

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – APRIL 12, 2017
HANOVER TOWNSHIP MUNICIPAL BUILDING
12:00 PM**

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

ROLL CALL OF 2017 EXECUTIVE COMMITTEE:

Greg Poff, Chairman	Township of Rockaway	Present
Michael Guarino, Secretary	Township of Denville	Present
Ralph Blakeslee	Borough of Netcong	Present
Adam Brewer	Township of West Caldwell	Present
Brian McNeilly	Borough of Stanhope	Present
Jonathan Rheinhardt	Borough of Wharton	Present
Carolyn Rinaldi	Borough of Mount Arlington	Present

ROLL CALL OF 2017 FUND COMMISSIONERS:

Diana Francisco	Township of Andover	Present
John Dunleavy	Borough of Bloomingdale	Absent
Cynthia Oravits	Town of Boonton	Present
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	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
Victor Marotta	Borough of Hopatcong	Absent
Robert Collins	Borough of Kinnelon	Absent
Perry Mayers	Borough of Lincoln Park	Absent
Neil Henry	Township of Long Hill	Absent
James Burnett	Borough of Madison	Present
Richard Merkt	Borough of Mendham	Absent
Marybeth Zichelli	Township of Mendham	Absent
Jason Gabloff	Township of Millburn	Present
Victor Canning	Township of Montville	Present
June Uhrin	Borough of Morris Plains	Absent
Laura Harris	Township of Mount Olive	Absent
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

William Close	Township of Sparta	Absent
Terri Lyons	Township of Washington	Present
Catherine Shanahan	Township of West Milford	Absent

2017 FUND COMMISSIONER ALTERNATES:

Maryann Frodella	Township of Andover	Absent
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	Present
Kelly Toohey	Town of Dover	Absent
Kenneth Huelbig	East Hanover Township	Absent
Cindy Phillips	Borough of Florham Park	Absent
Kelli Schanz	Township of Hanover	Absent
Jennifer Scully	Borough of Hawthorne	Absent
Sandy Emmerich	Borough of Madison	Absent
Alex McDonald	Township of Millburn	Absent
June Hercek	Borough of Montville	Present
Jason Kohn	Borough of Morris Plains	Absent
Christine Stachnik	Township of Mount Olive	Absent
Valerie Egan	Borough of Mountain Lakes	Absent
Michael Stanzilis, Mayor	Borough of Mount Arlington	Absent
Christopher Tietjen	Township of Pequannock	Absent
William Marsala	Borough of Ringwood	Absent
Yolanda Dykes	Borough of Rockaway	Absent
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

Attorney/Litigation Management

Dorsey & Semrau, Esq.
Fred Semrau, Esq.

Underwriting Manager

Conner Strong & Buckelew

Safety Director

J.A. Montgomery Risk Control
Brian Maitland

Treasurer

Grace Brennan

Liability Claims Service

D&H Alternative Risk Solutions, Inc.
Janine Leahy

Workers Compensation
Claim Service

Qual-Lynx
Javier Esparra

Managed Care

FMCO
Mary Bresadola

Auditor

Nisivoccia LLP

ALSO PRESENT:

Lisa Palmieri, Rockaway Township
Patty Esposito, Marsh USA
Wayne Dietz, Skylands Risk Management
Steve Reichman, ADP Statewide Insurance Agencies
David Sgalia, Cupo Insurance Agency
Matthew Struck, Treadstone Risk Management
Karen Waters, IMAC Insurance Agency, LLC
Mark Todisco, Chadler Solutions
Brian Mason, Esq.
Joe Hrubash, PERMA
Cathy Dodd, PERMA

In response to Commissioner McNeilly, Executive Director said a quorum of the fund commissioners is 17.

