

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND  
OPEN MINUTES MEETING – OCTOBER 12, 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. Acting Chairman Close 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	Absent
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	Absent
James Lampmann	Borough of Butler	Present
Thomas Ciccarone	Township of Chatham	Absent
Timothy Day	Borough of Chatham	Present
Denean Probosco	Borough of Chester	Absent
Donald Trivisano	Town of Dover	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
Unappointed	Borough of Hopatcong	
Robert Collins	Borough of Kinnelon	Present
Perry Mayers	Borough of Lincoln Park	Present
Neil Henry	Township of Long Hill	Absent
James Burnett	Borough of Madison	Present
Richard Merkt	Borough of Mendham	Present
Marybeth Zichelli	Township of Mendham	Present
Jason Gabloff	Township of Millburn	Absent
Victor Canning	Township of Montville	Absent
June Uhrin	Borough of Morris Plains	Absent
Carolyn Rinaldi	Borough of Mount Arlington	Present
Laura Harris	Township of Mount Olive	Present
Richard Sheola	Borough of Mountain Lakes	Present
Mel Levine	Borough of North Caldwell	Absent
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
Catherine Shanahan	Township of West Milford	Absent

**2016 FUND COMMISSIONER ALTERNATES:**

Maryann Frodella	Township of Andover	Absent
Sherry Gallagher	Borough of Bloomingdale	Absent
Terry McCue	Town of Boonton	Present
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	Absent
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 & Buckelew <b>Edward Cooney</b>
Safety Director	J.A. Montgomery Risk Control <b>Brian Maitland</b>
Treasurer	<b>Grace Brennan</b>
Liability Claims Service	Lenape Claims Management, Inc. <b>Janine Leahy</b>
Workers Compensation Claim Service	Qual-Lynx <b>Robert Fox</b>
Managed Care	FMCO <b>Mary Bresadola</b> <b>Thomas Mooney</b>
Auditor	Nisivoccia LLP

**ALSO PRESENT:**

Frank Covelli, PIA  
Sharon Cooper, Public Entity Advocates  
Wayne Dietz, Skylands Risk Management  
Dave Sgalia, Cupo Insurance Agency, Inc.  
Karen Waters, IMAC Insurance  
Patty Esposito, Marsh USA  
Stacy Russo, Russo and Associates  
Dave Vozza, The Vozza Agency  
Jaine Testa, PERMA

**APPROVAL OF MINUTES –**  
September 14, 2016 Open & Closed minutes:

**MOTION TO APPROVE OPEN MINUTES AND CLOSED MINUTES OF SEPTEMBER 14, 2016:**

Motion:	Commissioner Rheinhardt
Second:	Commissioner Guarino
Vote:	20 Ayes, 0 Nays, 5 Abstains (Commissioners Poff, Guarino, Francisco, Sheola, McCue (alt.)),

CORRESPONDENCE – None

**MONTHLY COMMITTEE REPORTS:**

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

**Finance Committee, Jon Rheinhardt, Chair, Wharton Borough**– The committee met on October 12 just prior to the JIF meeting to review the second draft of the proposed 2017 budget. Chairman Rheinhardt presented the report at the meeting. Proposed budget reflects a small increase in funding beyond the Actuarial loss funds to help strengthen the Fund’s statutory surplus. Committee Chairman added that Fund has experienced decreases in its net position. Last year, the Fund suspended its Police Accreditation Grant Program since the statutory surplus had decreased to at or near \$4 million. Committee agreed to revisit when the 2016 year-end financials are available. Executive Director said the introduced budget does not include Mountain Lakes, who will be underwritten separately as they notified the fund they are seeing outside quotes.

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

**Contracts and Rules Committee, Ralph Blakeslee, Chair, Netcong Borough**–We are working to schedule a meeting to review the responses received to the Fund’s RFQ for Fund Attorney, Safety Director, Auditor and CDL Drug Testing. Responses were received from incumbents only.

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

**Claims Review Committee, Brian McNeilly, Chair, Stanhope Borough** – Due to a conflict with Columbus Day, October payment authority requests were reviewed during Executive Session and will be recorded in closed session minutes to be distributed at the November meeting.

**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:**

**Financial Fast Track:** The statutory surplus is at \$4.7 million from \$4.0 million at prior year end.

**Loss Ratio Report:** The total paid and reserves for all lines is at or near actuarial target. Executive Director said Incurred But Not Reported reserves, set by the Actuary, accounts for any projected deficits.

**EPL Compliance Report:** Executive Director said the POL/EPL carrier, QBE reserves the right to review member's losses and to recommend a change in deductible for one member.

