

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – JULY 8, 2015
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 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	Present
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:

Vita Thompson	Township of Andover	Absent
John Dunleavy	Borough of Bloomingdale	Present
Terry McCue	Town of Boonton	Absent
Barbara Shepard	Township of Boonton	Present
James Lampmann	Borough of Butler	Present
Thomas Ciccarone	Township of Chatham	Absent
Timothy Day	Borough of Chatham	Present
Valerie Egan	Borough of Chester	Absent
Donald Travisano	Dover Town	Absent
Joseph Tempesta	Township of East Hanover	Present
Francine Paserchia	Borough of Essex Fells	Absent
William Huyler	Borough of Florham Park	Present
Silvio Esposito	Township of Hanover	Absent
Eric Maurer	Borough of Hawthorne	Present
Robert Elia	Borough of Hopatcong	Present
Daniel O'Dougherty	Borough of Kinnelon	Present
Perry Mayers	Borough of Lincoln Park	Absent
Neil Henry	Township of Long Hill	Absent
Robert Kalafut	Borough of Madison	Present
Richard Merkt	Borough of Mendham	Present
Amey Upchurch	Township of Mendham	Present
Tim Gordon	Township of Millburn	Absent
Victor Canning	Township of Montville	Present
June Uhrin	Borough of Morris Plains	Absent
Carolyn Rinaldi	Borough of Mount Arlington	Present
Sean Canning	Township of Mount Olive	Present
Richard Sheola	Borough of Mountain Lakes	Present
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
Kenneth Gabbert	Township of West Milford	Present

2015 FUND COMMISSIONER ALTERNATES:

Maryann Frodella	Township of Andover	Present
Sherry Gallagher	Borough of Bloomingdale	Absent
Cynthia Oravits	Town of Boonton	Absent
James Kozimor	Borough of Butler	Absent
Deborah King	Township of Chatham	Absent
Robert Falzarano	Borough of Chatham	Absent
Steven Ward	Township of Denville	Absent
Kelly Toohey	Dover Town	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
Unappointed	Borough of Kinnelon	---
James Burnet	Borough of Madison	Absent
Alex McDonald	Township of Millburn	Present
Jason Kohn	Borough of Morris Plains	Absent
June Hercek	Borough of Montville	Absent
Michelle Reilly	Borough of Mountain Lakes	Absent
Andrew Cangiano	Borough of Mt. Arlington	Absent
unappointed	Township of Mount Olive	Absent
William Marsala	Borough of Ringwood	Absent
Yolanda Dykes	Borough of Rockaway	Absent
Joseph Fiorella	Township of Rockaway	Absent
Michele Landtau	Township of Sparta	Absent
Dana Mooney	Borough of Stanhope	Absent
Andrew Coppola	Township of Washington	Absent
Catherine Shanahan	Township of West Milford	Absent
David Young	Borough of Wharton	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator

PERMA Risk Management Services
Cathleen Kiernan

Deputy Executive Director

Attorney/Litigation Management

Dorsey & Semrau, Esq.
Fred Semrau, Esq.

Underwriting Manager

Conner Strong & Buckelew

Safety Director

J.A. Montgomery Risk Control
John Zengel

Treasurer

Grace Brennan

Liability Claims Service

D&H Alternative Risk Solutions, Inc.

Workers Compensation
Claim Service

Managed Care

Auditor

Paul Messerschmidt

Qual-Lynx
Bob Fox

FMCO
Thomas Mooney

Nisivoccia LLP

ALSO PRESENT:

Sharon Cooper, Public Entity Advocates
Frank Covelli, PIA
Patty Esposito, Marsh USA, Inc.
Dave Sgalia, Henry O. Baker
Steve Reichman, ADP Statewide
Mark Todisco, Chadler Solutions
Karen Waters, IMAC Insurance Agency, LLC
Jaine Testa, PERMA

APPROVAL OF MINUTES -

June 10, 2015 Open & Closed minutes:

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF JUNE 10, 2015

Motion:	Commissioner Levine
Second:	Commissioner Rheinhardt
Vote:	23, Ayes, 0 Nays, 8 Abstains (Commissioners Dunleavy, Lampmann, Tempesta, Maurer, Upchurch, Sheola, Lyons and McDonald (alt.)

CORRESPONDENCE – None

MONTHLY COMMITTEE REPORTS:

Committee reports:

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

Finance Committee, Robert Kalafut, Chair, Madison Borough – Chairman Kalafut said the fund’s statutory surplus as of May 31 is less \$4 million, the lowest within the past ten years. Executive Director will address during her report.

