

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

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

**ROLL CALL OF 2017 EXECUTIVE COMMITTEE:**

Michael Guarino, Chairman	Township of Denville	Absent
Brian McNeilly, Secretary	Borough of Stanhope	Present
Ralph Blakeslee	Borough of Netcong	Present
Adam Brewer	Township of Rockaway Twp.	Present
Joseph Tempesta	Township of East Hanover	Present
Jonathan Rheinhardt	Borough of Wharton	Present
Carolyn Rinaldi	Borough of Mount Arlington	Absent

**ROLL CALL OF 2017 FUND COMMISSIONERS:**

Diana Francisco	Township of Andover	Absent
John Dunleavy	Borough of Bloomingdale	Present
Neil Henry	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
Marvin Joss	Borough of Chester	Absent
Donald Travisano	Town of Dover	Absent
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
Unappointed	Borough of Hopatcong	
Robert Collins	Borough of Kinnelon	Absent
Perry Mayers	Borough of Lincoln Park	Present
Guy Paserchia	Township of Long Hill	Absent
James Burnett	Borough of Madison	Absent
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
Claudia Tomasello	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	Present
William Close	Township of Sparta	Absent

Terri Lyons	Township of Washington	Absent
Nikole Monroig	Township of West Caldwell	Present
Catherine Shanahan	Township of West Milford	Absent

**2017 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
Stephen Williams	Borough of Chatham	Absent
Denean Probosco	Borough of Chester	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	Present
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
Lisa Palmieri	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  
**Edward Cooney**

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**  
**Caty Lambe**

Managed Care

FMCO  
**Mary Bresadola**

Auditor

Nisivoccia LLP

**ALSO PRESENT:**

Linda D’Alessio, Polaris Galaxy Group  
Wayne Dietz, Skylands Risk Management  
David Sgalia, Cupo Insurance Agency  
Matthew Struck, Treadstone Risk Management  
Dave Vozza, The Vozza Agency  
Karen Waters, IMAC Insurance Agency, LLC  
Frank Covelli, PIA  
Alex DeLuccia, Conner Strong & Buckelew  
Bridget Lynch, Conner Strong & Buckelew  
Jaine Testa, PERMA

**APPROVAL OF MINUTES -**

June 14, 2017 Open & Closed minutes:

**MOTION TO APPROVE OPEN & CLOSED MINUTES OF JUNE 14, 2017**

Motion: Commissioner Day  
Second: Commissioner Tempesta  
Vote: 18 Ayes, 0 Nays, 6 Abstains  
(Commissioners Rheinhardt, Zichelli, Sheola, Seifert,  
Hercek(alt.), Frodella (alt.))

**CORRESPONDENCE** – Executive Director summarized a letter from Ann Noble, President and CEO of Qual-Lynx, Worker’s Compensation Claims Administrator. Ms. Noble is stepping down from her position to pursue outside interests and will remain as a consultant until October. Alice Lihou will be heading the claims management team as Senior Vice-President. The fund has a long relationship with both Ms. Noble and Ms. Lihou. Claims Manager Javier Esparra credited Ms. Noble for her guidance in contributing to the success of Qual-Lynx.

**MONTHLY COMMITTEE REPORTS:**

**Membership, Marketing & Coverage Committee, John Dunleavy, Chair, Bloomingdale Borough** – No report

**Finance Committee, Jon Rheinhardt, Chair, Wharton Borough**– The Finance committee will meet on August 10 at PERMA to start the 2018 budget process.

**Safety Committee, Carolyn Rinaldi, Chair, Mount Arlington Borough.** – No report

**Contracts and Rules Committee, Ralph Blakeslee, Chair, Netcong Borough**—The committee met on July 12<sup>th</sup> prior to JIF meeting to review the third phase of issuing Request for Qualifications (RFQs.) In 2015 the Morris JIF began a process to change its contracting from the ‘alternative method’ to the fair and open process for its professional appointments and to change from one year terms to three year terms. Committee agreed to stagger their releases over a three-year period. The committee recommended issuing RFQs for Actuary and Payroll Auditor on a two-year term to commence in January 2018 through December 2019 to coincide with contract terms of Auditor position and to issue RFQs for three-year terms for positions of Executive Director, Litigation Management, Treasurer and Underwriting Manager. It was agreed that responses for the Executive Director position be sent to the fund attorney’s office, Dorsey and Semrau, instead of to PERMA, who is current Executive Director.

