

ATLANTIC COUNTY INSURANCE COMMISSION  
OPEN MINUTES  
REORGANIZATION MEETING – January 12, 2024 at 11:00 A.M.  
Atlantic County Board of County Commissioners’ Meeting Room  
Stillwater Building, 201 Shore Road, Northfield, New Jersey

---

Meeting was called to order by Commissioner Woods. Open Public Meetings notice read into record.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF COMMISSIONERS:**

Jacqueline Woods	Present
Tammi Robbins	Present
Janette Kessler	Present
<i>Timothy Edmunds</i>	<i>Absent</i>
<i>Michael Fedorko</i>	<i>Present</i>

**FUND PROFESSIONALS PRESENT:**

Executive Director PERMA Risk Management Services	<b>Brad Stokes</b>
---	--------------------

Claims Administrator	<u>Qual-Lynx</u> <b>Kathy Kissane</b> <b>Karen Beatty</b>
----------------------	---

	<u>PERMA Claims</u> <b>Jennifer Conicella</b>
--	--

CEL Underwriting Manager	Conner Strong & Buckelew
--------------------------	--------------------------

Attorney	<b>James F. Ferguson</b>
----------	--------------------------

Treasurer	<b>Bonnie Lindaw</b>
-----------	----------------------

Safety Director	J.A. Montgomery Risk Control <b>Glenn Prince</b>
-----------------	---

Risk Management Consultant	Brown & Brown Insurance <b>Bob Gemmell (not present)</b>
----------------------------	---

**ALSO PRESENT:**

Brandon Tracy, PERMA  
Chandra Anderson, Atlantic County  
Michael Ridge, Insurance Agencies  
Gene Siracusa, Insurance Agencies  
Joe Bone, NJ LD-2  
Vince Polistina, Senator  
Don Purdy  
Joseph Hrubash, PERMA

**APPROVAL OF MINUTES: OPEN AND CLOSED MINUTES OF DECEMBER 8, 2023 AND OPEN AND CLOSED MINUTES OF DECEMBER 19, 2023.**

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF DECEMBER 8, 2023 AND THE OPEN AND CLOSED MINUTES OF DECEMBER 19, 2023.**

**Motion:** Commissioner Kessler  
**Second:** Commissioner Robbins  
**Vote:** 3 Ayes

**CORRESPONDENCE:** James Ferguson advised two pieces of correspondence were received. A letter from Senator Polistina was received after the December 8, 2023 meeting and was distributed by Commissioner Woods to the other Commissioners. Based upon actions taken by the Insurance Commission between receipt of the letter and today's date, it was decided that a formal response would not be necessary. A second letter was received from County Commissioner James Bertino. A formal response will be delivered to Tara Silipena responding to Mr. Bertino's request for information.

Commissioner Woods turned the meeting over to the Commission Attorney, James Ferguson, to run the meeting for the election of officers.

Mr. Ferguson administered the oaths to the Commissioners and Alternate Commissioners who were present. Alternate Commissioner Timothy Edmunds was absent and will be sworn in at the February meeting.

Mr. Ferguson opened the meeting for nominations of Chairperson. Commissioner Kessler nominated Jacqueline Woods and was seconded by Commissioner Robbins. There were no other nominations.

**MOTION TO CLOSE NOMINATIONS FOR COMMISSION CHAIRPERSON AND TO ACCEPT THE NOMINATION OF JACQUELINE WOODS AS PRESENTED.**

**Motion:** Commissioner Kessler  
**Second:** Commissioner Robbins  
**Vote:** 3 Ayes

Mr. Ferguson opened the meeting for nomination of Vice Chairperson. Commissioner Woods nominated Tammi Robbins and was seconded by Commissioner Kessler. There were no other nominations.

**MOTION TO CLOSE NOMINATIONS FOR COMMISSION VICE CHAIRPERSON AND TO ACCEPT THE NOMINATION OF TAMMI ROBBINS AS PRESENTED.**

**Motion:** Commissioner Woods  
**Second:** Commissioner Kessler  
**Vote:** 3 Ayes

Commissioner Woods stated that an RFP was issued for professional services of Executive Director and Risk Management Consultant. The appointments were tabled until this meeting and a report will be provided by Mr. Ferguson.

