

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – MARCH 8, 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. Chairman introduced former fund Chairman, Joseph Giorgio, Hanover Township.

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	Absent
John Dunleavy	Borough of Bloomingdale	Present
Cynthia Oravits	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
Denean Probosco	Borough of Chester	Absent
Donald Travisano	Town of Dover	Present
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	Absent
Victor Marotta	Borough of Hopatcong	Absent
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	Absent
Richard Merkt	Borough of Mendham	Present
Marybeth Zichelli	Township of Mendham	Present
Jason Gabloff	Township of Millburn	Present
Victor Canning	Township of Montville	Absent
June Uhrin	Borough of Morris Plains	Absent
Laura Harris	Township of Mount Olive	Absent
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	Absent
William Close	Township of Sparta	Absent
Terri Lyons	Township of Washington	Absent
Catherine Shanahan	Township of West Milford	Present

2017 FUND COMMISSIONER ALTERNATES:

Maryann Frodella	Township of Andover	Present
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	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

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:

Margaret Chalmers, Marsh USA
Sharon Cooper, Public Entity Advocates
Frank Covelli, PIA
Steve Reichman, ADP Statewide Insurance Agencies
David Sgalia, Henry O. Baker, Inc.
Matthew Struck, Treadstone Risk Management
David Voza, Voza Agency
Karen Waters, IMAC Insurance Agency, LLC
Jaine Testa, PERMA

APPROVAL OF MINUTES -

February 8, 2017 Open & Closed minutes:

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

Motion: Commissioner Day
Second: Commissioner Levine
Vote: 28 Ayes, 0 Nays, 11 Abstains
(Commissioners Poff, Blakeslee, Rheinhardt, Lampmann,
Travisano, Collins, Zichelli, Gabloff, Frodella (alt.),
Tietjen (alt.), Dykes(alt.))

CORRESPONDENCE – None

MONTHLY COMMITTEE REPORTS:

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

Finance Committee, Jon Rheinhardt, Chair, Wharton Borough– Chairman Rheinhardt said the December reports have been released and the committee will meet to discuss year-end financials and review the Police Accreditation program.

Safety Committee, Chief Jason Kohn, Chair, Morris Plains Borough. – The 2016 Safety Incentive Program Awards have been announced and are included in the agenda. Gift certificates, good towards the purchase of Grainger products are in progress and will be mailed to Fund Commissioners in March.

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 March 6th at PERMA’s office, in Parsippany and recommended approving payment authority requests for 10 Worker’s Compensation claims totaling Payment Authority Requests of \$530,839.05; 5 Property Claims totaling \$120,613.43 and 4 Liability Claims totaling Payment Authority Requests of \$124,250.30.

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: Executive Director said Qual-Lynx transferred its claims system to IVOS during December. As a result, Perma was not able to finalize the year-end financial fast track and lost time reports. Due to change, Perma has to re-establish the “mapping” used to generate monthly due diligence reports.

Employment Practices Compliance: We are expecting policies from QBE and will be sending member manuals with all policies to members.

2017 Standing Committee appointments: Chairman will make the appointments at April meeting.

MEL Report: The MEL met on March 1st, 2017 at Forsgate Country Club. Commissioner Rheinhardt reviewed his report and said the coverage committee discussed providing coverage for outside consultants that are retained in a statutory position. Commissioner Rheinhardt questioned the need for coverage since consultants are engaged in for-profit employment and are not employees. As a result, the matter has been tabled for further review.

Cyber Liability: Commissioner Rheinhardt also noted that five municipalities recently have been targets of cyber theft by using ransomware. Executive Director advised members to view the Cyber Liability video available on video section of MEL webpage and through the Mel Safety Institute. The MEL fund had already awarded a contract to Marc Pfeiffer, Rutgers University but

now has re-focused scope of services to address this emerging risk and identify a minimum standard of intrusion testing. The JIF can then consider assuming the \$10,000 retention if member meets the established minimum standards. The cyber liability policy has a \$10,000 deductible. However, the requested 'ransom' is often less than deductible amount. If a member simply pays ransom without reporting, they might not be aware of available remedies, including the reporting requirements. Executive Director said when a member contacts the XL hotline after an incident they are offered opportunity to enter into a contract with an attorney who is expert in cyber crime and will advise on reporting requirements and recommend an IT contact to review your system--these expenses may be under your deductible. In addition, Commissioner Rheinhardt said the fund will work with Mr. Pfeiffer to develop an internal test of member's network and back-up process, as municipalities have had difficulty restoring files as cyber criminals wait between 30-90 days before launching ransomware, affecting the ability to recover a good back-up. He also discussed the existence of the 'dark web' which uses ransomware by third parties for a percentage of the ransom amount. At the February JIF meeting, the Board accepted the recommendation of the Morris Coverage committee and increased its limits while these risk controls are being put in place.

