

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

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

ROLL CALL OF 2017 EXECUTIVE COMMITTEE:

Michael Guarino, Chairman	Township of Denville	Present
Brian McNeilly, Secretary	Borough of Stanhope	Present
Ralph Blakeslee	Borough of Netcong	Absent
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	Present

ROLL CALL OF 2017 FUND COMMISSIONERS:

Diana Francisco	Township of Andover	Absent
Jon Dunleavy	Borough of Bloomingdale	Present
Neil Henry	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
Marvin Joss	Borough of Chester	Present
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	Absent
Ron Tappan	Borough of Hopatcong	Present
Robert Collins	Borough of Kinnelon	Absent
Perry Mayers	Borough of Lincoln Park	Present
Nancy Malool	Township of Long Hill	Absent
James Burnet	Borough of Madison	Present
Unappointed	Borough of Mendham	
Marybeth Zichelli	Township of Mendham	Absent
Jason Gabloff	Township of Millburn	Present
Victor Canning	Township of Montville	Absent
June Uhrin	Borough of Morris Plains	Absent
Claudia Tomasello	Township of Mount Olive	Absent
Richard Sheola	Borough of Mountain Lakes	Absent
Tammy Niccolletti	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	Present
Terri Lyons	Township of Washington	Absent
Nikole Monroig	Township of West Caldwell	Present
Catherine Shanahan	Township of West Milford	Present

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	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	Absent
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

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:

Karen Waters, IMAC Insurance Agency
David Sgalia, Cupo Insurance Agency
Matthew Struck, Treadstone Risk Management
Dave Vozza, The Vozza Agency
Stacy Russo, Russo & Associates
Patty Esposito, Marsh USA, Inc.
Wayne Dietz, Skylands Risk Management
Ernie Reigsted, Skylands Risk Management
Sharon Cooper, Public Entity Associates
Linda D’Alessio, Polaris Galaxy Group
Frank Covelli, PIA
Jaine Testa, PERMA

APPROVAL OF MINUTES -

October 11, 2017 Open & Closed minutes:

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

Motion: Commissioner Day
Second: Commissioner Brewer
9 Ayes, 0 Nays, 15 Abstains
(Commissioners Brewer, Tempesta, Henry, Shepard, Joss, Huyler, Tappan, Mayers, Maloney, Seifert, Close, Monroig, Shanahan, Frodella (alt.))

CORRESPONDENCE – The state requires joint insurance funds to maintain a website and to post certain items on their sites. The state periodically reviews the websites for compliance. The fund office received communication from the state citing items missing from the Morris JIF’s website: the most recent audit and list of vendors receiving compensation greater than \$17,500. Executive Director responded to the State by directing them to section of the website containing this information.

MONTHLY COMMITTEE REPORTS:

Membership, Marketing & Coverage Committee, John Dunleavy, Chair, Bloomingdale Borough – The committee met on October 27th and reviewed four new member applications. Minutes from the meeting were included in the Appendix II. Confidential New Member Reviews for Byram, Roxbury, Pompton Lakes and Frelinghuysen were distributed to commissioners at the meeting. Using the JIFs scoring mechanisms, the committee recommended all four entities for membership subject to loss control inspections. A motion from the floor was made by Commissioner Dunleavy to recommend Byram, Roxbury, Pompton Lakes and Frelinghuysen for membership in the Morris JIF subject to loss control inspection. Motion was recognized by the Chair and was deferred to executive session for further discussion.

MOTION TO RECOMMEND BYRAM, ROXBURY, POMPTON LAKES AND FRELINGHUYSEN FOR MEMBERSHIP IN THE MORRIS JIF SUBJECT TO LOSS CONTROL INSPECTION.

Motion: Commissioner Dunleavy
Second: Commissioner Gabloff

Finance Committee, Jon Rheinhardt, Chair, Wharton Borough– The committee met on November 3rd and reviewed the 2018 member assessments. The proposed budget was previously advertised and mailed to members. A revised budget was distributed to commissioners at the meeting. Chairman Rheinhardt presented the report and said the revised budget totals \$18,398,032 and represents a 2.5% increase. The budget includes an increase of approximately \$4,000 in MEL property line due to change that affected Group III auto valuations of fire trucks greater than 15 years old which allowed members to change reported values from actual cash value to “replacement cost” coverage or stated value, whichever is less.

Finance Chairman said the Finance Committee reviewed the budget in conjunction with the Fund’s financial model.

Executive Director said Finance Committee reviewed assessments which were distributed in accordance with the Fund's assessment methodology of capping base assessment increases at 1 ¼% over the budget increase. POL/EPL assessments are not equalized but added after equalization. The Fund's POL/EPL carrier, QBE, reviews member loss experiences and makes recommendations for POL/EPL assessments. QBE looks at all funds statewide to determine increase and, for 2018, has asked for 3.5% rate increase across all funds. Based on the loss experience of the Morris JIF, the POL/EPL increase is 5% but does vary within the JIF dependent on loss experience. In addition, the Fund reviews member loss ratios over a seven year period and imposes a surcharge for members with a loss ratio greater than 125%; those surcharges are then distributed as a credit to members with loss ratios less than 40% –the intent is to bring the “outliers” closer to the average.