Mr. Ferguson reported the events that followed the December 8, 2023 meeting. With regard to the Executive Director, the resolution was scheduled to be adopted at the December 8, 2023 meeting. During the course of that meeting one of the responders to the RFP, the PRIME group, felt that their submission

had not been appropriately considered. PERMA was the other responder. The Commissioners decided to go into closed session to discuss the matter and determined that under the circumstances it was appropriate to table the award of the Executive Director contract until the January 12, 2024 meeting. Both responders would attend an interview session conducted by the Commissioners in closed session at a special meeting held on December 19, 2023. That special meeting was appropriately advertised and took place at which time both companies were interviewed.

The PRIME group led by Mr. Paul Miola was interviewed first. Mr. Miola made both an oral presentation and submitted a brochure which he explained in detail. At that time he introduced members of the Hardenberg Agency who would be assisting in servicing the account and advised that the company's president, John Sharp, would be involved. Following the presentation, Mr. Miola responded to a series of questions from the four Commissioners who were present. The interview lasted roughly 60 minutes.

PERMA was interviewed next. PERMA's presentation was led by Senior Partner, Joseph Hrubash, who was accompanied by eight other members of the PERMA team. Mr. Hrubash made a power point presentation and called on each of the other members of PERMA to explain their respective roles in servicing the account. Mr. Hrubash and members of his team also took questions from the Commissioners. The interview lasted approximately 70 minutes.

The Commissioners provided Mr. Ferguson with a written memorandum detailing their findings and recommendations from the interviews. The Commissioners all reached similar conclusions, namely, that while PERMA's annual fee for services is more than PRIME's fee, nevertheless, PERMA possesses greater depth of personnel and experience in performing executive director functions. The experience differential in the area of financial reporting and preparation is important. PERMA has a CPA who prepares all the financial reports. PRIME does not have a CPA on staff. Also of significance, is that while Mr. Miola has considerable executive director experience in dealing with Municipal Joint Insurance Funds, the people who would be assisting him at PRIME do not have that level of experience which was limited to performing risk management consulting services. PERMA exhibited a far greater level of experienced personnel and coordination, while PRIME is clearly a startup entity. Having given due consideration to all of the various factors, the Commissioners unanimously concluded that the most responsible bidder is the PERMA group, and they have recommended the award of a three year contract to PERMA.

Mr. Ferguson asked the Commissioners who participated in the interview process to confirm the accuracy of what he reported. All Commissioners present agreed with Mr. Ferguson's report.

**MOTION TO APPROVE RESOLUTION 1-24 AWARDING THE EXECUTIVE DIRECTOR CONTRACT TO PERMA FOR YEARS 2024, 2025, AND 2026 AT THE FLAT FEE RATE OF \$129,892 FOR EACH YEAR OF THE THREE YEAR CONTRACT.**

**Motion: Commissioner Woods**  
**Second: Commissioner Kessler**  
**Vote: 3 Ayes**

Mr. Ferguson continued with regard to the Risk Management Consultant. The RFP was duly advertised and the Commission received two written responses. The first from the incumbent, Brown & Brown who proposed an annual flat fee of \$120,000. The other response was from Insurance Agencies, Inc. who previously served as the risk management consultant for the first six years of the Commission's operations. They proposed an annual flat, all-encompassing fee of \$90,000 per year, which fee covers services in procuring ancillary coverages not provided by the CEL. Atlantic County government has utilized their services for ancillary coverages.

This contract was scheduled to be awarded at the December 8, 2023 meeting and then at the behest of several members in the audience along with one of the Commissioners, it was decided that Brown & Brown should be given the opportunity to lower their proposed fee for services. Mr. Ferguson indicated he was not in favor of following this practice, inasmuch as the quotes were obtained in response to an RFP, and while the Commission bylaws allow for price negotiation, it was felt that a \$30,000 differential was too great, especially since the non-incumbent firm had previously serviced the account and was familiar with the Commission's operations. Despite this admonition, the Commissioners decided to table action and allow the incumbent to change its price. Following communication with Brown & Brown's representative, Brown & Brown confirmed in writing their last best offer of \$85,000 which was a \$35,000 reduction from their original proposal, a reduction of almost 30%.

In the interest of fairness, outreach was made to the principals of Insurance Agencies, Inc. offering an opportunity to lower their proposed fee. They responded by lowering their price by \$5,000. So we are left with last best offers from each company of \$85,000, but the proposal from Insurance Agencies, Inc. indicates there will be no additional fees for procuring ancillary coverages or performing other services for the member entities.

