

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND  
OPEN MINUTES MEETING – DECEMBER 14, 2016  
HANOVER TOWNSHIP MUNICIPAL BUILDING  
12:00 PM**

Meeting of Fund Commissioners called to order by Chairman Poff. Open Public Meeting Notice read into records. Chairman Poff led Commissioners in the Pledge of Allegiance.

**ROLL CALL OF EXECUTIVE COMMITTEE:**

Greg Poff, Chairman	Township of Rockaway	Present
William Close, Secretary	Township of Sparta	Absent
Ralph Blakeslee	Borough of Netcong	Present
Adam Brewer	Township of West Caldwell	Present
Michael Guarino	Township of Denville	Present
Brian McNeilly	Borough of Stanhope	Present
Jonathan Rheinhardt	Borough of Wharton	Present

**ROLL CALL OF FUND COMMISSIONERS:**

Diana Francisco	Township of Andover	Present
John Dunleavy	Borough of Bloomingdale	Present
Cynthia Oravits	Town of Boonton	Absent
Barbara Shepard	Township of Boonton	Present
James Lampmann	Borough of Butler	Absent
Thomas Ciccarone	Township of Chatham	Absent
Timothy Day	Borough of Chatham	Present
Denean Probosco	Borough of Chester	Absent
Donald Travisano	Town of Dover	Present
Joseph Tempesta	Township of East Hanover	Present
Francine Paserchia	Borough of Essex Fells	Absent
William Huyler	Borough of Florham Park	Absent
Silvio Esposito	Township of Hanover	Present
Eric Maurer	Borough of Hawthorne	Present
Unappointed	Borough of Hopatcong	
Robert Collins	Borough of Kinnelon	Absent
Perry Mayers	Borough of Lincoln Park	Present
Neil Henry	Township of Long Hill	Absent
James Burnett	Borough of Madison	Absent
Richard Merkt	Borough of Mendham	Present
Marybeth Zichelli	Township of Mendham	Present
Jason Gabloff	Township of Millburn	Present
Victor Canning	Township of Montville	Absent
June Uhrin	Borough of Morris Plains	Absent
Carolyn Rinaldi	Borough of Mount Arlington	Absent
Laura Harris	Township of Mount Olive	Present
Richard Sheola	Borough of Mountain Lakes	Absent
Mel Levine	Borough of North Caldwell	Present
David Hollberg	Township of Pequannock	Absent
Darren Maloney	Township of Randolph	Absent
Scott Heck	Borough of Ringwood	Absent
Sheila Seifert	Borough of Rockaway	Absent
Terri Lyons	Township of Washington	Present
Catherine Shanahan	Township of West Milford	Present

**2016 FUND COMMISSIONER ALTERNATES:**

Maryann Frodella	Township of Andover	Present
Sherry Gallagher	Borough of Bloomingdale	Absent
Terry McCue	Town of Boonton	Absent
James Kozimor	Borough of Butler	Absent
Deborah King	Township of Chatham	Absent
Stephen Williams	Borough of Chatham	Absent
Steven Ward	Township of Denville	Absent
Kelly Toohey	Town of Dover	Absent
Kenneth Huelbig	East Hanover Township	Absent
Patricia Visco	Borough of Florham Park	Absent
Kelli Schanz	Township of Hanover	Absent
Jennifer Scully	Borough of Hawthorne	Absent
Alex McDonald	Township of Millburn	Absent
Jason Kohn	Borough of Morris Plains	Absent
June Hercek	Borough of Montville	Absent
Valerie Egan	Borough of Mountain Lakes	Absent
Andrew Cangiano	Borough of Mt. Arlington	Absent
Christine Stachnik	Township of Mount Olive	Absent
Christopher Tietjen	Township of Pequannock	Present
William Marsala	Borough of Ringwood	Absent
Yolanda Dykes	Borough of Rockaway	Present
Patricia Seger	Township of Rockaway	Absent
Michele Landtau	Township of Sparta	Present
Dana Mooney	Borough of Stanhope	Absent
Andrew Coppola	Township of Washington	Absent
Antoinette Battaglia	Township of West Milford	Absent
William Wallace	Township of West Caldwell	Absent
Gabrielle Evangelista	Borough of Wharton	Absent