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

Contracts and Rules Committee, Ralph Blakeslee, Chair, Netcong Borough– The committee met on July 8th prior to the JIF meeting. Chairman Blakeslee gave the report and said the committee recommends initiating an RFQ process in 2015 for professional contract positions for the 2016 contract year, with a three-year term. The release of the RFQs will be staggered over a three year period. The Executive Director’s office will release the first RFQ in July for the positions of Claims Administration for Workers’ Compensation and Property/Liability and Managed Care Director. In 2016 the RFQ will be released for Safety Director, Attorney, Auditor and CDL driver testing; the RFQ for 2017 will be released for Underwriting, Actuary, Executive Director and Treasurer positions. The committee reserves the right to review the feasibility of the RFQ process after the first year.

Motion to authorize the Executive Director to advertise requests for qualifications for Claims Administration and Managed Care professionals for the period of January 1, 2016 through December 31, 2018.

Motion: Commissioner Rheinhardt
Second: Commissioner McNeilly
Vote: unanimous

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

Claims Review Committee, Jon Rheinhardt, Chair, Wharton Borough – Committee met on July 6 at PERMA in Parsippany and recommended approving payment authority requests for 9 workers’ compensation claims totaling Payment Authority Requests of \$476,452.13, 4 property claims totaling Payment Authority Requests of \$69,872.70 and 1 liability claim totaling Payment Authority Requests of \$88,397.45.

EXECUTIVE DIRECTOR/ADMINISTRATOR:

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, monthly loss ratio by fund year and line of coverage, public officials/employment practices compliance, deductibles & co-insurance levels and regulatory checklist. Executive Director said the fund’s statutory surplus as of May 31st is \$3.9 million Noting

the deficits in 2014 and 2015, Executive Director said Finance Committee reviews a financial model annually. Based on that model, the Finance Committee has not recommended releasing a dividend. As a result, it protects the Fund's surplus which can be available to cover claims during a less than favorable year. For example, if the Fund year is in a deficit position when it is transferred to the Residual Claims Fund, the balance due will be taken from the Closed Years Account. Executive Director also noted that the Closed Years Account has been used to issue grants to members for Police Accreditation. Since 2010, in addition, approximately \$1.2 million of the Closed Years Account has been used for police accreditation. Based on the statutory surplus, the Fund had discussed slowing down the program. A number of departments are in the reaccreditation process but no new departments have requested the program in 2015. The Finance Committee will discuss whether to continue the program at their August meeting.

Crossing Guard Training – The Annual Crossing Guard Training Seminar has been scheduled for August 19th at the Morris County Public Safety Training Academy from 8:30 a.m.-4:00 p.m.. A copy of the notice sent to commissioners was distributed to members.

2014 Safety Incentive Awards – At last month's meeting, the Safety Committee announced 2014 Safety Incentive Awards. PERMA is working with Grainger to prepare certificates for distribution to members.

2016 Membership Renewals – Attached is a list of members scheduled to renew fund membership by January 1, 2016. Membership documents will be mailed to those members following the meeting. Renewing members must return a signed resolution and Agreement to Renew by October 1st.

2015 Assessment/Second Installment – Statements of accounts for second installment billings were mailed to commissioners via certified mail in June and are due to the Treasurer no later than August 1, 2015.

August Meeting Cancellation- Historically, the JIF has voted to cancel the August meeting, and to process any necessary claim payments and professional fees for the month. The resolution authorizes the Treasurer to make contracted payments and the Claims Review committee to approve payment authority requests. Resolution 17-15 authorizing this action was approved as part of the Consent Motion.

2015 Coverage Manuals – The fund office will distribute the 2015 Coverage Manuals to all Fund Commissioners and Risk Managers via email in the first weeks of July.

2016 Renewal Online Underwriting Database: As reported at last month's meeting, Fund Commissioners and Risk Managers received an email announcing the beginning of the 2016 underwriting renewal process. Deadline to complete review of on-line underwriting data is September 1, 2015.

Executive Director's Report Made Part of Minutes.

TREASURER:

The following July 2015 bills list was included for approval on the consent motion as Resolution 18-15. The Treasurer reminded all members that the second installment payment is due by August 1st.

JULY 2015	
2014	\$50,782.66
2015	\$1,596,664.06
TOTAL	\$1,647,446.72

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF APRIL 2015:

CLOSED	\$0.00
2011	\$41,733.56
2012	\$83,633.70
2013	\$20,969.78
2014	168,441.70
2015	468,546.63
TOTAL	\$783,325.37

Treasurer’s Report Made Part of Minutes.