RFQ risk management information system: The MEL issued a RFQ for a Risk Management Information System, including underwriting information as well as a claims system. Claims system will import all claims data from multiple TPAs serving MEL member JIFs into a standard program for data analysis. The contract has been awarded to Origami, who has experience in this area. The contract with Exigis for underwriting database will remain in place for the 2017 underwriting renewal while Origami develops their underwriting and claims database which is expected to be implemented in 2018.

Assembly Bill 4234 - A memorandum was distributed to members urging MEL members to contact the Assembly to support legislation that will allow the Joint Insurance Funds to expand their investment opportunities. Many members already adopted Resolutions supporting this bill. The bill has passed in the Senate. We are asking members to contact legislatures to urge that A4234 be posted for adoption in the Assembly.

RCF Report: The RCF met on March 1, 2017. A copy of Commissioner Rheinhardt's report on the meeting was distributed.

EJIF Report: The EJIF met on March 1, 2017. A copy of Chairman Poff's report on the meeting was distributed. He noted that several years ago in the contract for the fund's Environmental Engineers, the Executive Committee provided for assistance with inspection on foreclosed properties and acquisitions. EJIF has been providing service for number of years and he said it is an excellent service based on personal experience.

In response to Commissioner Rheinhardt, regarding sale of property through a Sheriff's Sale, Chairman Poff said information is gathered from NJDP and that almost all the environmental assessments are culled from public sources--local and online. Reports are not same as Phase I environmental report but can be used to help members with pre-screening. Rich Erickson, First Environmental is the fund's contact and his information is available at fund's website. Fund Attorney said it is not to replace a Phase I report but to provide reliable preliminary data.

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 that will also be distributed by email to fund commissioners and risk managers was distributed.

In addition, Executive Director said the fund is working on developing a Risk Management Consultant Accreditation program, that will cover operation of the joint insurance funds. Program will be multiple full day sessions with each in the northern and southern regions, in May/June and September/October. It is geared for risk managers but commissioners and administrators can also attend.

Annual Retreat: The Board of Fund Commissioners held its annual one-day retreat on February 17, 2017 in the Princeton Forrestal Marriott. The meeting opened with a presentation from Chairman Landolfi, former Commissioner Jack Tarditi, Paul Miola, Dave Grubb and Russell Huntington on the formation of the MEL JIF in recognition of its 30 years of operations. Then, each subcommittee provided a report on its activities during 2016. The MEL's sub-committees report to the board of commissioners.

2017 Financial Disclosures: Commissioners should anticipate the online filing of the Financial Disclosure forms as both a MEL Commissioner, as well as, any municipal related positions that require filing. It is expected the Division of Local Government Services will distribute a notice in March and forms will need to be filed by April 30th.

Elected Officials Training: Every year, the MEL holds training seminars for elected officials and reduces a member's assessment by \$250 for each elected official completing the course by May 1st. This course is now available online. Directions to take the class on-line were distributed.

League Magazine: Commissioners were distributed the latest ad to appear in the League magazine in the series of "Power of Collaboration. Each of the MEL advertisements highlights activities of the MEL and JIFs as well as people who have rendered significant service. This advertisement highlights the MEL Safety Institute. The EJIF report also contained an advertisement.

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:

The following March 2017 bills list was included for approval on the consent motion as Resolution 11-17.

March 2017	
2017	\$247,294.86
2016	\$500.00
Total	\$247,794.86

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF JANUARY 2017:

CLOSED	\$0.00
2013	\$217,886.01
2014	\$78,680.63
2015	\$40,774.82
2016	\$277,174.15
TOTAL	623,499.06

Treasurer's Report Made Part of Minutes.

ATTORNEY:

Attorney discussed the recent filing by Seton Hall Law School of OPRA challenges to prior OPRA requests. OPRA lawsuits are not covered under the JIFs polices, as they are not monetary claims and they involve fee shifting.

He next showed a video clip from the recent MEL Commissioners retreat held in February in Princeton recounting the joint insurance fund history.

He introduced Joseph Giorgio the first MEL chairman and Morris JIF chairman for 13 years. Mr. Giorgio commended the fund for maintaining the tradition of the joint insurance funds. He recounted the formation of the funds that started with a meeting of local Mayors in March 1986 by then Senator John Dorsey. By September of that year, Joseph Voza conducted a feasibility study for twelve municipalities. By January 1987, the MEL fund formed, along with the Morris, Atlantic and Bergen joint insurance funds that same year. He credited the funds for maintaining a professional organization throughout the years.