**MOTION TO AUTHORIZE RELEASE OF REQUEST FOR QUALIFICATIONS FOR POSITIONS OF EXECUTIVE DIRECTOR, LITIGATION MANAGEMENT, TREASURER, UNDERWRITING MANAGER. PAYROLL AUDITOR AND ACTUARY**

Motion: Commissioner Blakeslee  
Second: Commissioner Sheola  
Vote: unanimous

**Legal Review Committee, William Close, Chair, Sparta Township**— The committee will schedule a meeting within the next thirty days with worker’s compensation defense panel attorneys. Fund Attorney said last year’s meeting was a good experience and provided good feedback.

**Claims Review Committee, Brian McNeilly, Chair, Stanhope Borough** – The committee met on June 12th at PERMA’s office, in Parsippany and recommended approving payment authority requests for 6 workers’ compensation claims totaling payment authority requests of \$431,647.04, 6 property claims totaling payment authority requests of \$140,927.37, 4 liability claims totaling payment authority requests of \$423,172.39.

**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: The fund’s statutory surplus as of May 31 is approximately \$6 million, which is close to the prior year’s end. Negativity in some years is due to higher reserves in the worker’s compensation years. Medical costs are increasing across all JIFs--the 2016 per claim cost is higher than other years but less than other states. The ratio between medical and indemnity is shifting towards medical as a function of increase in worker’s compensation cost.

Employment Practice Compliance Status: The report is based on member’s compliance with the fund’s EPL/POL program. In addition, the POL/EPL carrier QBE reserves the right to review a member’s loss

experience and, based on that experience, to increase a member's deductible. The underwriter's renewal letter will address this.

**Audit Report** – At last month's meeting, the Board authorized the Fund to file Audit Report as amended since changes represented an improvement. Attached in the Appendix is a copy of the schedules that were updated to reflect an increase in the Morris JIF's share of Joint Venture (MEL and RCF). Report has been filed with the state. At the June meeting we authorized the audit in anticipation there would be additional changes in the Joint Venture due to the discovery of a \$7 million outstanding receivable due the RCF fund. The change was anticipated to be favorable to the Morris JIF and as a result, our share in these funds improved. All six schedules reflect changes to the funds Joint Venture. We continue to work with Genesis to resolve outstanding claims and most of the receivable has been recovered. The final audit reports have been authorized and filed with the State.

**MEL 30th Anniversary Article** - A recent edition of the New Jersey League of Municipalities magazine highlighted the 30th Anniversary of the MEL. The article pointed out the long history of the Fund and how much member municipalities have saved over the years.

**2018 Membership Renewals** – The list of members scheduled to renew fund membership by January 1, 2018 was distributed to commissioners. There are ten members renewing in 2018 and documents will be mailed to those members following the July meeting. Members must notify the fund by October 1 if they are considering other options otherwise they will be included in the 2018 budget process.

**2018 Renewal Online Underwriting Database:** Members should have received emails from Riskworks (Exigis) beginning the 2018 underwriting renewal. The deadline to submit schedules is August 15<sup>th</sup>. This is the final year using the Exigis program and we have begun building the Origami database for 2019 renewal.

**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 Commissioners may want to discuss cancelling next month's regular meeting. Resolution 21-17 authorizing this action was approved in the consent motion. Resolution also authorizes Claims Review Committee to approve payment authority requests for claims payments in August and authorizes treasurer to make payments. Payments to be confirmed at the September meeting.

**Crossing Guard Training** – The 2017 Annual Crossing Guard Training Seminar has been scheduled for Wednesday, August 16th at the Morris County Public Safety Training Academy from 8:30 a.m.-4:00 p.m. The notice was distributed to members. The fund supports the cost of the training.

