

## SPECIAL SESSION MINUTES

595  
DECEMBER 28, 2005

The Board of Chosen Freeholders of the County of Warren met in special session in its offices in the Wayne Dumont, Jr. Administration Building, Belvidere, New Jersey on December 28, 2005 at 1:00 p.m.

The meeting was called to order by Director Gardner and upon roll call, the following members were present: Freeholder Richard Gardner, and Freeholder John DiMaio. Freeholder Everett Chamberlain was absent due to a previously planned vacation. Also attending were CFO Charles Houck, County Counsel Joseph J. Bell and County Administrator Steve Marvin.

The Pledge of Allegiance was led by Director Gardner.

Director Gardner read the following statement: **“ADEQUATE NOTICE OF THIS MEETING OF DECEMBER 28, 2005 WAS GIVEN IN ACCORDANCE WITH THE OPEN PUBLIC MEETINGS ACT BY FORWARDING A SCHEDULE OF SPECIAL MEETINGS OF THE BOARD OF CHOSEN FREEHOLDERS TO THE WARREN COUNTY CLERK, THE STAR-LEDGER, AND DAILY RECORD AND BY POSTING A COPY THEREOF ON THE BULLETIN BOARD IN THE OFFICE OF THE BOARD OF CHOSEN FREEHOLDERS. FORMAL ACTION MAY BE TAKEN BY THE BOARD OF CHOSEN FREEHOLDERS AT THIS MEETING. PUBLIC PARTICIPATION IS ENCOURAGED. IN ORDER TO ASSURE FULL PUBLIC PARTICIPATION, THOSE INDIVIDUALS WITH DISABILITIES WHO WISH TO ATTEND THE MEETING SHOULD SUBMIT ANY REQUESTS FOR SPECIAL ACCOMMODATION ONE WEEK IN ADVANCE.”**

Mr. Houck distributed his analysis of joint insurance fund (JIF) operating data and fund balances. Ms. Sharon Cooper of Brown & Brown was invited to come forward to facilitate the meeting. She distributed a one page synopsis of coverage. She noted slight differences in coverage, Statewide versus PAIC. The bottom line in premiums was \$2,416,679 for Statewide and \$2,483,209 for PAIC, a difference of \$66,530.

Referring to Mr. Houck's analysis, Mr. Gardner expressed concern regarding the overall fund balance of Statewide compared to PAIC and that it appears PAIC returns significant dividends each year while Statewide does not. Ms. Cooper stated she was not knowledgeable about how financial statements are prepared so could not comment.

Mr. DiMaio said it appeared to him that PAIC gets more money up front enabling them to issue refunds later while Statewide operates on a tighter budget. He inquired about the commissions to be earned by Brown & Brown, one JIF versus the other, and had preferred these figures be included in the overall summary. Ms. Cooper estimated most commissions were basically equal except for package policy which she thought may be 11% for PAIC and 7.5% for Statewide.

Mr. DiMaio expressed his displeasure that quotes had not been obtained from another JIF, especially since both Statewide and PAIC fall under the Brown & Brown umbrella. Ms. Cooper said there are “territorial courtesies” and in some cases, applications cannot even be sent without going through an arbitration process.

Mr. Bell asked some questions regarding environmental claims such as spills and old landfills and Ms. Cooper confirmed such claims would be covered. Mr. Gardner inquired about the Pohatcong Superfund site. Ms. Cooper said a Superfund site would not be covered by any insurance carrier.

In answer to Mr. DiMaio's question about regulation, Ms. Cooper said the Department of Banking and Insurance oversees insurance practices. Mr. Gardner was concerned about a later assessment with Statewide and it was confirmed that would be a possibility.

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Mr. DiMaio was very annoyed that this information was being presented so late in the year, saying the numbers should have been before the Board in November. Ms. Cooper agreed and apologized although she insisted the matter was beyond her control and there was nothing she could have done about it.

Mr. DiMaio asked why Warren Haven was not insured through the JIF. Ms. Cooper said nursing homes are very difficult to insure and this is the same company we had in the past.

Mr. Houck asked if an assessment could be levied in the middle of a budget year. Although that would be permitted, he was told that would be highly unusual as insurers understand the way budgets work and if an assessment became necessary, it would be scheduled to coincide with budget planning.

Mr. Marvin was asked his opinion on efficiency of claims processing for these companies. He replied they both have their ups and downs and didn't think one had an advantage over the other.

Discussion ensued regarding logistical details.

Mr. DiMaio again said he was very dissatisfied with the entire process; he felt pressured having to make a decision right now and would have liked to have been presented with a third quote. "Everything's tied too closely to one company here," he said. The insurance agency is getting paid a lot of money for this policy and he did not like the way it has been handled. He wanted to abstain from the vote, but was unable to since Mr. Chamberlain was not present. For the sake of having insurance in place, I'll vote yes, but I don't like this process, he said.