**2017 Budget** –The Finance Committee met on August 25th and also met on October 12 prior to the JIF meeting to review the proposed budget. Chairman Rheinhardt introduced the budget with a net increase of 3.0%. Budget does not include the Borough of Mountain Lakes who is considering other options and will be underwritten separately. Executive Director said the JIF's self-insured retention to property claims is increasing from \$50,000 to \$100,000. The MEL will retain the next layer of \$400,000 excess of \$100,000 and Zurich will attach at \$500,000. This is the second year of the MEL's claims fund experience rating and Retrospective Rating Program. Based on a 10 year experience, the Morris JIF has a favorable experience rating and cap on the retrospective assessment maximum. A draft of the 2017 budget and narrative was included in Appendix II.

**Motion to introduce the 2017 budget in the amount of 17,391,376 and schedule a public hearing on November 9, 2016 in the Hanover Township Municipal Building at 12:00 pm.**

Motion: Commissioner Rheinhardt  
Second: Commissioner Close  
Vote: unanimous

**2017 Membership Renewals** – A list of members scheduled to renew fund membership by January 1, 2017 was distributed to commissioners. Executive Director said members who are not committed to renewing their JIF membership are required to notify the fund by October 1. Membership documents were mailed to those members following the July meeting and the Executive Director's office is following up with members on submission of paperwork.

**Residual Claims Fund ( RCF)** The public hearing on the RCF budget was held on October 19, 2016 at the Forsgate Country Club. A copy of the introduced 2016 Budget Amendments and the 2017 Proposed Budget was distributed to commissioners for information.

**EJIF** - The budget was introduced in September and a public hearing is scheduled for October 19, 2016. A copy of the EJIF's 2017 Proposed Budget was distributed to commissioners for information.

**MEL** - The MEL's 2017 budget introduction is scheduled for October 19, 2016 at the Forsgate Country Club in Jamesburg NJ.

**Employment Practices Program:** As a reminder, changes to the 2017 POL/EPL Program are posted on the MEL's webpage - [www.njmel.org](http://www.njmel.org) - which details changes to the MEL's Model Personnel Manual and information on training program requirements. 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. A list of checklists received distributed for information. Executive Director's office is following up with members who have not submitted their checklist.

**Elected Officials Training:** This year's elected officials training program will focus on "Ethics for Local Government Officials". A session is scheduled at the League of Municipalities Conference for

3:45 pm in Atlantic City on Wednesday, November 16, 2016. A version of the session will be posted to the MEL's webpage at njmel.org at a future date.

**League Magazine:** The latest advertisement in the series the "Power of Collaboration" which appear periodically in the League magazine was distributed to commissioners. Each of these MEL advertisements highlights activities of the MEL and JIFs as well as people who have rendered significant service. This advertisement highlights ethics in decision making.

**MEL 30th Anniversary:** 2017 marks the 30<sup>th</sup> anniversary of the Municipal Excess Liability Joint Insurance Fund; copies of a brochure announcing this and other achievements is being distributed to members.

Since its inception on January 1, 1987, the MEL has grown to include almost 65% of the municipalities and local authorities in the state. The program has saved taxpayers over \$1.1 billion and has helped members improve their safety records by over 60%. The Morris County Municipal JIF was established in 1987 and has achieved \$75.8 million in savings through its own programs and affiliation with the MEL as of 1/1/16. At the League of Municipalities conference this year the MEL booth will include an interactive touchscreen where members can see how their JIF's savings are broken down.

Executive Director's Report Made Part of Minutes.

**TREASURER:**

The following October 2016 bills list was included for approval on the consent motion as Resolution 22-16.

<b>SEPTEMBER 2016</b>	
<b>2015</b>	<b>\$19,052.14</b>
<b>2016</b>	<b>\$195,156.72</b>
<b>TOTAL</b>	<b>\$214,208.86</b>

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

<b>CLOSED</b>	<b>\$(2,750.00)</b>
<b>2012</b>	<b>\$(129.38)</b>
<b>2013</b>	<b>\$31,720.28</b>
<b>2014</b>	<b>\$128,908.46</b>
<b>2015</b>	<b>\$46,642.57</b>
<b>2016</b>	<b>\$243,363.00</b>
<b>TOTAL</b>	<b>\$447,754.93</b>

Treasurer's Report Made Part of Minutes.

**ATTORNEY :**

Fund Attorney advised members although the MEL now utilizes and outside carrier for POL/EPL, members can still contact his office if they have any questions regarding claims. Also, his office is in process of preparing a format for members to follow that are in a buyout or settlement situation. He said that the carrier is making efforts whenever possible to close out these cases as it relieves the fund of having to litigate claims.

