

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – OCTOBER 14, 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	Present
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	Absent
Silvio Esposito	Township of Hanover	Present
Eric Maurer	Borough of Hawthorne	Present
Robert Elia	Borough of Hopatcong	Present
Daniel O'Dougherty	Borough of Kinnelon	Absent
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
Marybeth Zichelli	Township of Mendham	Absent
Tim Gordon	Township of Millburn	Absent
Victor Canning	Township of Montville	Absent
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	Absent
Mel Levine	Borough of North Caldwell	Present
David Hollberg	Township of Pequannock	Absent
Darren Maloney	Township of Randolph	Present
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
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2015 FUND COMMISSIONER ALTERNATES:

Maryann Frodella	Township of Andover	Absent
Sherry Gallagher	Borough of Bloomingdale	Absent
Cynthia Oravits	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	Dover Town	Present
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	Absent
Jason Kohn	Borough of Morris Plains	Present
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	Present
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	Joseph Hrubash
Attorney/Litigation Management	Dorsey & Semrau, Esq. Fred Semrau, Esq.
Underwriting Manager	Conner Strong & Buckelew Edward Scioli
Safety Director	J.A. Montgomery Risk Control Dave McHale
Treasurer	Grace Brennan

Liability Claims Service

D&H Alternative Risk Solutions, Inc.
Paul Messerschmidt

Workers Compensation
Claim Service

Qual-Lynx
Bob Fox

Managed Care

FMCO
Thea Isabella

Auditor

Nisivoccia LLP

ALSO PRESENT:

Sharon Cooper, Public Entity Advocates
Linda D’Alessio, Polaris-Galaxy Group
Stacy Russo, Russo & Associates
Dave Sgalia, Henry O. Baker
Mark Todisco, Chadler Solutions
David Voza, The Voza Agency
Karen Waters, IMAC Insurance Agency, LLC
Robyn Walcoff, PERMA
Jaine Testa, PERMA

APPROVAL OF MINUTES –

September 9, 2015 Open & Closed minutes:

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF SEPTEMBER 9, 2015

Motion:	Commissioner Rheinhardt
Second:	Commissioner Guarino
Vote:	21 Ayes, 0 Nays, 3 Abstains (Commissioners Blakeslee, Egan and Lyons)

CORRESPONDENCE – A memo from David Grubb, MEL Executive Director was distributed to Commissioners regarding the resolution of Super Storm Sandy flood claims. 110 member towns shared in the \$50 million flood sublimit. Each member is being reimbursed approximately 70% of their total claims and can now apply to FEMA for recovery of the remaining uncovered amount.

MONTHLY COMMITTEE REPORTS:

Committee reports:

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

Finance Committee, Robert Kalafut, Chair, Madison Borough –Finance Committee met on October 6th and reviewed the second draft of the proposed 2016 budget. The minutes of the meeting, as well as the August 27th meeting, were submitted for information. Chairman Kalafut introduced the 2016 budget which has an increase of 1.47%. He also noted that the MEL is implementing experience rating on its claims funds and a retrospective premium rating program for 2016.

The retrospective rating program means that the MEL will budget and bill only 85% of the experience rated claims funds. The JIF will only be billed the balance if its claims exceed that amount. If claims exceed that amount, the JIF will be issued a bill; any additional billings will be capped at 100%, 115% or 125% of the JIF's experience rated claims funds. Since the MEL claims are excess to the JIF's primary claims, these claims have a longer tail. As a result, the reconciliation will be at 10 years. The Morris 2016 budget contains a new line item to build a fund for this purpose--Aggregate Loss Fund Contingency. Once the JIF budget is adopted and assessments are collected, the JIF will transfer this line item to form a new account. Each year, the JIF can add to this fund. The MEL will issue reports, so the JIF can continually monitor to determine if the funds are adequate. Commissioner Rheinhardt said the Finance Committee felt strongly about taking a conservative approach in budgeting at 100%. – in particular noting the budget increase is less than 2%.

Chairman Kalafut said the budget for POL/EPL represents an increase of 7%. Executive Director added that XL submitted a quote for an overall increase of 15%. Underwriting Manager marketed this line of coverage; budget is based on a more competitive quote of an overall statewide increase of 5% in 2016 and 5% in 2017. The range of increases amongst affiliated JIFs is from 2% to 8% - determined upon JIF's loss experience.