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Administrator

PERMA Risk Management Services  
**Cathleen Kiernan**

Deputy Executive Director

**Joseph Hrubash**

Attorney/Litigation Management

Dorsey & Semrau, Esq.  
**Fred Semrau, Esq.**

Underwriting Manager

Conner Strong &amp; Buckelew

Safety Director

J.A. Montgomery Risk Control  
**Brian Maitland**

Treasurer

**Grace Brennan**

Liability Claims Service

Lenape Claims Management, Inc.  
**Janine Leahy**Workers Compensation  
Claim ServiceQual-Lynx  
**Robert Fox**

Managed Care

First Managed Care Option  
**Mary Bresadola**

Auditor

Nisivoccia LLP

**ALSO PRESENT:**

Margaret Chalmers, Marsh USA  
Frank Covelli, PIA  
Wayne Dietz, Skylands Risk Management  
Javier Esparra, Qual-Lynx  
Patty Esposito, Marsh USA  
Stacy Russo, Russo and Associates  
Dave Sgalia, Cupo Insurance Agency, Inc.  
Karen Waters, IMAC Insurance  
Dave Vozza, The Vozza Agency  
Jaine Testa, PERMA

**APPROVAL OF MINUTES –**

November 9, 2016 Open & Closed minutes:

**MOTION TO APPROVE OPEN MINUTES AND CLOSED MINUTES OF NOVEMBER 9, 2016:**

Motion:	Commissioner Day
Second:	Commissioner Rheinhardt
Vote:	19 Ayes, 0 Nays, 6 Abstains (Commissioners Francisco, Tempesta, Maurer, Zichelli, Shanahan, Tietjen (alt.))

**ACKNOWLEDGEMENT OF SERVICE RESOLUTION**

**Robert L. Fox, Qual-Lynx - Account Manager**

Chairman Poff read a resolution on behalf of the fund to Robert Fox of Qual-Lynx honoring him for his fifteen years of service as the Worker's Compensation Claims Manager. Chairman Poff recognized Mr. Fox for his personal direction and guidance over the years.

**CORRESPONDENCE – None**

## **MONTHLY COMMITTEE REPORTS:**

**Membership, Marketing & Coverage Committee, Michael Guarino, Chair, Denville Township** – No report

**Finance Committee, Jon Rheinhardt, Chair, Wharton Borough**– No report.

**Safety Committee, Chief Jason Kohn, Chair, Morris Plains Borough.** – No report

**Contracts and Rules Committee, Ralph Blakeslee, Chair, Netcong Borough**– No report

**Legal Review Committee, William Close, Chair, Sparta** — No report

**Claims Review Committee, Brian McNeilly, Chair, Stanhope Borough** – The committee met on December 12th at PERMA’s office, in Parsippany and recommended approval of payment authority request for 10 Workers’ Compensation Claims totaling Payment Authority Requests of \$675,618, 1 Lien Compromise Request totaling \$10,000, 3 Property Claims totaling Payment Authority Requests of \$79,324 and 4 Liability Claim totaling Payment Authority Requests of \$273,575..

**EXECUTIVE DIRECTOR’S REPORT:** Monthly report submitted to Fund Commissioners, including monthly fast-track, accident frequency, fast-track financial report, claim activity report, interest rate summary comparison, and monthly loss ratio by fund year and line of coverage, public officials/employment practices compliance, deductibles & co-insurance levels and regulatory checklist.

### **Due Diligence:**

**Loss Ratio Analysis Report:** Executive Director said the actuary has placed a conservative reserve on IBNR for fund year 2014 as a result of a multiple changes in claims management and handing over the last several years. Based on recommendation from the Finance Committee, the fund maintains a sufficient surplus which can be used to offset the difference if 2014 year does not show improvement when it is transferred to closed year (RCF) fund.

**POL/EPL Compliance Report:** The report distributed reflects the 2016 coverages. All members have submitted their checklists and are in compliance for 2017.

**2017 Membership Renewals** – The Fund office received word that Mountain Lakes will renew its membership in the fund.

**2017 1<sup>st</sup> Installment Billings** – At last month’s meeting, the 2017 assessments by member were certified. Assessment bills were mailed to members via certified mail on December 5<sup>th</sup>.

