

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – FEBRUARY 8, 2017
HANOVER TOWNSHIP MUNICIPAL BUILDING
12:00 PM**

Meeting of Fund Commissioners called to order by Michael Guarino, Acting Chairman. The Open Public Meeting Notice was read into records. Chairman Guarino led Commissioners in the Pledge of Allegiance.

ROLL CALL OF 2017 EXECUTIVE COMMITTEE:

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

ROLL CALL OF 2017 FUND COMMISSIONERS:

Diana Francisco	Township of Andover	Present
John Dunleavy	Borough of Bloomingdale	Present
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	Present
Silvio Esposito	Township of Hanover	Present
Eric Maurer	Borough of Hawthorne	Present
Victor Marotta	Borough of Hopatcong	Present
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	Absent
Jason Gabloff	Township of Millburn	Absent
Victor Canning	Township of Montville	Absent
June Uhrin	Borough of Morris Plains	Absent
Laura Harris	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	Present
Scott Heck	Borough of Ringwood	Absent

Sheila Seifert	Borough of Rockaway	Present
William Close	Township of Sparta	Absent
Terri Lyons	Township of Washington	Present
Catherine Shanahan	Township of West Milford	Present

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	Absent
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	Absent
Jason Kohn	Borough of Morris Plains	Present
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	Present
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
David Grubb

Attorney/Litigation Management

Dorsey & Semrau, Esq.
Dawn Sullivan, Esq.

Underwriting Manager

Conner Strong & Buckelew
Ed Cooney

Safety Director

J.A. Montgomery Risk Control
Dave McHale
Brian Maitland

Treasurer

Grace Brennan

Liability Claims Service

D&H Alternative Risk Solutions, Inc.

Janine Leahy

Workers Compensation
Claim Service

Qual-Lynx
Javier Esparra
Caty Lambe

Managed Care

FMCO
Mary Bresadola

Auditor

Nisivoccia LLP

ALSO PRESENT:

Wayne Dietz, Skylands Risk Management
Margaret Chalmers, Marsh USA
Frank Covelli, PIA
Steve Reichman, ADP Statewide Insurance Agencies
David Sgalia, Henry O. Baker, Inc.
Karen Waters, IMAC Insurance Agency, LLC
Jaine Testa, PERMA

APPROVAL OF MINUTES -

January 11, 2017 Open & Closed minutes:

MOTION TO APPROVE OPEN & CLOSED MINUTES OF JANUARY 11, 2017

Motion:	Commissioner Levine
Second:	Commissioner Brewer
Vote:	24 Ayes, 0 Nays, 2 Abstains (Commissioners Francisco and Seifert)

CORRESPONDENCE – None

MONTHLY COMMITTEE REPORTS:

Membership, Marketing & Coverage Committee, Michael Guarino, Chair, Denville Township – The committee met on February 1st at PERMA’s office to review excess limits for cyber liability and a review of the JIFs quasi municipal entity risk and coverage. Minutes of the meeting were distributed in Appendix II.

Committee chairman discussed the uptick in cyber crime from “ransomware”, a practice where a user’s computer data is encrypted until a fee is paid. The ransom demand varies but for towns thus far has been less than \$5,000. Chairman emphasized reporting immediately to your claims administrator who will then report to XL Catlin, commercial carrier. The carrier will then recommend the town engage third party firms that specializes in legal compliance and forensic investigations. XL also offers a hotline available 24/7.

Committee is recommending the Fund increase its primary cyber liability option from #2 to #3 and select option #4 from excess limits. Purchasing both limits represents an increase cost of \$769 per member. With the purchase of additional \$8,000,000 in excess aggregate limits from Beazley, the limits will be \$6,000,000 first party; \$10,000,000 third party and \$16,000,000 aggregate. The additional annual premium cost will be \$24,600 for the excess limits purchase for a total combined annual premium cost of \$66,215. Members agreed to purchase both primary and excess options and approved the motion.

Deputy Executive Director said the cost is reasonable compared to the risk and mentioned that cyber crimes are often committed when employee clicks on link from an email. Committee Chairman recommended that members view the Cyber Liability video available through the Mel Safety Institute.

MOTION TO PURCHASE AN INCREASE IN PRIMARY CYBER LIABILITY COVERAGE LIMITS TO \$8,000,000 AND PURCHASE ADDITIONAL LIMITS OF \$8,000,000 FROM EXCESS CARRIER, BEAZLEY.