APPROVAL OF MINUTES -

March 8, 2017 Open & Closed minutes:

MOTION TO APPROVE OPEN & CLOSED MINUTES OF MARCH 8, 2017

Motion:	Commissioner Oravits
Second:	Commissioner Lyons
Vote:	14 Ayes, 0 Nays, 6 Abstains (Commissioners Francisco, Oravits, Maurer, Burnett, Canning, Lyons)

CORRESPONDENCE – None

MONTHLY COMMITTEE REPORTS:

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

Finance Committee, Jon Rheinhardt, Chair, Wharton Borough– Finance Chairman Rheinhardt said the Committee reviewed the year end financials to determine whether they were going to recommend re-upping the police accreditation grant program. Chairman Rheinhardt said they had established a policy to suspend the grant program if the statutory surplus fund balance went below \$4,000,000. Based on that policy, the program had been suspended since 2014. At this time, the statutory surplus has improved and stands at \$6,000,000 as of December 31, 2016. As a result, the Finance Committee recommends a restart of the program. It was noted that Washington Township and Sparta were anxiously waiting for the program.

Safety Committee, Chief Jason Kohn, Chair, Morris Plains Borough. – The 2016 Safety Incentive Program Awards were announced. Gift certificates towards the purchase of Grainger products were being processed and would be mailed to the Fund Commissioners in April.

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 April 10th at PERMA’s office, in Parsippany and recommended approving payment authority requests for 13 Worker’s Compensation claims totaling Payment Authority Requests of \$843,741.92; 4 Property Claims totaling \$57,365.52 and 3 Liability Claims totaling Payment Authority Requests of \$180,598.35. If there were any questions or comments they could be discussed in closed session.

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.

Due Diligence:

Financial Fast Track: As Commissioner Rheinhardt said earlier, the year-end report indicated the surplus had increased from approximately \$4 million to just over \$6 million. Executive Director indicated last year she spoke a lot about IBNR and reserving. The Actuary has now made an adjustment to the incurred but not the reported reserves. Executive Director said a claims review of the MEL and RCF supported the view that changes in TPA supervisors resulting in claims developing quicker – leading to an adjustment of the IBNR reserves for the MEL and RCF as well. The January financial fast track report was also included in the agenda.

Executive Director referred to the Expected Loss Ratio Report, which measures the incurred against the budget without including IBNR. Executive Director noted the fund is at or near the actuary’s target for most fund years.

Executive Director referred to the Lost Time Report and said the frequency for February was .60 as compared to the ratio from the same month last year--1.51. The Morris fund has the fourth lowest ratio across all JIFs monitored in the report. Lost Time Accident Frequency measures frequency while the lost days and loss ratio report measures severity.

Executive Director referred to the Employment Practices Compliance Status report and advised this was a copy of policies she expected to have in March and believes they should be received any day. The chart displayed the deductibles and the co-insurance clauses.

Aggregate Loss Fund Contingency: Executive Director referred to Resolution 12-17 and said - beginning in the 2016 Fund year the MEL implemented a program known as a Retrospective Rating Program. The MEL billed member JIF’s only 85% of its expected claims fund and would bill the balance to the JIF’s that exceeded that amount. The MEL would bill the member Funds if the balance of the Fund’s claims exceed 85% of expected claims but will cap at 100%, 115% or 125% determined by 10 years of each JIFs’ loss experience. It will take 10 years for this billing process to start – reflective of the longer tail of the claims that hit the MEL layer. When this program was implemented, the Morris JIF decided to fund this corridor in its budget. Executive Director said the resolution confirms the creation of an aggregate loss fund contingency account

and the transfer of the “corridor” funding collected with the 2016 assessment. The resolution was amended to include the 2017 year.

MOTION TO ADOPT RESOLUTION 12-17 CONFIRMING THE CREATION OF THE AGGREGATE LOSS FUND CONTINGENCY ACCOUNT AND, FURTHER AUTHORIZE THE TRANSFER OF FUNDS INTO THE AGGREGATE LOSS FUND CONTINGENCY ACCOUNT.