**POL/EPL coverage change:** As part of the MEL Underwriting Manager report, a memorandum was distributed to members on coverage changes to the POL/EPL policy effective January 1, 2017. The Fund held a conference call on November 30<sup>th</sup> to announce bulletin prior to distribution - but did not achieve a quorum. The board discussed the changes to the 2017 POL/EPL policy which created a sub-limit for land use claims of \$150,000 .

The MEL JIF created a task force to review issues that have arisen over several years regarding land use claims. Carrier QBE also contributed input. Fund attorney said the task force looked at cost to defend these type of claims. Fund Attorney said the policy language concerning coverage for claims involving “injunctive relief (which is excluded) and monetary damages has been challenged. QBE had believed the policy language amendments made prior to their assuming this coverage was adequate – but language was again challenged. Fund Attorney said that while the MEL has reviewed its language before, members often interpreted the coverage to mean that the fund would provide a defense until member determines when to terminate litigation. Claims involving civil rights issues, as with religious organizations, involve fee shifting, which can increase the cost to

defend. Executive Director said the MEL's Task Force reviewed its claim history and said most of the claims arising out of land use are within the newly established sublimit of \$150,000. Executive Director also said that the majority of claims covered in the POLEPL policy now arise out of employment matters. In response to Commissioner Dunleavy, there will be no change in member's deductible, the new sub-limit is above deductible. Commissioner Rheinhardt said the change is intended to protect the members but the limit is there to prevent financial pressures on the system.

Attorney said the MEL is working to create a training program in 2017 for land use and planning board members. This will be a pro-active approach to familiarize board members with issues that can arise.

Executive Director said the Underwriting Manager is in negotiations with QBE to consider offering excess coverage to members on an individual basis.

Resolution 25-16 recognizing QBE's changes to the POL/EPL Policy was distributed and adopted by the board.

**Motion to adopt resolution 25-16 acknowledging policy change to POL/EPL policy for land use claims**

Motion: Commissioner Rheinhardt  
Second: Commissioner Levine  
Vote: 24 yea 1 nay (Commissioner Gabloff, Millburn) 0 abstain

**RCF-** The Residual Claims Fund scheduled its 2017 Reorganization meeting for Wednesday, January 4, 2017 at 10:30 am in the Forsgate Country Club located in Jamesburg, NJ.

The Fund elected its representative and alternate to the Residual Claims Fund for the 2017 Fund Year.

**MOTION TO ELECT JON RHEINHARDT AS THE MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND'S 2017 REPRESENTATIVE AND GREGORY POFF AS THE ALTERNATE TO THE RESIDUAL CLAIMS JOINT INSURANCE FUND.**

Motion: Commissioner Guarino  
Second: Commissioner Day  
Vote: unanimous

**EJIF -** The EJIF Board of Fund Commissioners met on November 16th at the Sheraton Hotel in Atlantic City. A copy of Commissioner Rheinhardt's report on the meeting was distributed to commissioners.

The EJIF's 2017 Reorganization meeting is scheduled for 10:50 am on Wednesday, January 4, 2016 in the Forsgate Country Club located in Jamesburg, NJ.

The Fund elected its representative and alternate to the Environmental Joint Insurance Fund for the 2017 Fund Year.

**MOTION TO ELECT GREGORY POFF AS THE MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND'S 2017 REPRESENTATIVE AND JON RHEINHARDT AS THE ALTERNATE TO THE ENVIRONMENTAL JOINT INSURANCE FUND.**

Motion: Commissioner Guarino  
Second: Commissioner Day  
Vote: unanimous

**MEL** - The MEL Board of Fund Commissioners conducted its public hearing on the 2017 budget on November 16th in the Atlantic City Convention Center. Enclosed is a copy of Commissioner Rheinhardt's report on the meeting – with adopted budget attached.

The 2017 Reorganization meeting for the MEL is scheduled for Wednesday, January 4, 2017 at 11:15 am at the Forsgate Country Club located in Jamesburg, NJ.

The Fund should elect its representative & alternate to the Municipal Excess Liability Joint Insurance Fund for the 2017 Fund Year.