Motion: commissioner Guarino
Second: Commissioner Dunlevy
Roll call: unanimous

Committee also discussed quasi-municipal entity coverage and asked Executive Director and Underwriting Manager to see if risk can be transferred to commercial market program.

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

Safety Committee, Chief Jason Kohn, Chair, Morris Plains Borough. – The committee met in Hanover on February 8th prior to the JIF meeting to discuss the 2017 Safety Incentive Program. The Safety Director presented a report of the meeting during the Safety Director’s report.

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

Legal Review Committee, William Close, Chair, Sparta — The legal review committee met on January 30th at Sparta Township to review the 2017 defense panel. Minutes were distributed in Appendix III. Recommended Defense Panel is included under the Fund Attorney’s report.

Claims Review Committee, Brian McNeilly, Chair, Stanhope Borough – The committee met on February 6th at PERMA’s office and approved payment authority requests of 14 Workers’ Compensation

Claims totaling Payment Authority Requests of \$885,785.21; 2 Property Claims totaling Payment Authority Requests of \$43,309.16; 5 Liability Claim totaling Payment Authority Requests of \$299,690.12. A request to authorize a \$7,500 expense for defense attorney to pursue subrogation was deferred for decision by the full board of commissioners at the February 8th meeting during executive 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.

Deputy Executive Director, David Grubb, said the due diligence reports for December were not available due to the computer system conversion at Qual-Lynx. Updated reports will be included in the March agenda.

Lost Time Accident Frequency—All JIFs report: Executive Director distributed a report which showed an updated 2016 total lost time accident frequency rate of 1.80, the lowest to date for the Morris fund. The statewide average is 2.12. When the fund started in 1991 the statewide average was 5.73, a decrease of 63% since the data has been collected.

2017 Standing Committee appointments: Deputy Executive Director said due to Chairman's absence, appointments will be made at the March meeting.

2017 MEL Board of Fund Commissioners Retreat: The MEL Board of Fund Commissioners held its one-day annual retreat on Friday, February 17 at the Princeton Marriott at Forrestal in Princeton.

2017 MEL & MR HIF Educational Seminar: The 7th annual seminar is scheduled for Friday, April 21st, beginning at 9:00 AM at the National Conference Center in East Windsor, NJ. The seminar qualifies for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with MEL and MR HIF members as well as personnel who work for service companies that are engaged by MEL member JIFs and MR HIF member HIFs. An enrollment form was distributed by email to fund commissioners and risk managers.

Online Elected Officials training course: Every year, the MEL holds training seminars for elected officials and reduces a member's assessment by \$250 for each municipal elected officials completing the course by May 1st. We are working with the Fund Attorney to schedule a seminar in Hanover in March or April. Additional courses are expected to be offered throughout the state. Once class locations and dates are confirmed the schedule will be posted on the MEL website at njmel.org. This course is also available on-line. Directions to take the class on-line were distributed.

Inclement Weather Procedure - A procedure has been instituted for Commissioners to confirm whether a meeting has been cancelled. The Executive Director will talk to the Chair to determine if a meeting should be cancelled. In the case of an early morning or evening

meeting, PERMA will leave a message, which can be obtained by dialing the Fund's main number (201) 881-7632. For meetings that occur during normal business hours, meeting status can also be obtained by dialing the Fund office.

Executive Director's Report Made Part of Minutes.

TREASURER:

Treasurer reported that all January assessment payments were received on time. The following February 2017 bills list was included for approval on the consent motion as Resolution 9-17.

February 2017	
2017	\$1,420,919.15
2016	\$10,816.18
Total	\$1,431,735.33

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF DECEMBER 2016:

CLOSED	\$0.00
2012	\$0.00
2013	\$45,909.92
2014	\$203,724.64
2015	\$167,049.61
2016	\$180,411.40
TOTAL	\$597,095.57

Treasurer's Report Made Part of Minutes.

ATTORNEY:

Dawn Sullivan, Esq., of Dorsey & Semrau gave the report. The Legal Review committee met on January 30, 2017 and reviewed the defense panel. Committee recommended adding attorney Mark Semmaro, Esq. to the panel in Tier 3. Tier 3 attorneys handle claims for fund members outside Morris County. Committee recommended board approval of the panel as shown in Resolution 10-17. Resolution was approved in the consent agenda.