Motion: Commissioner Tempesta
Second: Commissioner McNeilly
Vote: Unanimous

2017 MEL & MR HIF Educational Seminar: Executive Director advised the agenda included another copy of the enrollment form for the 2017 MEL & MR HIF Educational Seminar on April 21st. The seminar qualifies for a number of various Continuing Educational Credits.

MEL Risk Management Consultant Accreditation Program: The MEL has instituted a new program to recognize the MEL’s experienced RMC’s and to train any new staff. There would be four all day sessions conducted over a six month period starting in June and continuing in September and October. The sessions would be held in the North at Forsgate and in the South at the Conner Strong & Buckelew office in Marlton. The cost for the class is \$500 and is eligible for producer continuing education credits. The Registration Packet was included in the agenda along with various components of the MEL and Joint Insurance Programs. Ultimately and eventually there would be classes for Fund Commissioners and Town Administrators who might want to attend something similar. Executive Director said Fund Commissioners are welcome to attend any of the sessions as well.

Cyber Liability: Commissioners were distributed a “Save the Date” flyer for a two-part cyber insurance webinar series: *Understanding Your Cyber Liability Policy*, presented by the MEL’s cyber carrier, XL Insurance. An e-mail announcement was sent to commissioners that included registration information. The webinars will also be available online after the series.

Chester Borough Assessment Reduction: The Chester Borough Police Department was combined with Chester Township Police Department to become the Chester Police Department and would be run by the Township. Since the Borough was the major exposure the loss experience and exposure rating programs were reviewed and the actuary signed off it was appropriate to cancel some of the premium in the amount of \$27,393

Motion to Approve Assessment Reduction of \$27,393 to Chester Borough’s 2017 Assessment Reflecting Transfer of its Police Department

Motion: Commissioner McNeilly
Second: Commissioner Brewer
Vote: Unanimous

2017 Financial Disclosures: The rosters were updated however the State had not opened the online filing yet, however, and PERMA will send an e-mail when it becomes available.

Chairman Gregory Poff: Executive Director advised Chairman Poff was chairing his last meeting, since he has accepted a position with the County of Sussex. Chairman Poff thanked

everyone for all of their support and introduced and welcomed Ms. Lisa Palmieri, the Township's Finance Officer who would serve in his place as Commissioner.

Executive Director's Report Made Part of Minutes.

TREASURER:

The following April 2017 bills list was included for approval on the consent motion as Resolution 13-17.

April 2017	
2017	\$1,266,271.72
2016	\$45,669.66
2015	3031.90
Total	\$1,314,973.28

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF FEBRUARY 2017:

CLOSED	\$0
2013	\$17,987.78
2014	\$68,670.19
2015	\$75,446.61
2016	\$344,405.20
2017	\$32,541.37
TOTAL	\$539,051.15

Treasurer's Report Made Part of Minutes.

ATTORNEY: Fund Attorney said there are 3 panel attorneys handling the worker compensation cases and he is planning to have the attorneys meet with him and TPA and then with the Legal Review Committee.

He advised over that next thirty days, the quarterly reports from the attorneys were going to be amended to standardized format.

He also said he attended the Cyber Liability Webinars and found it to be very beneficial and he encouraged the Administrators or IT person to participate.

Attorney thanked Chairman Poff for his service and his volunteered time as the Chairman.

Lastly, Fund Attorney said he asked one of the liability panel attorney to provide a brief presentation on 2 claims in Executive Session - one a case that resolved and one that is scheduled for mediation.

UNDERWRITING MANAGER: Underwriting Manager Ed Cooney was not present at the meeting; however the certificate of insurance report was included in the agenda. Executive Director noted there might be communication from Underwriting Manager prior to the next meeting. He has been working with QBE Specialty, the Funds primary POLEPL carrier, about offering optional limits above the land-use claim sublimit. Deputy Executive Director noted it would most likely be offered on an individual member basis and would require an application for the underwriting process.

Underwriting manager's report made part of minutes

CERTIFICATES OF INSURANCE: List of certificates was included in agenda. A total of 60 certificates were issued between February 22, 2017 and March 21, 2017.