**MOTION TO ELECT JON RHEINHARDT AS THE MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND'S 2017 REPRESENTATIVE AND GREGORY POFF AS THE ALTERNATE TO THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND.**

Motion: Commissioner Guarino  
Second: Commissioner Blakeslee  
Vote: unanimous

**January Reorganization Meeting** - The Fund's 2017 Reorganization meeting is scheduled for Wednesday, January 11, 2017 at 12 pm in the Hanover Township Municipal Building. All Fund Commissioners are encouraged to attend so that the Fund can achieve a quorum.

**Employment Practices Program:** Members had until October 1<sup>st</sup> to submit checklist to qualify and/or maintain deductible and co-pay incentives. Compliance includes updating Personnel Manuals, Training Managers & Supervisors, Police Command Staff and offering training to non-supervisory personnel. All members have submitted their checklists.

Executive Director's Report Made Part of Minutes.

**TREASURER:**

Treasurer reminded all members that first installment assessments are due January 15, 2017.

Executive director said that the 2017 bills have been reformatted to itemize outstanding items the fund tracks for members such as payment of POL/EPL deductibles and police accreditations grants.

The following December 2016 bills list was included for approval on the consent motion as Resolution 26-16.

<b>DECEMBER 2016</b>	
<b>2016</b>	<b>\$ 987,011.48</b>
<b>TOTAL</b>	<b>\$ 987,011.48</b>

**CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF OCTOBER 2016**

<b>CLOSED</b>	\$0.00
<b>2012</b>	\$0.00
<b>2013</b>	\$28,520.89
<b>2014</b>	\$121,614.05

<b>2015</b>	\$99,958.30
<b>2016</b>	\$309,297.41
<b>TOTAL</b>	\$559,390.65

Treasurer's Report Made Part of Minutes.

**ATTORNEY :**

Attorney's Report Made Part of Minutes

**UNDERWRITING MANAGER:**

**CERTIFICATES OF INSURANCE:**

List of certificates was included in the agenda. A total of 36 certificates were issued from October 26 through November 25, 2016.

Certificates List and Underwriting Managers Report made part of minutes

**SAFETY DIRECTOR:**

J.A. Montgomery Risk Control will be hosting a webinar on PEOSH Injury & Illness Recordkeeping requirements in January. Program information will be sent out via email in the weeks to come.

Safety Director's Report Made Part of Minutes.

**MANAGED CARE:**

Managed Care Provider's Report Made Part of Minutes

**MOTION FOR EXECUTIVE SESSION FOR CERTAIN  
SPECIFIED PURPOSES: PERSONNEL- SAFETY & PROPERTY  
OF PUBLIC LITIGATION:**

Motion: Commissioner Guarino  
Second: Commissioner Day  
Vote: Unanimous

**MOTION TO RETURN TO OPEN SESSION:**

Motion: Commissioner Day  
Second: Commissioner Gabloff  
Vote: Unanimous

**MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN  
EXECUTIVE SESSION, EXECUTIVE DIRECTOR'S REPORT; RESOLUTION 26-16  
APPROVING THE DECEMBER BILLS LIST; TREASURER'S REPORTS; ATTORNEY'S**

**REPORTS; UNDERWRITING MANAGER'S REPORTS; MONTHLY CERTIFICATES;  
SAFETY DIRECTOR'S REPORTS; AND MANAGED CARE PROVIDER'S REPORTS**

Motion: Commissioner Dunleavy  
Second: Commissioner Zichelli  
Roll Call Vote: unanimous

**NEW BUSINESS:**

Robert Fox thanked all members he has worked with in the past fifteen years and complimented the funds service to its constituents.

**OLD BUSINESS:**

None

**PUBLIC COMMENT:**

None

**MOTION TO ADJOURN:**

Moved: Commissioner Travisano  
Second: Commissioner Levine  
Vote: Unanimous

Meeting Adjourned:

12:40 PM

Jaine Testa, Assisting Secretary

For William Close, Secretary

Date prepared: January 4, 2017



**RESOLUTION 25-16**  
**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND PROVIDING AN**  
**UPDATE TO PUBLIC OFFICIALS/EMPLOYMENT PRACTICES LIABILITY POLICY**  
**TO BE EFFECTIVE IN THE 2017 POLICY YEAR**

**WHEREAS**, the MEL created a task force to review the Public Officials/Employment Practices Liability Policy (POL/EPL Policy) with regard to certain concerns relating to land use matters; and