UNDERWRITING MANAGER:

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 January 21, 2017 and February 22, 2017.

Certificates List made part of minutes

SAFETY DIRECTOR:

Safety Director's communication was distributed in February on the use of municipal owned drones. If you plan to utilize UASs or drones as part of your operation, the Safety Director recommends you visit the KnowBeforeYouFly.org and FAA UAS website. He also noted a recent communication released by the National Safety Council on Motor Vehicle accident statistics from 2016. This report points out that Motor Vehicle deaths are the highest we've seen in nine years. In the weeks to come, Safety Director will be sending out a communication reminding municipal drivers to wear seatbelts and the national issue of distracted driving.

Safety Director's Report Made Part of Minutes.

MANAGED CARE:

Managed Care provider distributed a corrected version of their February report.

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 Trivisano
Second: Commissioner Sheola
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 11-17 APPROVING THE MARCH 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 Levine
Second: Commissioner Mayers
Roll call Vote: Unanimous

OLD BUSINESS:

None

NEW BUSINESS:

Ringwood Borough has requested their Library, a 501C entity be included a part of the Borough's liability coverage. The borough's library building and contents are already included in the borough's property schedule.

**MOTION TO AUTHORIZE COVERAGE COMMITTEE TO
APPROVE LIABILITY COVERAGE FOR RINGWOOD
BOROUGH LIBRARY.**

Moved: Commissioner Brewer
Second: Commissioner Francisco
Voice Vote: Unanimous

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

Moved: Commissioner Rheinhardt
Second: Commissioner Brewer
Vote: Unanimous

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

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 11-17

MARCH 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>
001189			
001189	WHITE TORNANDO, LLC	YEARLY COURTROOM CLEANING - 12/29/16	500.00
			500.00
		Total Payments FY 2016	500.00

FUND YEAR 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001190			
001190	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 02/2017	21,465.08
001190	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 01/2017 - ADJ	420.88
			21,885.96
001191			
001191	APEX INS SERV c/o BEAZLEY	TECH ERRORS & OMISSIONS 1 OF 2 2017	9,331.00
			9,331.00
001192			
001192	FRED SEMRAU ESQ.	LITIGATIONMANAGEMENT - 03/2017	16,466.15
			16,466.15
001193			
001193	QUAL-LYNX	CLAIMS ADJUSTING SERVICES - 03/2017	20,825.00
			20,825.00
001194			
001194	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 03/2017	16,766.91
			16,766.91
001195			
001195	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS FEE 03/2017	19,044.38
			19,044.38
001196			
001196	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 02/2017	68.36
001196	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 03/2017	24,469.46
			24,537.82
001197			
001197	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 03/2017	3,323.00
			3,323.00
001198			
001198	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 03/2017	2,346.19
			2,346.19

001199			
001199	GRACE BRENNAN	TREASURER FEE 03/2017	2,064.67
			2,064.67
001200			
001200	THE RODGERS GROUP, LLC	POLICE ACCREDIATION MAINTENANCE - 2/3/17	3,000.00
			3,000.00
001201			
001201	IMAC INSURANCE AGENCY	RC FEE 1ST 2017 - WEST CALDWELL TOWN	13,915.30
001201	IMAC INSURANCE AGENCY	RMC FEE 1ST 2017 - LINCOLN PARK BORO	11,638.28
001201	IMAC INSURANCE AGENCY	RMC FEE 1ST 2017 - DOVER TOWN	20,852.84
001201	IMAC INSURANCE AGENCY	RMC FEE 1ST 2017 - EAST HANOVER TWP	15,522.04
			61,928.46
001202			
001202	DAILY RECORD	ACCT: ASB-70026874 - 2/10/2017 2017 C&F	122.12
			122.12
001203			
001203	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 03/2017	961.92
			961.92
001204			
001204	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT & STOR - 1/31/2017	67.55
			67.55
001205			
001205	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 2/17	75.00
			75.00
001206			
001206	WILLIS OF NEW JERSEY, INC.	RMC FEE 1ST 2017 - LONG HILL	10,642.84
			10,642.84
001207			
001207	WEST MILFORD TOWNSHIP	RMC FEE 1ST 2017 - WEST MILFORD	26,053.00
			26,053.00
001208			
001208	MENDHAM TOWNSHIP	RMC FEE 1ST 2017 - MENDHAM TWP	7,852.89
			7,852.89
		Total Payments FY 2017	247,294.86

TOTAL PAYMENTS ALL FUND YEARS \$ 247,794.86