**Safety Expo** – The MEL continues to work with the New Jersey Utility Authorities Joint Insurance Fund (NJUA) to conduct its Annual Safety Expo, which includes MEL member town's water & sewer employees. The next expo is scheduled for September 29th at the Camden County Emergency Services Training Center. Registration is through the MEL Safety Institute. Registration information was emailed to all fund commissioners in May.

Executive Director's Report Made Part of Minutes.

**TREASURER:**

Treasurer said second assessment statements have been sent to commissioners and advised members to note the change in mailing address. Treasurer reminded members to advise their finance departments to use the lockbox address as it appears on the invoice when sending payment.

The following July 2017 bills list was included for approval on the consent motion as Resolution 22-17.

<b>July 2017</b>	
<b>2017</b>	158,186.20
<b>Total</b>	158,186.20

**CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF MAY 2017:**

<b>CLOSED</b>	\$0
<b>2013</b>	\$23193.90
<b>2014</b>	\$60654.34
<b>2015</b>	\$48206.55
<b>2016</b>	\$180842.37
<b>2017</b>	\$143075.56
<b>TOTAL</b>	\$455972.72

Treasurer's Report Made Part of Minutes.

**ATTORNEY:**

Attorney said his office would send an update to members on status of pending cases.

Attorney's report made part of minutes

**UNDERWRITING MANAGER:**

The MEL cyber task force will have updates out soon to members.

The National Flood Insurance Program (NFIP) will expire in September. Underwriting Manager said the next renewal will likely place burden toward the purchasers and the commercial insurance market. In addition, the leading proposal for this renewal puts some burdens on public entities, such as placing accountability on areas in high hazard flood zones, but the extent of such is unclear at this time. The responsibility will push back from government to purchasers and allows private insurers to provide coverage options to NFIP and current legislation will allow this to happen. Underwriting manager encouraged members to adopt the resolution encouraging legislators to extend the program beyond its September expiration date.

Executive Director said information in Exigis underwriting database regarding whether a property is in a flood zone is information provided by member towns and should be reviewed and confirmed annually as flood zone designations can change.

Underwriting manager's report made part of minutes

**CERTIFICATES OF INSURANCE:** List of certificates was included in agenda. 98 certificates were issued between May 22, 2017 and June 21, 2017.

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 Rheinhardt  
Second: Commissioner Mayers  
Vote: Unanimous

**MOTION TO RETURN TO OPEN SESSION:**

Motion: Commissioner Merkt  
Second: Commissioner Brewer  
Vote: Unanimous

**MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION, EXECUTIVE DIRECTOR'S REPORT; RESOLUTION 21-17 CANCELLING THE AUGUST MEETING; ; RESOLUTION 22-17 APPROVING THE JULY 2017 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 Dunleavy  
Second: Commissioner Brewer  
Roll call Vote: Unanimous

**OLD BUSINESS:**

Fund Attorney discussed a federal case involving Morris Plains and a local business entity. The member retained its own attorney, before the fund could make a coverage determination and assign defense counsel. The Fund, along with its outside POL carrier offered member a buyout of \$30,000. Subsequently, the business closed and the case was dismissed. Morris Plains, although not required to according to terms of buyout, wishes to return remaining amount of \$22,000 to fund, that will be equally divided between the POL carrier and the Morris JIF.

**NEW BUSINESS:**

None

**PUBLIC COMMENT:**

None

**MOTION TO ADJOURN:**

Moved: Commissioner Tempesta  
Second: Commissioner Mayers  
Vote: Unanimous

Meeting Adjourned 12:25 PM  
Jaine Testa, Assisting Secretary  
For Brian McNeilly, Fund Secretary  
Date prepared July 15, 2017



**RESOLUTION 21-17**  
**RESOLUTION OF THE MORRIS COUNTY MUNICIPAL JOINT**  
**INSURANCE FUND AUTHORIZING THE CONTINUANCE OF**  
**CONTRACTUAL AND CLAIM PAYMENTS**  
**UNTIL THE SEPTEMBER 13, 2017 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 9, 2017 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 13, 2017 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:

The regular scheduled meeting for August 9, 2017 is hereby canceled.

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.

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 13, 2017 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 JIF before that action is take by the professional.

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 12, 2017.