Mr. Ferguson asked each of the Commissioners to confirm his report of events was accurate. All present Commissioners agreed it was accurate. Mr. Ferguson requested each Commissioner to indicate who their recommendation is for award of the contract and the reason.

Commissioner Robbins indicated that based on past performance, she recommends Insurance Agencies, Inc.

Commissioner Kessler indicated that based on review of the contracts, she recommends Insurance Agencies, Inc.

Commissioner Woods indicated that based on being located locally and past performance, she recommends Insurance Agencies, Inc.

**MOTION TO APPROVE RESOLUTION 2-24 AWARDING THE RISK MANAGEMENT CONSULTANT CONTRACT TO INSURANCE AGENCIES, INC. FOR YEARS 2024, 2025, AND 2026 AT THE FLAT FEE RATE OF \$85,000 FOR EACH YEAR OF THE THREE YEAR CONTRACT.**

**Motion: Commissioner Kessler**  
**Second: Commissioner Robbins**  
**Vote: 3 Ayes**

**EXECUTIVE DIRECTOR'S REPORT:** Brad Stokes presented the Executive Director's report. Mr. Stokes reviewed the reorganization resolutions.

Resolution 3-24 Certifying the Election of Fund Chairperson Jacqueline Woods  
and Vice Chairperson Tammi Robbins

Resolution 4-24 Appointing CEL Commissioner Janette Kessler

Resolution 5-24 Appointing Commission Treasurer Bonnie Lindaw

Resolution 6-24 Appointing Commission Attorney James Ferguson

Resolution 7-24 Appointing Commission Secretary Chandra Anderson

Resolution 8-24 Designating Citizens Bank as Authorized Depositories for Commission Assets

Resolution 9-24 Designating Authorized Signatures for Commission Bank Accounts

Resolution 10-24 Establishing a Cash Management Plan (The only change was the year.)  
Resolution 11-24 Establishing Meeting Dates for 2024  
Resolution 12-24 Designating PERMA Agent of Service of Process and Custodian of Records  
Resolution 13-24 Designating *The Press of Atlantic City* as the Official Newspaper

**MOTION TO APPROVE REORGANIZATION RESOLUTIONS 3-24 THROUGH 13-24.**

**Motion:** Commissioner Kessler  
**Second:** Commissioner Woods  
**Vote:** 3 Ayes

**MOTION TO APPROVE RESOLUTION 14-24 APPROVING PAYMENT OF A STIPEND TO HSING-YI CHOU FOR COMMISSION TREASURER SERVICES.**

**Motion:** Commissioner Woods  
**Second:** Commissioner Kessler  
**Vote:** 3 Ayes

This is the public hearing for the 2024 proposed budget introduced during the December 8, 2023 meeting. The 2024 budget introduced at the December 8, 2023 meeting was in the amount of \$10,312,521. With the change in the Risk Management Consultant fee, the proposed budget is now \$10,307,521.

**MOTION TO OPEN THE PUBLIC HEARING OF THE 2024 BUDGET.**

**Motion:** Commissioner Woods  
**Second:** Commissioner Robbins  
**Vote:** 3 Ayes

Overall the changes are at about a 9.1% increase. The assessment allocations will be adjusted accordingly and issued by February 1, 2024. Assessments are due March 15, 2024.

**MOTION TO CLOSE THE PUBLIC HEARING OF THE 2024 BUDGET.**

**Motion:** Commissioner Kessler  
**Second:** Commissioner Woods  
**Vote:** 3 Ayes

**MOTION TO ADOPT THE 2024 PROPERTY AND CASUALTY BUDGET AND CERTIFY THE ANNUAL ASSESSMENTS.**

**Motion:** Commissioner Woods  
**Second:** Commissioner Kessler  
**Vote:** 3 Ayes

**CERTIFICATES OF INSURANCE:** There were six certificates issued in December of 2023.

**MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT.**

**Motion:** Commissioner Robbins  
**Second:** Commissioner Woods  
**Vote:** 3 Ayes

The CEL Finance Committee met on December 27, 2023 and January 5, 2024 to review the 2024 renewal. A special meeting of the CEL was held on January 11, 2024 to formally adopt the 2024 budget.