In addition, the fund attorney's office is creating a 'briefing library' of frequently used motions. The 'close out' form, developed in 2016 by the Fund Attorney, asks member to complete a form that includes efforts the town may have undertaken to prevent similar occurrences in the future, if appropriate. Committee asked Fund Attorney to modify the form to include a space for members to provide comments on defense firm.

Lastly, members were encouraged to contact the fund attorney's office with any questions arising from EPL (employment practices liability) matters.

UNDERWRITING MANAGER:

Underwriting manager's report made part of minutes

CERTIFICATES OF INSURANCE: List of certificates was included in agenda. A total of 0 certificates were issued between December 22, 2016 and December 31, 2016. A total of 247 certificates were issued between January 1, 2017 and January 20, 2017.

Certificates List made part of minutes

SAFETY DIRECTOR:

The Executive Safety Committee met prior to the JIF meeting and reviewed the 2016 Safety Incentive Program awards and the 2017 program objectives. Boonton Township received 2016 Best Overall award for towns with less than 50 employees and Millburn Township received Best Overall award for towns with greater than 50 employees. The 2017 program information packet will be emailed to safety coordinators and will be posted to the fund's website. In 2016 over 3,000 members statewide utilized the online training programs through the MEL Safety Institute, and Morris JIF members doubled their participation in online training.

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 Dunleavy
Second: Commissioner Day
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Motion: Commissioner Day
Second: Commissioner Esposito
Vote: Unanimous

MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION, EXECUTIVE DIRECTOR'S REPORT; RESOLUTION 9-17 APPROVING THE FEBRUARY BILLS LIST; RESOLUTION 10-17 2017 DEFENSE PANEL; TREASURER'S REPORTS; ATTORNEY'S REPORTS; UNDERWRITING MANAGER'S REPORTS; MONTHLY CERTIFICATES; SAFETY DIRECTOR'S REPORTS; AND MANAGED CARE PROVIDER'S REPORTS

Moved: Commissioner Levine
Second: Commissioner Mayers
Roll call Vote: Unanimous

OLD BUSINESS:

None

NEW BUSINESS:

None

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

Moved: Commissioner Brewer
Second: Commissioner Francisco
Vote: Unanimous

Meeting Adjourned: 12:30 PM
Jaine Testa, Assisting Secretary
For Michael Guarino, Secretary
Date prepared: February 28, 2017

RESOLUTION 10-17

RESOLUTION OF THE COMMISSIONERS OF THE MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND ESTABLISHING A LEGAL DEFENSE PANEL FOR THE YEAR 2017

WHEREAS, the Commissioners of the Morris Joint Insurance Fund traditionally establish a defense panel of attorneys to handle the various claims and litigation asserted against the insured of the Morris Joint Insurance Fund.

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Morris County Municipal Joint Insurance Fund that the following attorneys are hereby designated as the JIF's defense panel for the year 2016 at the rates herein specified:

Worker's Compensation

Thomas H. Green, Esq. for worker's compensation purposes at the rate of \$135 per hour.

John R. Tort, Esq. and Steven M. Leitner, Esq. and Joseph S. Defazio, Esq. of the firm of Leitner Tort and Defazio for worker's compensation defense at the rate of \$135 per hour.

Howard E. Brechner Esq. of the firm of Weiner Lesniak for worker's compensation defense at the rate of \$135 per hour

Joseph V. Biancamano, Esq of the firm Biancamano & DiStefano

General Liability

TIER ONE

William Johnson, Esq. at a rate of \$160.00 per hour.

Eric Harrison, Esq. at a rate of \$160.00 per hour.

Robert J. Greenbaum, Esq. at a rate of \$160.00 per hour.

Matthew R. Petracca, Esq., at a rate of \$160.00 per hour

TIER TWO

Brian Mason, Esq. (Police Claims) at a rate of \$160.00 per hour.