Morris County Municipal Joint Insurance Fund

# MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

**Resolution 22-17**

**July 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 2017**

<b><u>Check Number</u></b>	<b><u>Vendor Name</u></b>	<b><u>Comment</u></b>	<b><u>Invoice Amount</u></b>
<b>001275</b>			
001275	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND 3RD QTR 2017	4,875.85
			<b>4,875.85</b>
<b>001276</b>			
001276	FIRST MCO	MANAGED CARE SERVICES FEE 06/2017	21,465.08
			<b>21,465.08</b>
<b>001277</b>			
001277	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 3RD QTR 2017	305,434.54
001277	MUNICIPAL EXCESS LIABILITY JIF	MEL 3RD QTR 2017	773,253.58
			<b>1,078,688.12</b>
<b>001278</b>			
001278	NJ MUNICIPAL ENVIRONMENTAL	EJIF 2ND 2017	252,244.37
			<b>252,244.37</b>
<b>001279</b>			
001279	APEX INS SERV c/o QBE INSURANCE	VOLNTR EMRG SRVCS 6/29/17 W MILFORD FAS	288.00
001279	APEX INS SERV c/o QBE INSURANCE	VOLNTR EMRG SRVCS 6/29/17 MACOPIN FC	360.00
			<b>648.00</b>
<b>001280</b>			
001280	APEX INS SERV c/o BEAZLEY	TECH ERRORS&OMISSIONS 5/22/17 BA;L DUE	3,377.00
			<b>3,377.00</b>
<b>001281</b>			
001281	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 07/2017	16,466.15
			<b>16,466.15</b>
<b>001282</b>			
001282	QUAL-LYNX	CLAIM ADJUSTING SERVICES - 07/2017	20,825.00
			<b>20,825.00</b>
<b>001283</b>			
001283	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 07/2017	16,766.91
			<b>16,766.91</b>
<b>001284</b>			
001284	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS FEE 07/2017	19,044.38
			<b>19,044.38</b>
<b>001285</b>			
001285	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 06/2017	458.13
001285	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 07/2017	24,469.46
			<b>24,927.59</b>
<b>001286</b>			
001286	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 07/2017	3,323.00
			<b>3,323.00</b>
<b>001287</b>			

001287	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 07/2017	2,346.19
			<b>2,346.19</b>
<b>001288</b>			
001288	GRACE BRENNAN	TREASURER FEE 07/2017	2,064.67
			<b>2,064.67</b>
<b>001289</b>			
001289	IMAC INSURANCE AGENCY	RMC FEE 2ND 2017 - W. CALDWELL TOWN	13,915.30
001289	IMAC INSURANCE AGENCY	RMC FEE 2ND 2017 - LINCOLN PARK BORO	11,638.28
001289	IMAC INSURANCE AGENCY	RMC FEE 2ND 2017 - DOVER TOWN	20,852.84
001289	IMAC INSURANCE AGENCY	RMC FEE 2ND 2017 - EAST HANOVER TWP	15,522.04
			<b>61,928.46</b>
<b>001290</b>			
001290	MUNICIPAL EXCESS LIABILITY JIF	MSI 3RD QTR 2017	22,370.21
			<b>22,370.21</b>
<b>001291</b>			
001291	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGERS FEE 07/2017	961.92
			<b>961.92</b>
<b>001292</b>			
001292	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT & STOR 5/31/2017	67.55
			<b>67.55</b>
<b>001293</b>			
001293	RUSSO & ASSOCIATES LLC	INTERNAL AUDITOR FEE 6/28/2017	7,562.79
			<b>7,562.79</b>
<b>001294</b>			
001294	KINNELON BOROUGH	RMC FEE 2ND 2017 - KINNELON BORO	9,457.40
			<b>9,457.40</b>
<b>001295</b>			
001295	THE VOZZA AGENCY	RMC FEE 2ND 2017 - NETCONG	2,886.36
001295	THE VOZZA AGENCY	RMC FEE 2ND 2017 - BLOOMINGDALE	7,889.20
			<b>10,775.56</b>
		Total Payments FY 2017	1,580,186.20

**TOTAL PAYMENTS ALL FUND YEARS \$ 1,580,186.20**