**WHEREAS**, the task force recommended certain changes to the POL/EPL Policy; and

**WHEREAS**, the MEL has reviewed the recommended changes and believes that the changes are in the interest of its member Joint Insurance Funds; and

**WHEREAS**, the proposed changes are to be effective in the 2017 policy year.

**NOW, THEREFORE, BE IT RESOLVED** that the Commissioners of the Morris County Municipal Joint Insurance Fund concur with the recommendation of the MEL and hereby authorizes the QBE Specialty Public Officials/Employment Practices Liability Policy be amended as follows:

- Limit otherwise covered claims involving land use and zoning to a sub-limit of \$150,000;  
and
- Clarify language on claim reporting obligations of members.

**BE IT FURTHER RESOLVED**, that this change shall be incorporated for the 2017 policy year and will also be set forth in a MEL Information Bulletin and distributed by the MEL to all members of the Fund.

Adopted by the Governing Body this 14th day of December 2016.

Morris County Municipal Joint Insurance Fund

# MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 26-16

DECEMBER 2016

**WHEREAS**, the Treasurer has certified that funding is available to pay the following bills:

**BE IT RESOLVED** that the Morris County Municipal Joint Insurance Fund's Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

**FURTHER**, that this authorization shall be made a permanent part of the records of the Fund

**FUND YEAR 2016**

<b><u>Check Number</u></b>	<b><u>Vendor Name</u></b>	<b><u>Comment</u></b>	<b><u>Invoice Amount</u></b>
<b>001135</b>			
001135	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND 4TH QTR 2016	5,132.63
			<b>5,132.63</b>
<b>001136</b>			
001136	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES FEE 11/2016	21,044.20
			<b>21,044.20</b>
<b>001137</b>			
001137	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 4TH QTR 2016	318,311.50
001137	MUNICIPAL EXCESS LIABILITY JIF	MEL 4TH QTR 2016	525,022.42
			<b>843,333.92</b>
<b>001138</b>			
001138	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 12/2016	16,143.29
			<b>16,143.29</b>
<b>001139</b>			
001139	QUAL-LYNX	CLAIMS ADMIN - 12/2016	20,416.63
			<b>20,416.63</b>
<b>001140</b>			
001140	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 12/2016	16,438.15
			<b>16,438.15</b>
<b>001141</b>			
001141	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS ADMIN - 12/2016	18,670.96
			<b>18,670.96</b>
<b>001142</b>			
001142	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 11/2016	74.80
001142	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 12/2016	23,304.25
			<b>23,379.05</b>
<b>001143</b>			
001143	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 12/2016	3,258.39
			<b>3,258.39</b>
<b>001144</b>			
001144	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 12/2016	2,300.19
			<b>2,300.19</b>
<b>001145</b>			
001145	GRACE BRENNAN	TREASURER FEE 12/2016	2,024.19
			<b>2,024.19</b>
<b>001146</b>			

001146	THE RODGERS GROUP, LLC	POLICE ACCREDITATION MAINTENANCE	3,000.00
			<b>3,000.00</b>
<b>001147</b>			
001147	MUNICIPAL EXCESS LIABILITY JIF	MSI 4TH QTR 2016	9,335.50
			<b>9,335.50</b>
<b>001148</b>			
001148	DAILY RECORD	ACCT: ASB-70026874 - 1/22/16 - ADPT BDGT	63.16
			<b>63.16</b>
<b>001149</b>			
001149	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 12/2016	943.23
			<b>943.23</b>
<b>001150</b>			
001150	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT & STOR 10/31/2016	67.55
			<b>67.55</b>
<b>001151</b>			
001151	VITALES DELI	MEETING EXPENSE - 11/9/2016	655.22
001151	VITALES DELI	MEETING EXPENSE - 10/12/2016	655.22
			<b>1,310.44</b>
<b>001152</b>			
001152	NEWTECH SERVICES INC.	MONTHLY WEBISTE MAINTENANCE/HOSTNG 12/16	75.00
001152	NEWTECH SERVICES INC.	MONTHLY WEBISTE MAINTENANCE/HOSTNG 11/16	75.00
			<b>150.00</b>
		Total Payments FY 2016	987,011.48

**TOTAL PAYMENTS ALL FUND YEARS \$ 987,011.48**