Joe Hrubash, the Executive Director of the CEL, thanked the Commissioners for the reappointment of PERMA. Mr. Hrubash reported the CEL was waiting on the commercial market, with great results by Ed Cooney and his team. Property coverage at the CEL level had a \$3 million retention since the hard market came into play. Ed Cooney was able to secure a reduction to a \$1 million retention. The budget adoption was one percentage less than what it was at introduction. All Commissioners were kept apprised of developments during the process. The cash balance is strong, even with a tough year involving property losses. The surplus is \$11 million, which includes the recent property loss claims.

The Commission's financial fast track through September includes the third quarter actuary report and shows a \$5.2 million deficit, and cash on hand of \$10.7 million. The assessments due on March 15<sup>th</sup> will assist with the cash on hand. Another claims review will be set up to determine where trends are. The report through October shows a slight decrease of \$42,000, but is still at a \$5.2 million deficit, with cash on hand at \$10.7 million.

The CEL's financial fast track report for October includes the property claims mentioned by Mr. Hrubash, and has a surplus of \$11 million with \$32.9 million in cash.

The claims activity report for November shows 10 less open liability claims. Ms. Kissane commented they were older GL claims that had settled and closed out.

Mr. Stokes thanked the Commissioners for the reappointment.

**CLAIMS SERVICES:** Jennifer Conicella reported the Claims Committee met on January 11, 2024 via Teams meeting.

**TREASURER:** Bonnie Lindaw presented the Treasurer's report and Resolution 15-24 the January Bills List. The Bills List has miscellaneous payments from fund year 2023, including the Wellness Grants to the ACUA and the County, and a reimbursement to the secretary for renewing the website domain name from fund year 2024 for total payments of \$5,883.41.

The bank reconciliations through the end of 2023 show the Insurance Commission's admin account has a balance of \$9,501,939.48, total interest earned for 2023 of \$306,721.47, and outstanding checks in the amount of \$10,570.00. The general liability account has outstanding checks in the amount of \$50,705.28, with interest earned for 2023 of \$1,471.27. The workers' compensation account has outstanding checks in the amount of \$391,925.65, with interest earned for 2023 of \$7,202.24.

**MOTION TO APPROVE RESOLUTION 15-24 THE JANUARY BILLS LIST.**

**Motion:** Commissioner Robbins  
**Second:** Commissioner Kessler  
**Vote:** 3 Ayes

**CEL SAFETY DIRECTOR – JA MONTGOMERY RISK CONTROL:** Glenn Prince of JA Montgomery presented the safety director’s report for December 2023 through January 2024. All training through March 2024 have been listed on the website NJCE.org and LMS. There are toolbox talks and video briefings available.

The last Safety Committee meeting was on December 13, 2023, and the next Safety Committee meeting is scheduled for March 27, 2024.

Commissioner Kessler asked about the 2023 safety grant disbursement. Mr. Stokes advised the disbursement will be approved at the February CEL meeting. Mr. Prince reported that the 2024 safety grant will be increased to \$60,000 to split among the ten members. A letter describing the grant provisions will be issued in the CEL agenda and provided to the member entities. A copy will also be provided to the Commissioners.

**MANAGED CARE – QUAL-LYNX:** Karen Beatty thanked the Commissioners for approving their reappointment. Ms. Beatty presented the claims services report. The cumulative savings reports shows that 2023 had 68% savings which was \$3.9 million saved. There was 95% participating provider penetration, which contributed to the overall savings. Ms. Beatty reported that the recent mergers of hospitals, medical providers, physical therapy locations, etc. are affecting costs. Qual-Lynx is working hard to maintain strong contracts with its medical provider panel. The intake reporting for year 2023 has 358 claims with two COVID-19 claims. There were 274 County claims, 83 Utilities Authority claims, and one Improvement Authority claim.

Commissioner Kessler asked about the status of AtlantiCare OccMed for day of injury services. She is still sending injured workers to HealthMed to avoid the cost of emergency rooms when possible. Ms. Beatty reported they are still waiting to hear back, and she will advise once that happens.

**CLAIMS SERVICES – QUAL-LYNX:** Kathy Kissane thanked the Commissioners for their reappointment. The agenda packet contains an updated team list with contact information for the adjusters. Ms. Kissane reported the Claims Committee met on January 11, 2024, reviewed six PARS, and answered questions that were presented. Unless there are any other questions which would require a closed session, she requested a motion for approval of the PARS as reviewed and recommended by the Claims Committee.