Certificates List made part of minutes

SAFETY DIRECTOR: Safety Director referred to his report which was included in the agenda and included all of the Loss Control Services for the month of March. He also reviewed the MSI training programs scheduled for April through June and the Safety Director Bulletin, *Take Your Daughters and Sons to Work Day – Best Practices* and also referred to the *Attention & Distracted Driving Log-on Instructions* communication which was included in the agenda. .

Safety Director’s Report Made Part of Minutes.

MANAGED CARE:

Managed Care provider reviewed their report which was included in the agenda.

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 Maurer
Second: Commissioner Maloney
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Motion: Commissioner Brewer
Second: Commissioner Tempesta
Vote: Unanimous

MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION, EXECUTIVE DIRECTOR’S REPORT; RESOLUTION 13-17 APPROVING THE APRIL 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 Canning
Second: Commissioner Levine
Roll call Vote: Unanimous

Executive Director advised the bylaws allow for the Committee to appoint a Chairperson and any other positions including the vacancy.

MOTION TO ELECT MICHAEL GUARINO AS CHAIRMAN, BRIAN MCNEILLY AS SECRETARY AND ADD JOSEPH TEMPESTA TO THE EXECUTIVE BOARD

Moved: Commissioner: Francisco
Second: Commissioner Day
Roll call Vote: Unanimous

Chairman Guarino presented outgoing Chairman Poff with a clock in appreciation of all of his work with the JIF and three years as the Chair. Chairman Poff thanked everyone.

COMMITTEE APPOINTMENTS:

Chairman Guarino advised most of the Committees would remain the same.

- Membership, Marketing & Coverage Committee: John Dunleavy, Chair; Michael Guarino, Vice-Chair
- Legal Review: William Close, Chair; Adam Brewer, Vice-Chair
- Safety Committee: Carolyn Rinaldi, Chair; William Huyler, Vice-Chair
- Finance Committee: Jon Rheinhardt, Chair; Darren Maloney, Vice-Chair
- Contracts and Rules Committee: Ralph Blakeslee, Chair; Jospheh Tempesta, Vice-Chair
- Claims Review Committee: Brian McNeilly, Chair; Terry Lyons, Vice-Chair
- Nominating Committee: Joe Tempesta, Chair; Barbara Shepard, Vice-Chair

Chairman Guarino encouraged all of the Commissioners to find a Committee and become involved as it is a great way to understand how the Fund works and be more active.

OLD BUSINESS:

None

NEW BUSINESS:

None

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

Moved:	Commissioner Rheinhardt
Second:	Commissioner Burnett
Vote:	Unanimous

Meeting Adjourned 12:30 PM
Cathy Dodd, Assisting Secretary
For Michael Guarino, Secretary
Date prepared April 21, 2017

RESOLUTION NO: 12-17
MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
(hereafter referred to as “the FUND”)
CONFIRMING THE CREATION OF AN AGGREGATE LOSS FUND CONTINGENCY ACCOUNT
AND THE ANNUAL TRANSFER

WHEREAS, the FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et.seq.); and

WHEREAS, the FUND is a member of the Municipal Excess Liability Joint Insurance Fund (hereafter referred to as “the MEL”), a duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et.seq.);

WHEREAS, The MEL implemented a Retrospective Rating and Premium program beginning with Fund Year 2016, and

WHEREAS, participation in the MEL’s Retrospective Rating and Premium program only requires the FUND to pay the MEL 85% of its rated 2016 workers’ compensation and liability claims fund and 100% of the balance of its assessment (premiums and administration costs); and

WHEREAS, at 120 months following the expiration of each Fund Year, the MEL will bill member FUNDS for the balance if the FUNDS’ claims exceed 85% of expected claims – capped at 100%, 115% or 125% determined by the prior claims experience of each member FUND.