Attorney's Report Made Part of Minutes

**UNDERWRITING MANAGER:**

**CERTIFICATES OF INSURANCE:**

List of certificates was included in the agenda. 48 certificates were issued from August 25 through September 25, 2016.

Underwriting Manager said renewal discussions are in final stages. There will be general liability coverage for drones and more details will be available in December/January.

Certificates List made part of minutes

**SAFETY DIRECTOR:**

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 Tempesta  
Second: Commissioner McCue  
Vote: Unanimous

**MOTION TO RETURN TO OPEN SESSION:**

Motion: Commissioner Maurer  
Second: Commissioner Burnett  
Vote: Unanimous

**MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION, EXECUTIVE DIRECTOR'S REPORT; RESOLUTION 22-16 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**

Motion: Commissioner Merkt  
Second: Commissioner Day  
Roll Call Vote: unanimous

**NEW BUSINESS:**

Chairmen Poff announced that fund secretary and Sparta fund commissioner Bill Close has been appointed to serve as a member of the Local Finance Board. He will remain as secretary until the end of the year, however, due to a conflict with the board's meeting schedule the alternate commissioner for Sparta will be in attendance at the November and December meetings.

**OLD BUSINESS:**

None

**PUBLIC COMMENT:**

**MOTION TO ADJOURN:**

Moved: Commissioner Rheinhardt  
Second: Commissioner Tempesta  
Vote: Unanimous

Meeting Adjourned:  
12:40 PM  
Jaine Testa, Assisting Secretary  
For William Close, Secretary

Date prepared: October 20, 2016



# MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 22-16

OCTOBER 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 2015**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
<b>001099</b>			
001099	PERMA RISK MANAGEMENT SERVICES	REIMBURSE 1099 FILING FEES - 2015	17.55
			<b>17.55</b>
<b>001100</b>			
001100	CHATHAM BOROUGH	REIMBURSE RMC FEE 2015	19,034.59
			<b>19,034.59</b>
		Total Payments FY 2015	19,052.14

**FUND YEAR 2016**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
<b>001101</b>			
001101	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 09/2016	21,044.20
			<b>21,044.20</b>
<b>001102</b>			
001102	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 10/2016	16,143.29
			<b>16,143.29</b>
<b>001103</b>			
001103	QUAL-LYNX	CLAIMS ADMIN - 10/2016	20,416.67
			<b>20,416.67</b>
<b>001104</b>			
001104	VALLEY MEDICAL GROUP	DOT TESTING TRAINING & MRO 3RD QTR 2016	10,257.59
			<b>10,257.59</b>
<b>001105</b>			
001105	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 10/2016	16,438.15
			<b>16,438.15</b>
<b>001106</b>			
001106	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS ADMIN - 10/2016	18,670.96
001106	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS ADMIN - 09/2016	18,670.96
			<b>37,341.92</b>
<b>001107</b>			
001107	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 09/2016	65.94
001107	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 10/2016	23,304.25
			<b>23,370.19</b>
<b>001108</b>			
001108	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 10/2016	3,258.39
			<b>3,258.39</b>
<b>001109</b>			

001109	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 10/2016	2,300.19
			<b>2,300.19</b>
<b>001110</b>			
001110	GRACE BRENNAN	TREASURER FEE 10/2016	2,024.19
			<b>2,024.19</b>
<b>001111</b>			
001111	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGERS FEE 10/2016	943.07
			<b>943.07</b>
<b>001112</b>			
001112	DANIEL WORTS	CROSSING GUARD INSTRUCTION - 8/17/16	650.00
			<b>650.00</b>
<b>001113</b>			
001113	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT & STOR 08/31/2016	67.55
			<b>67.55</b>
<b>001114</b>			
001114	VITALES DELI	MEETING EXPENSE - 09/14/16	655.22
			<b>655.22</b>
<b>001115</b>			
001115	ANTHONY S. CUPO AGENCY	LESS EPL CREDIT ADJUSTMENT	-15.00
001115	ANTHONY S. CUPO AGENCY	RMC FEE 2ND 2016 - ROCKAWAY BORO	6,855.28
001115	ANTHONY S. CUPO AGENCY	RMC FEE 2ND 2016 - BOONTON TWP	2,959.97
001115	ANTHONY S. CUPO AGENCY	RMC FEE 2ND 2016 - CHATHAM TWP	11,594.02
			<b>21,394.27</b>
<b>001116</b>			
001116	CHATHAM BOROUGH	REIMBURSE RMC FEE 2016	18,851.83
			<b>18,851.83</b>
		Total Payments FY 2016	195,156.72

**TOTAL PAYMENTS ALL FUND YEARS \$ 214,208.86**