ATTORNEY:

POLEPL - Fund Attorney said representatives from XL Insurance and its Claims Administrator met with the MEL and Fund Attorneys for local JIFs. XL Insurance said it will increase its communications with the local JIF Fund Attorneys providing more case information on EPL/POL claims. As a result, the Fund Attorney’s office has worked with XL recently on behalf of several Morris JIF members. Attorney advised members to contact their own attorney, the fund attorney's office or executive director’s office before a hearing or at any time when a concern arises on a claim.

Indemnification Agreements – Fund Attorney distributed a memorandum advising members to include indemnity language members should include in their agreements – that will be favorable to the municipality. Language should be specific enough for sufficient recovery of costs regarding alleged complaint of negligence. If language doesn’t include “alleged”, recovery may be limited to only matters where contractor is proven negligent.

UNDERWRITING MANAGER:

CERTIFICATES OF INSURANCE: Executive Director gave the report. List of certificates was included in the agenda. 97 certificates were issued through June 21, 2015.

Certificates List made part of minutes

SAFETY DIRECTOR:

Safety Director advised the 2016 MSI class request information was distributed to members and the deadline is August 31st for any municipality that wishes to host a training session in 2016. He emphasized that the appropriate person review staff training needs. Also, the director’s office has issued two bulletins on summer safety topics.

Safety Director’s Report Made Part of Minutes.

MANAGED CARE:

Managed Care director reported that due to mergers, 80% of New Jersey hospitals are now part of a network. The fund uses local providers whenever possible and tries to divert care away from hospitals whenever it can – noting it is generally most cost effective to treat at a surgical center.

Managed Care Provider’s Report Made Part of Minutes

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

Motion: Commissioner: Rheinhardt
Second: Commissioner: Guarino
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Motion: Commissioner Tempesta
Second: Commissioner Day
Vote: Unanimous

MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION, EXECUTIVE DIRECTOR’S REPORT, RESOLUTION 17-15 AUGUST MEETING CANCELLATION, RESOLUTION 18-15 APPROVING THE JULY BILLS LIST, TREASURER’S REPORTS, ATTORNEY’S REPORTS, UNDERWRITING MANAGER’S REPORTS - MONTHLY CERTIFICATES, SAFETY DIRECTOR’S REPORTS, AND MANAGED CARE PROVIDER’S REPORTS

Moved: Commissioner Merkt
Second: Commissioner McNeilly
Vote: Unanimous

OLD BUSINESS:

NEW BUSINESS:

PUBLIC COMMENT:

None.

MOTION TO ADJOURN:

Moved: Commissioner Brewer

Second: Commissioner Levine

Vote: Unanimous

Meeting Adjourned 12:30 PM

Jaine Testa, Assisting Secretary

For

William Close, Secretary

Date prepared August 25, 2015

RESOLUTION 17-15
RESOLUTION OF THE MORRIS COUNTY MUNICIPAL JOINT
INSURANCE FUND AUTHORIZING THE CONTINUANCE OF
CONTRACTUAL AND CLAIM PAYMENTS
UNTIL THE SEPTEMBER 9, 2015 MEETING

WHEREAS, the Morris JIF has, in recent years, canceled its regular meeting schedule for the month of August; and

WHEREAS, by way of this resolution, the August 12, 2015 meeting is hereby canceled and the Treasurer is directed to continue to make, during the months of July and August, all contractual payments which customarily become due and the professionals are directed to continue to perform their services, with the understanding that any and all actions that they take shall be confirmed at the September 9, 2015 meeting, except in the case of emergency or a matter which would be deemed by General Counsel to be extraordinary, authorization shall be sought from the Chairman and/or Secretary of the Morris JIF.

WHEREAS, the Morris County Municipal Joint Insurance Fund has a Claims Review Committee that meets on a monthly basis and makes its recommendations to the Board of Fund Commissioners for payment of claims; and

WHEREAS, the Claims Review Committee has set forth a schedule for its meetings and has advertised that schedule in accordance with the Open Public Meetings Act,

BE IT RESOLVED, by the Commissioners of the Morris County Municipal Joint Insurance Fund as follows:

1. The regular scheduled meeting for August 12, 2015 is hereby canceled.
2. The Treasurer is authorized to make payment for all contracted services for August and September as same are usually paid for notwithstanding that there will not be a meeting in August to confirm those payments.
3. All professionals are directed to proceed in the normal course to take any and all steps necessary to resolve cases which are outstanding for which the Morris JIF will confirm their actions at the September 9, 2015 meeting, the only exception being if there is an item which is deemed to be extraordinary by General Counsel, authorization shall be sought either by the Chairman or the Secretary of the Morris before that action is take by the professional.
4. The Claims Review Committee is hereby authorized the approve payment authority requests submitted by the Fund's Claims Administrators at the Committee's duly scheduled and advertised August meeting.