WHEREAS, based on its prior 10 year claims experience, the Morris County Municipal Joint Insurance Fund’s 2016 cap is 100% of expected claims,

NOW, THEREFORE BE IT RESOLVED by the FUND’s Governing Body that it hereby creates an Aggregate Loss Fund Contingency Account to fund this potential exposure, and

BE IT FURTHER RESOLVED that the FUND’s Governing Body transfers \$297,793 collected with 2016 FUND assessments to the Aggregate Loss Fund Contingency Account.

ADOPTED:

This 12th day of April, 2017 before the Governing Body:

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND

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

Resolution No. 13-17

APRIL 2017

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>
001209			
001209	ADP STATEWIDE INSURANCE	RMC FEE 2ND 2015 - CHESTER	3,031.90
			3,031.90
		Total Payments FY 2015	3,031.90

FUND YEAR 2016

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001210			
001210	W. W. GRAINGER, INC.	SAFETY INCENTIVE AWARD CERFIICATES	20,440.00
			20,440.00
001211			
001211	PERMA RISK MANAGEMENT SERVICES	1099 E-FILING 2016 REIMBURSEMENT	25.87
			25.87
001212			
001212	ADP STATEWIDE INSURANCE	RMC FEE 2016 - CHESTER	6,158.88
			6,158.88
001213			
001213	KINNELON BOROUGH	RMC FEE 2ND 2016 - KINNELON BORO	9,537.51
001213	KINNELON BOROUGH	RMC FEE 1ST 2016 - KINNELON BORO	9,507.40
			19,044.91
		Total Payments FY 2016	45,669.66

FUND YEAR 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001214			
001214	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND - 2ND QTR'17	4,875.85
			4,875.85
001215			
001215	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 03/2017	21,465.08
			21,465.08
001216			
001216	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 2ND QTR 2017	305,434.54
001216	MUNICIPAL EXCESS LIABILITY JIF	MEL 2ND QTR 2017	773,253.58
			1,078,688.12
001217			
001217	APEX INS SERV c/o QBE INSURANCE	VOLUNTEER EMERG SERV DIR & OFF 2OF2'17	8,274.00
			8,274.00
001218			

001218	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 04/2017	16,143.29
			16,143.29
001219			
001219	QUAL-LYNX	CLAIMS ADJUSTING SERVICES - 04/2017	20,825.00
			20,825.00
001220			
001220	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 04/2017	16,766.91
			16,766.91
001221			
001221	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS FEE 04/2017	19,044.38
			19,044.38
001222			
001222	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 03/2017	67.39
001222	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 04/2017	24,469.46
			24,536.85
001223			
001223	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSUTING SERVICES - 04/2017	3,323.00
			3,323.00
001224			
001224	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 04/2017	2,300.19
			2,300.19
001225			
001225	GRACE BRENNAN	TREASURER FEE 04/2017	2,064.67
			2,064.67
001226			
001226	MUNICIPAL EXCESS LIABILITY JIF	REIMBURSE THE SETUP OF JIF WEBISTES 3/17	500.00
001226	MUNICIPAL EXCESS LIABILITY JIF	MSI 2ND QTR 2017	22,370.21
			22,870.21
001227			
001227	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER - 04/2017	961.92
			961.92
001228			
001228	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT & STOR 02/2017	67.55
			67.55
001229			
001229	VITALES DELI	MEETING - 3/8/17	692.07
001229	VITALES DELI	MEETING - 2/8/2017	692.07
			1,384.14
001230			
001230	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 4/17	75.00
001230	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 3/17	75.00
			150.00
001231			
001231	KINNELON BOROUGH	RMC FEE 1ST 2016 - KINNELON BORO	9,641.22
			9,641.22
001232			
001232	RINGWOOD BOROUGH	RMC FEE 1ST 2017 - IENGWOOD BORO	12,889.34
			12,889.34

Total Payments FY 2017

1,266,271.72

TOTAL PAYMENTS ALL FUND YEARS \$ 1,314,973.28