Fund Chairman Poff noting the Chairman's pending retirement and thanked Chairman Kalafut for his leadership on the committee and his years of service to fund. Commissioner Kalafut will address the board at the November meeting.

Safety Committee, Chief Jason Kohn, Chair, Morris Plains Borough. – Chairman Kohn said he has met with Police Chief in Washington Township and they have expressed interest in participating in the Police Accreditation program. The Finance committee is still in discussion regarding the police accreditation grant for 2016.

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

Legal Review Committee, William Close, Chair, Sparta —Chairman Close said the committee will be meeting with all defense panel attorneys to discuss performance and case assignments. The meeting date is to be determined.

Claims Review Committee, Jon Rheinhardt, Chair, Wharton Borough – The committee met on September 9th to review the RFQ responses for Claims Administration and Managed Care positions. Minutes of the meeting were distributed in appendix III. Chairman appointed an Ad-hoc Committee from Claims Review & Contracts & Rules Committee to interview proposers. Interviews were conducted on September 22; minutes were included in the Appendix IV. The committee is still in the review process.

Due to a conflict with Columbus Day, October payment authority requests were reviewed in Executive Session. Closed session minutes will be distributed at the November meeting.

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.

2016 Budget – A draft 2016 budget was distributed to commissioners. The Finance Committee met on October 6th to review the proposed budget; minutes of the Committee's October and August meetings are included in the Appendix. The MEL is implementing experience rating on its claims

funds as well as instituting a Retrospective Rating Program. Since the Morris JIF has favorable experience in the MEL, its MEL claims fund assessment reflects a decrease. Also, in accordance with the MEL's new Retrospective Rating Program, the MEL line items reflect a deposit assessment based on 85% of its claims fund. The MEL will reconcile at 10 years. The budget includes a new line item creating an account to address the Retrospective Rating Program.

Motion to introduce the 2016 budget in the amount of \$17,119,245 and schedule a public hearing on TUESDAY, November 10, 2015 in the Hanover Township Municipal Building at 12:00 pm.

Motion: Commissioner Blakeslee
Second: Commissioner Sean Canning
Vote: unanimous

2016 Membership Renewals –A list of members scheduled to renew fund membership by January 1, 2016 was distributed. Mendham Township and Rockaway Borough have submitted renewal agreements.

Residual Claims Fund (RCF) The public hearing on the RCF budget was held on October 21, 2015 10:30 a.m. in the Forsgate Country Club. A copy of the introduced 2015 Budget Amendments and the 2016 Proposed Budget was distributed to members.

EJIF - The budget was introduced in September and a public hearing was scheduled for October 21st, 2015. A copy of the EJIF's 2016 Proposed Budget was distributed to members.

MEL - The MEL's 2016 budget introduction is scheduled for October 21, 2015 at the Forsgate Country Club in Jamesburg NJ.

Volunteer Fire & First Aid Management – A seminar for the supervisors of volunteer fire and first aid departments was held on September 30th at the Morris County Public Safety Training Academy. The seminar addressed: Summary of insurance coverage, VESP benefits, Employment Practices, Public Discrimination. There were thirty-seven attendees from fourteen member towns. Presenters were Fred Semrau, Esq, Fund Attorney, Cate Kiernan and Joseph Hrubash, PERMA; and Bob Fox, Qual-Lynx. Mr. Semrau said the participants gave excellent feedback for items to be considered. Participants were encouraged to seek out their municipal administrators when issues arise.

Elected Officials Training: This year's elected officials training program will focus on Public Officials & Employment Practices. A session is scheduled at the League of Municipalities Conference for 3:45 pm in Atlantic City on Wednesday, November 18, 2015. The MEL Model Personnel committee met and it expects the 2015/16 program to be ready for distribution by mid-November.

Executive Director's Report Made Part of Minutes.

TREASURER:

The following October 2015 bills list was included for approval on the consent motion as Resolution 22-15. The Treasurer noted all assessments were received by the August 15th deadline.

OCTOBER 2015	
2015	\$175,022.01
TOTAL	\$175,022.01

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF AUGUST 2015:

CLOSED	\$0.00
2011	\$23,053.41
2012	\$77,081.95
2013	\$40,322.97
2014	\$55,676.55
2015	\$375,549.89
TOTAL	\$571,684.77

Treasurer's Report Made Part of Minutes.

ATTORNEY:

Attorney reviewed a flood claim case in Andover. Defense attorney Bill Johnson successfully made a motion for summary judgement and the case was dismissed with no liability on the part of the member.