**MOTION TO APPROVE THE SIX PARS AS REVIEWED AND APPROVED DURING THE CLAIMS COMMITTEE MEETING OF JANUARY 11, 2024.**

**Motion:** Commissioner Kessler  
**Second:** Commissioner Woods  
**Vote:** 3 Ayes

**OLD BUSINESS:** None.  
**NEW BUSINESS:** None.

**PUBLIC COMMENT:** Commissioner Woods opened the meeting to public comment.

Senator Polistina thanked the Commissioners for going through the process with regard to the award of the contracts. The Senator stated he has never had a partner on any level, not provide a response to a formal inquiry. He asked why a formal response was not provided to his letter. He has been waiting for a response as to whether he needed to submit an OPRA request for the recording of the December 8<sup>th</sup> meeting or if it would be provided. Commissioner Woods advised there was no specific reason for not issuing a formal response. She advised the letter was shared among the Commissioners and she advised the Senator's Chief of Staff, Mr. Berg, who acknowledged receipt. Commissioner Woods advised that a formal response would be provided to the Senator.

Senator Polistina suggested hiring an attorney or have Mr. Ferguson provide insight of how the Executive Director oversees the two companies, which are affiliates of Conner Strong. If one company makes a mistake, how is it handled? He appreciates the improvement of the contract award process. The Senator commented he noticed that the Commission recognized it was not following its own bylaws with regard to the alternate commissioners and voting. He requested the Board to provide insight as to how it realized it was not following the bylaws and how the correction was made today. According to the minutes, it's been happening for at least six years. He thanked everyone and requested a response to his letter, an explanation of checks and balances, and the reason for now following the bylaws at today's meeting with regard to the alternate commissioner votes.

Commissioner Woods deferred to counsel as to whether an official OPRA request would be required for the recording of the meeting. Mr. Ferguson advised an OPRA request is not necessary.

Mr. Don Purdy presented comment. He congratulated everyone on their appointments. He commented that he thinks Mr. Bertino from the Board of County Commissioners sent a letter requesting information because the Board has not been following its bylaws. Every year the Board is required to send a written report to the Board of County Commissioners. Perhaps moving forward the Board should follow its bylaws and provide the yearly reports and communicate with the Board of County Commissioners. It is not clear who is to provide that report.

Mr. Purdy commented that the Board of County Commissioners meet in the same meeting room and their meetings are broadcasted on television and video recorded. Mr. Purdy asked why the Insurance Commission meetings are not video recorded with the equipment in the meeting room. Mr. Stokes advised the meeting is being recorded by the secretary. Based on his comments, Mr. Purdy did not believe that was sufficient and commented that Bonnie Lindaw videotaped the entire last meeting on her cell phone.

Mr. Ferguson responded that the bylaws require the Insurance Commission to report back to each of its constituent members. County government is a County Executive form of government and the communications come back through the executive branch of County government. There is an internal insurance committee which meet on a monthly basis. Members include this Commission's Commissioners and alternates, Bonnie Lindaw, the County's budget director, County administration, and other County departments. The Insurance Committee meets the Wednesday prior to the next Insurance Commission meeting and reviews the financial reports. There is no requirement in the bylaws as written to report to the Board of County Commissioners. We would be happy to provide any information they want. The Insurance Commission has its own publicly available website which posts all the records. This Commission has been transparent since its formation. Recently there has been a lot of misinformation put out there in the public domain which is unfair to the Board.

Mr. Purdy read from a Board of County Commissioners (then the Freeholders) resolution adopted on December 9, 2014; at section 11, the Commissioners shall be required to submit an annual report to County administration and the County Board of Chosen Freeholders detailing the performance of the Commission.



The annual report shall address the cost coverages, financial results and other matters regarding the overall operation of the Commission. The annual report shall be submitted to County administration and the Freeholders no later than 90 days after the end of each calendar year. Mr. Purdy found this on the internet and commented that moving forward those reports should be provided.

There were comments between Mr. Purdy and Mr. Ferguson. Mr. Purdy disagreed with Mr. Ferguson, and ended his comments with stating he is not happy with how he was treated during the December 8, 2023 meeting.

Commissioner Woods closed the public comment. The next meeting is scheduled for February 9, 2024 at 11:00 A.M.

**MOTION TO ADJOURN THE MEETING.**

**Motion:** Commissioner Kessler  
**Second:** Commissioner Robbins  
**Vote:** 3 Ayes

**MEETING ADJOURNED: 11:45 A.M.**

Minutes prepared by: Chandra Anderson, Secretary