regulatory compliance. The cost is typically about \$25,000 per Fund.

**FINANCIAL DISCLOSURE STATEMENTS** - As done in prior years and required by State law, each Fund Commissioner is required to complete a Financial Disclosure Statement through the Department of Community Affairs. The 2016 notice with instructions has been released and is included in agenda. The deadline is April 30, 2016. Fines will be issued for non compliance.

**WELLNESS GRANT APPLICATION - DENNIS BOE** - Recently, the Dennis Township BOE submitted an application for a \$10,000 wellness grant. The program would include Fitbit wellness challenges, of which the Fund will subsidize the cost of the Fitbit to the employee. The Fund would also cover the prizes for the challenge winners. The program is appropriate and within budget. We recommend approving the wellness program. A resolution is included in the consent.

**AETNA CONTRACT** - We expect to have the Aetna contract with the Fund finalized by next month.

**NEW MEMBER - LAWRENCE TOWNSHIP BOE** - Lawrence Township BOE has submitted an application to join the Fund which has been reviewed by the Fund Actuary. We have received a signed indemnity and trust agreement and resolution to join. We feel this group is a good fit for the Fund.

Executive Director said the Fund received two new member applications for Lawrence Township BOE and Quinton BOE. They are small entities and have good loss experience.

Fund Coordinator said Lawrence Township's Board approved is approved for 7/1. Quinton has not been approved by their board, but would need approval from the Fund. He said groups of this size are perfect for the fund. In response to Chair Mercoli, Executive Director said the age/sex ratios come from a third party actuary.

### **FUND COORDINATOR'S REPORT**

Fund Coordinator said once the IBNR is settled, additional funds will be returned to the surplus.

Fund Coordinator said groups that are interested in moving to a 7/1 renewal date will receive an approximate 5% increase to June 30, 2017. He said we are looking at more data through March to see if the increase factor can be lowered. In response to the Fund Coordinator, Executive Director said we would need about a 30 day notice if an entity was interested in moving to a 7/1 renewal.

In response to Fund Coordinator, Chair Mercoli said the Committees can try to meet in between the regular Coastal meetings. In response to Chair Mercoli, Executive Director said there is no set schedule for committee meetings; they can be scheduled as needed.

Ms. Murray said that open enrollment is currently going on through the end of the month with changes effective 7/1. She said the Wellness Grant Application was updated and is included in the Agenda. She said a few groups have qualified and if anyone is interested, strategy meetings can be set up. A wellness representative would be necessary for each member in the program.

**TREASURER** – Fund Deputy Treasurer reviewed the March and April bills list. A revised treasurer's report was distributed at the meeting. In response to Chair Mercoli, Executive Director said the fast track will usually be a couple of weeks behind the cash reports.

#### **Confirmation of Payment - March 2016**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2016	\$531,143.12
<b>TOTAL</b>	<b>\$531,143.12</b>

#### **Resolution 18-16 - April 2016 Bills List**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2016	\$545,053.37
<b>TOTAL</b>	<b>\$545,053.37</b>

### **FUND ATTORNEY- No Report**

**AHA** – Ms. Malloy reviewed the AHA report. She said the paid claims do include runout claims. There were 2 large claims over \$50,000 in February. In response to Chair Mercoli, Ms. Malloy said run out

claims are any claim that was incurred prior to the reporting period, for example a claim incurred in December, but paid in February. It typically takes 6 months for the runout to be complete.

**AETNA-** Ms. Ward said the claims will start to level out each month. The runout is still with the Southern Fund. There was 1 high level claimant in February at \$91,000

**CONSENT AGENDA -**

**Resolution**

17-16:

18-16

**Subject Matter**

Dennis Township Wellness Grant

Approval of the April 2016 Bills List

**MOTION TO APPROVE THE CONSENT AGENDA INCLUDING RESOLUTION AS DISCUSSED INCLUDING LAWRENCE TOWNSHIP AND QUINTON BOE:**

**MOTION:**

Commissioner Bratty

**SECOND:**

Commissioner Kell

**ROLL CALL VOTE:**

6 Ayes, 0 Nays

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**PUBLIC COMMENT:** Commissioner Savio suggested rotating the meeting location as well as more space at the current location.

**MOTION TO ADJOURN:**

**MOTION:**

Commissioner Harbinson

**SECOND:**

Commissioner Mahon

**VOTE:**

Unanimous

**MEETING ADJOURNED:** 1:00pm

**NEXT MEETING:** June 27, 2016  
Eastlyn Golf Course  
12:00pm

Emily Koval, Assisting Secretary

Date Prepared: June 14, 2016