The foregoing resolution was duly adopted by the Morris County Municipal Joint Insurance Fund at a public meeting held on July 8, 2015.

Morris County Municipal Joint Insurance Fund

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 18-15

JULY 2015

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 2014

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000403			
000403	NISIVOCIA & COMPANY	AUDITOR FEE FOR 2014	17,846.00
			17,846.00
000404			
000404	W. W. GRAINGER, INC.	SIP: GIFT CERTIFICATES - 2014	18,770.00
			18,770.00
000405			
000405	THE RODGERS GROUP, LLC	SPECIALIZED SERVICES - 6/2015 - 10 OF 12	14,166.66
			14,166.66
		Total Payments FY 2014	50,782.66

FUND YEAR 2015

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000406			
000406	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND 3RD QTR 2015	4,777.57
			4,777.57
000407			
000407	FIRST MCO	MANAGED CARE SERVICES - 06/2015	21,044.20
			21,044.20
000408			
000408	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 3RD QTR 2015	273,757.80
000408	MUNICIPAL EXCESS LIABILITY JIF	MEL 3RD QTR 2015	839,789.07
			1,113,546.87
000409			
000409	NJ MUNICIPAL ENVIRONMENTAL	EJIF 2ND INSTALLMENT 2015	247,050.85
			247,050.85
000410			
000410	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 07/2015	15,826.75
			15,826.75
000411			
000411	QUAL-LYNX	CLAIMS ADMIN - 07/2015	24,571.80
			24,571.80
000412			
000412	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 07/2015	16,155.85
			16,155.85
000413			

000413	PERMA	POSTAGE FEE 06/2015	438.72
000413	PERMA	EXECUTIVE DIRECTOR FEE 07/2015	22,194.55
			22,633.27
000414			
000414	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 07/2015	3,194.50
			3,194.50
000415			
000415	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 07/2015	2,255.08
			2,255.08
000416			
000416	GRACE BRENNAN	TREASURER FEE 07/2015	1,984.50
			1,984.50
000417			
000417	IMAC INSURANCE AGENCY	RMC FEE 2ND INSTALL 2015 LINCOLN PARK	11,276.45
000417	IMAC INSURANCE AGENCY	RMC FEE ADJUSTMENT 2015	-25.85
000417	IMAC INSURANCE AGENCY	RMC FEE ADJUSTMENT 2015	-75.00
000417	IMAC INSURANCE AGENCY	RMC FEE 2ND INSTALL 2015 - WEST CALDWELL	13,482.98
000417	IMAC INSURANCE AGENCY	RMC FEE ADJUSTMENT - 2015	-60.00
000417	IMAC INSURANCE AGENCY	RMC FEE 2ND INSTALL 2015 - DOVER TOWN	19,712.99
000417	IMAC INSURANCE AGENCY	RMC FEE 2ND INSTALL 2015 - EAST HANOVER	14,604.06
000417	IMAC INSURANCE AGENCY	RMC FEE ADJUSTMENT 2015	-81.25
			58,834.38
000418			
000418	MUNICIPAL EXCESS LIABILITY JIF	MSI 3RD QTR 2015	19,598.54
			19,598.54
000419			
000419	DAILY RECORD	ACCT: ASB-70026874 - 06/19/15 - AUDIT SY	168.32
			168.32
000420			
000420	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER - 07/2015	924.58
			924.58
000421			
000421	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT & STOR - 05/31/2015	98.61
			98.61
000422			
000422	RUSSO & ASSOCIATES LLC	INTERNAL AUDITOR - 06/24/15	8,552.00
000422	RUSSO & ASSOCIATES LLC	INTERNAL AUDITOR - 05/30/2015	3,848.40
			12,400.40
000423			
000423	HENRY O. BAKER INC.	RMC FEE 1ST INSTALL 2015 - ROCKAWAY BORO	7,201.00
000423	HENRY O. BAKER INC.	RMC FEE 1ST INSTALL 2015 - BOONTON TWP	2,940.38
000423	HENRY O. BAKER INC.	RMC FEE 1ST INSTALL 2015 - CHATHAM TWP	11,415.81
			21,557.19
000424			
000424	THE VOZZA AGENCY	RMC FEE 2ND 2015 - NETCONG	2,609.48
000424	THE VOZZA AGENCY	RMC FEE ADJUSTMENT - 06/05/15 - NETCONG	-30.00
000424	THE VOZZA AGENCY	RMC ADJUSTMENT- 06/5/15 - BLOOMINGDALE	-105.00
000424	THE VOZZA AGENCY	RMC FEE 2ND 2015 - BLOOMINGDALE	7,566.32
			10,040.80
		Total Payments FY 2015	1,596,664.06