A memo was distributed to commissioners regarding tort claims. Attorney emphasized that municipal clerks need to forward the Notice of Claim as soon as received to liability claims administrator – D&H. D&H reviews the claim and forwards to the POL/EPL carrier (Indian Harbor); failure to notify can result in denial of claim. A notice is deemed served as soon as it is received to the municipal clerk.

UNDERWRITING MANAGER:

CERTIFICATES OF INSURANCE:

List of certificates was included in the agenda. 61 certificates were issued through September 23, 2015.

Certificates List made part of minutes

SAFETY DIRECTOR:

Dave McHale gave the report and said that a new online safe lifting program is expected to be released by January 1, 2016.

Safety Director's Report Made Part of Minutes.

MANAGED CARE:

Managed Care Provider's Report Made Part of Minutes

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

Motion: Commissioner: Sean Canning
Second: Commissioner: Levine
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Motion: Commissioner Shephard
Second: Commissioner Brewer
Vote: Unanimous

MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION, EXECUTIVE DIRECTOR'S REPORT, RESOLUTION 22-15 APPROVING THE OCTOBER 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 McNeilly
Second: Commissioner Maurer
Vote: Unanimous

OLD BUSINESS:

None

NEW BUSINESS:

Police Accreditation: Commissioner Rheinhardt asked the Safety Task Force committee to review aspects of the police accreditation process in response to recent claim.

Sean Canning: Chairman Poff acknowledged Commissioner Sean Canning, Administrator in Mount Olive is leaving his position and thanked him for his service to the fund.

PUBLIC COMMENT:

None.

MOTION TO ADJOURN:

Moved: Commissioner Tempesta
Second: Commissioner Day
Vote: Unanimous

Meeting Adjourned 12:45 PM
Jaine Testa, Assisting Secretary
For
William Close, Secretary
Date prepared November 4, 2015

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

Resolution No. 22-15

OCTOBER 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 2015

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000463			
000463	FIRST MCO	MANAGED CARE SERVICES - 09/2015	21,044.20
			21,044.20
000464			
000464	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 10/2015	15,826.75
			15,826.75
000465			
000465	QUAL-LYNX	CLAIMS ADMIN - 10/2015	24,571.80
			24,571.80
000466			
000466	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 10/2015	16,115.85
000466	J.A. MONTGOMERY RISK CONTROL	ADJUST OF INCORRECT PAYMENT 01/15-09/15	-360.00
			15,755.85
000467			
000467	D & H ALTERNATIVE RISK	CLAIMS ADMIN - 10/2015	18,670.96
000467	D & H ALTERNATIVE RISK	CLAIMS ADMIN - 07/2015	18,670.96
			37,341.92
000468			
000468	PERMA	POSTAGE FEE 09/2015	439.37
000468	PERMA	EXECUTIVE DIRECTOR FEE 10/2015	22,194.55
000468	PERMA	LESS REIMB FINANCE COMMITTEE MTG EXP	-94.97
			22,538.95
000469			
000469	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 10/2015	3,194.50
			3,194.50
000470			
000470	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 10/2015	2,255.08
			2,255.08
000471			
000471	GRACE BRENNAN	TREASURER FEE 10/2015	1,984.50
			1,984.50

000472			
000472	DAILY RECORD	ACCT: ASB-70026874 - 09/12/2015 - MTG	41.16
			41.16
000473			
000473	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER - 10/2015	924.58
			924.58
000474			
000474	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT & STOR - 08/31/2015	61.48
			61.48
000475			
000475	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINTENANCE/HOSTING 9/15	75.00
			75.00
000476			
000476	WEST MILFORD TOWNSHIP	RMC FEE 2ND 2015 INSTALL - WEST MILFORD	25,065.13
000476	WEST MILFORD TOWNSHIP	RMC FEE ADJUSTMENT SEMINAR ATTEND CRDT	-165.00
			24,900.13
000477			
000477	SKYLANDS RISK MANANAGEMENT INC	RMC FEE 2ND 2015 INSTALL - STANHOPE	4,616.53
000477	SKYLANDS RISK MANANAGEMENT INC	RMC FEE ADJUSTMENT SEMINAR CRDT	-110.42
			4,506.11
		Total Payments FY 2015	175,022.01

TOTAL PAYMENTS ALL FUND YEARS \$ 175,022.01