**RESOLUTION 776-05**

On motion by Mr. DiMaio, seconded by Mr. Gardner, the following resolution was adopted by the Board of Chosen Freeholders of the County of Warren at a meeting held on December 28, 2005.

**RESOLUTION TO JOIN STATEWIDE INSURANCE FUND.**

**WHEREAS**, a number of local units have joined together to form the Statewide Insurance Fund ("FUND"), a joint insurance fund, as permitted by N.J.S.A. 40A:10-36 et seq.; and

**WHEREAS**, the statutes and regulations governing the creation and operation of joint insurance funds contain elaborate restrictions and safeguards concerning the safe and efficient administration of such funds; and

**WHEREAS**, the County of Warren ("LOCAL UNIT") has determined that membership in the FUND is in the best interest of the LOCAL UNIT.

**WHEREAS**, the LOCAL UNIT agrees to be a member of the FUND for a period of three (3) years, effective from January 1, 2006 terminating on January 1, 2009 at 12:01 a.m. standard time; and

**WHEREAS**, the LOCAL UNIT has never defaulted on claims, if self-insured, and has not been canceled for non-payment of insurance premiums for two (2) years prior to the date of this resolution.

**NOW, THEREFORE, BE IT RESOLVED** that the LOCAL UNIT does hereby agree to join the Statewide Insurance Fund; and

**BE IT FURTHER RESOLVED** that the LOCAL UNIT will be afforded the following coverage(s) as marked "Yes":

**YES****NO**

Workers' Compensation and Employers' Liability

X

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Package Program (Property, Crime-Faithful Performance and Fidelity, Inland Marine, Boiler and Machinery, Comprehensive General Liability, Auto Liability, Auto Physical Damages and Professional Liability).	X
Pollution Liability	X
Excess Insurance	X

**BE IT FURTHER RESOLVED** that Charles L. (Pete) Houck is hereby appointed as the LOCAL UNIT'S Fund Commissioner and is authorized to execute the application for membership and the accompanying certification on behalf of the LOCAL UNIT; and

**BE IT FURTHER RESOLVED** that the LOCAL UNIT'S Fund Commissioner is authorized and directed to execute the Indemnity and Trust Agreement and such other documents signifying the membership in the FUND as required by the FUND'S bylaws and to deliver same to the Administrator of the FUND with the express reservation that said documents shall become effective only upon the LOCAL UNIT'S admissions to the FUND following approval of the FUND by the New Jersey Department of Banking and Insurance.

I hereby certify the above to be a true copy of a resolution adopted by the Board of Chosen Freeholders on the date above mentioned.

Steve Marvin, Clerk of the Board

Recorded Vote: Mr. Chamberlain absent, Mr. DiMaio yes, Mr. Gardner yes

**RESOLUTION 777-05**

On motion by Mr. Gardner, seconded by Mr. DiMaio, the following resolution was adopted by the Board of Chosen Freeholders of the County of Warren at a meeting held on December 28, 2005.

**RESOLUTION APPOINTING RISK MANAGEMENT CONSULTANT.**

**WHEREAS**, the County of Warren (hereinafter "LOCAL UNIT") has joined the Statewide Insurance Fund (hereinafter ("FUND")), a joint insurance fund as defined in N.J.S.A. 40A:10-36 et seq.; and

**WHEREAS**, the bylaws require participating members to appoint a Risk Management Consultant as those positions are defined in the bylaws, if requested to do so by the FUND; and

**WHEREAS**, the FUND has requested its members to appoint individuals or entities to that position; and

**NOW, THEREFORE, BE IT RESOLVED** by the governing body of the County of Warren in the State of New Jersey as follows:

1. The County of Warren hereby appoints Brown & Brown Insurance of New Jersey as its local Risk Management Consultant.
2. The Freeholder Director and Board Clerk are hereby authorized to execute the Risk Management Consultant's Agreement for the Fund Year 2006 in the form attached hereto.

I hereby certify the above to be a true copy of a resolution adopted by the Board of Chosen Freeholders on the date above mentioned.

Recorded Vote: Mr. Chamberlain absent, Mr. DiMaio yes, Mr. Gardner yes

Ms. Cooper said she would hand-deliver the insurance cards for vehicles no later than Friday, December 30 to Bob West in the Road Department.

On motion by Mr. DiMaio, seconded by Mr. Gardner and there being no further business to come before the Board at this time, the meeting was adjourned at 2:13 pm.

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**ATTESTED TO:**

**Steve Marvin, Clerk of the Board**