John P. Inglesino, Esq., at a rate of \$160.00 per hour

Matthew Giacobbe, Esq. at a rate of \$160.00 per hour

David Pennella, Esq. at the rate of \$160 per hour

Brian O'Toole, Esq. at the rate of \$160 per hour

Carl A. Perrone, Esq. at the rate of \$160 per hour

TIER THREE

Carl Mазzie, Esq.(Passaic County) at the rate of \$160.00 per hour

Mark J. Semeraro, Esq. (Passaic County) at the rate of \$160 per hour

Scott Seelogy, Esq (Sussex County) at the rate of \$160.00 per hour

Jacqueline A. DeGregorio, Esq (Essex County) at the rate of \$160 per hour

Vacancy – Essex County

John E. Ursin , Esq. (Sussex County) at the rate of \$160 per hour

FUND ATTORNEY:

Dorsey & Semrau, at the rate of \$160.00 per hour

CONFLICT COUNSEL

Russell R. Huntington, Esq. at the rate of \$160.00 per hour

BE IT FURTHER RESOLVED, by the Commissioners of the Morris County Municipal Joint Insurance Fund that the above attorneys are also hereby designated to be assigned subrogation matters – on a contingency basis of 25% unless required to take the matter to trial, in which case contingency basis will be 33%. In matters of subrogation, Claims Administrator is authorized to allow up to \$2,500 in costs to secure expert witness/testimony. If additional funds are required, Claims Administrator will seek authority of the Fund.

Adopted by the Governing Body this 8th day of February, 2017.

Morris County Municipal Joint Insurance Fund

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 9-17

FEBRUARY 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 2016

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001168			
001168	VALLEY MEDICAL GROUP	DOT TESTING TRAINING & MRO 12/29/2016	10,257.59
			10,257.59
001169			
001169	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT y STOR - 12/31/2016	67.55
			67.55
001170			
001170	VITALE'S DELI	MEETING - 12/14/2016	491.04
			491.04
		Total Payments FY 2016	10,816.18

FUND YEAR 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001171			
001171	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 01/2017	21,044.20
			21,044.20
001172			
001172	NJ MUNICIPAL ENVIRONMENTAL	EJIF 1ST INSTALLMENT 2017	252,244.41
			252,244.41
001173			
001173	APEX INS SERV c/o QBE INSURANCE	VOLUNTEER EMERG SERV DIR & OFF 1OF2'17	6,102.00
001173	APEX INS SERV c/o QBE INSURANCE	POL & EPL 1 OF 2 2017	960,727.50
			966,829.50
001174			
001174	APEX INS SERV c/o XL INSURANCE	TECH ERRORS & OMISSION INS. - 1OF2 2017	17,343.00
			17,343.00
001175			
001175	SUBURBAN MUNICIPAL JIF	MARDING'S SHARE OF 2016 EJIF DIVIDEND	95.74
			95.74
001176			
001176	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 02/2017	16,466.15
			16,466.15
001177			
001177	QUAL-LYNX	CLAIMS ADJUSTING SERVICES - 02/2017	20,825.00
001177	QUAL-LYNX	CLAIMS ADJUSTING SERVICES - 01/2017	20,825.00
			41,650.00

001178			
001178	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 02/2017	16,766.91
			16,766.91
001179			
001179	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS FEE 02/2017	19,044.38
			19,044.38
001180			
001180	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 01/2017	100.63
001180	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 02/2017	24,469.46
			24,570.09
001181			
001181	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 02/2017	3,323.00
001181	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 01/2017	3,323.00
			6,646.00
001182			
001182	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 02/2017	2,346.19
			2,346.19
001183			
001183	GRACE BRENNAN	TREASURER FEE 02/2017	2,064.67
			2,064.67
001184			
001184	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGERS - 02/2017	961.92
			961.92
001185			
001185	VITALES DELI	MEETING - 01/11/2017	772.09
			772.09
001186			
001186	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 1/17	75.00
			75.00
001187			
001187	THE VOZZA AGENCY	RMC FEE 1ST INSTALLMENT 2017 - NETCONG	2,886.36
001187	THE VOZZA AGENCY	RMC FEE 1ST INSTALLMENT'17 BLOOMINGDALE	7,889.20
			10,775.56
001188			
001188	ANTHONY S. CUPO AGENCY	RMC FEE 1ST INSTALLMENT 2017 - ROCKAWAY	6,760.69
001188	ANTHONY S. CUPO AGENCY	RMC FEE 1ST INSTALLMENT 2017 - BOONTON	3,038.09
001188	ANTHONY S. CUPO AGENCY	RMC FEE 1ST INSTALLMENT 2017 - CHATHAM	11,424.56
			21,223.34

Total Payments FY 2017 1,420,919.15

TOTAL PAYMENTS ALL FUND YEARS \$ 1,431,735.33