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

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

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

Claims Review Committee, Brian McNeilly, Chair, Stanhope Borough – The committee met on November 6th at PERMA's office and recommended approval of payment authority requests for 10 workers' compensation claims \$921,289, four property claims totaling \$83,284.36 and four liability claims totaling \$452,482.77.

One liability claim was referred for discussion during the board meeting's closed session--committee could not discuss during its meeting due to a technical difficulty.

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 Reports

Employment Practices Compliance Status Report—Deductibles for 2018 will remain unchanged. At the end of the first quarter in 2018, members will be asked to begin updating their personnel manuals as part of the 2019/2020 Employment Practices program which is updated every two years. Members will have until the end of 2018 to complete this update.

Lost Time Accident Frequency Report: The accident frequency for September was 1.10 compared to 1.69 in September of 2016. The MEL Safety and Education committee reviews the Lost Time Accident Frequencies and 2016 was 2.1—the lowest since recording started in 1991 when it was 5.73. If the cost of claims were calculated at the 1991 rate, the cost would be \$1.6 billion which represents avoided costs of claims. The information is in the 2017/18 MEL Annual Report and includes this new statistic. The report will be available at the League conference.

2018 Budget - Last month, the fund introduced the 2018 proposed budget. All members were mailed a notice of the public hearing. Budget was also published in the designated newspaper.

A revised budget was distributed at the meeting. The adopted budget totaled \$18,398,032 representing an overall increase of 2.5%.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2018 BUDGET

Motion: Commissioner Esposito
Second: Commissioner Huyler
Vote: unanimous

MOTION TO CLOSE THE PUBLIC HEARING

Motion: Commissioner Brewer
Second: Commissioner Tempesta
Vote: unanimous

MOTION TO ADOPT 2018 BUDGET

Motion: Commissioner Rinaldi
Second: Commissioner Maloney
Roll call Vote: unanimous

2018 Membership Renewals –A list of members scheduled to renew fund membership by January 1, 2018 was distributed. Membership documents were mailed to those members following the July meeting.

Assessments – The assessments were presented to the Finance Committee on November 3rd for review and approval prior to the meeting. A copy of the assessments was made available for distribution after the JIF meeting.

MOTION TO CERTIFY THE 2018 ASSESSMENTS

Motion: Commissioner Rheinhardt
Second: Commissioner Gabloff
Roll call vote: unanimous

Residual Claims Fund (RCF): The RCF met on October 18, 2017 at the Forsgate Country Club as a public hearing and adopted the amended Fund Year 2017 budget and adopted the 2018 budget. A copy of Commissioner Rheinhardt’s report was distributed to commissioners.

EJIF – The EJIF met on October 18, 2017 at the Forsgate County Club as a public hearing to review the proposed 2018 budget. Following the public hearing the 2018 budget was adopted. A copy of Chairman Guarino’s report on the meeting was distributed to commissioners.

MEL - The MEL met on October 18, 2017 at the Forsgate Country Club to introduce the 2018 budget. A copy of Commissioner Rheinhardt’s report on the meeting was distributed to commissioners and included the proposed budget. The public hearing on the MEL 2018 budget will be held on November 15, 2017 at 5:00 PM in the Convention Center in Atlantic City - Room 305. The proposed budget reflects a decrease of .1% and is expected to be adopted at the public hearing scheduled for November 15th.

The Cyber Task Force after creating its minimum standards, is preparing materials for distribution and is moving forward with plans to identify a training program.

The MEL website’s mobile application is available for downloading and instructions will be mailed directly to commissioners, safety coordinators and clerks. An information card will be available at MEL booth at League of Municipalities conference in Atlantic City.

The risk management consultant accreditation program was attended by 75 risk managers. The MEL has plans to create a similar program in future for fund commissioners.

The Origami online database management system is expected to be available to members by January 2018.

Elected Officials Training: This year’s elected officials training program will focus on “Land Use Liability and Technology Risk Management”. Sessions are scheduled at the League of Municipalities Conference on November 14th and 15th. A copy of notice that was mailed to commissioners was distributed to commissioners.

The MEL will provide a credit of \$250 against each member’s assessment for each municipal elected official and authority commissioner who completes the course by May 1, 2018. The credit will continue to be extended to the member’s CEO (i.e. municipal manager/administrator or authority executive director). The maximum credit is 5% of

the member's assessment. The method of applying credits has been revised for the 2017/2018 fund year. In the past, the MEL capped credits at 25% of MEL claims funds alternating between workers' compensation and liability. As a result, there were significant swings from year to year for smaller members.

Cyber Task Force: The Task Force is still finalizing the Minimum Security Standards and the application (including supporting documentation) to participate in the deductible reimbursement program. Once finalized, coverage bulletins will be distributed to Fund Commissioners and Risk Management Consultants and posted to the webpage.

Executive Director's Report Made Part of Minutes.

TREASURER:

The following November 2017 bills lists were included for approval on the consent motion as resolutions 25-17 and supplemental bills list as resolution 26-17. The 2018 assessment invoices will be mailed in early December and payment for first installment will be due by January 15th, 2018. Members are reminded to direct payments to the lockbox address on the invoice.

November 2017	
2017	\$109,000.89
2017	27,248.79
Total	\$136,249.68

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF SEPTEMBER 2017:

CLOSED	\$0
2013	\$0
2014	\$40,703.58
2015	\$39,947.86
2016	\$59,661.31
2017	\$270,162.47
TOTAL	\$410,475.22

Treasurer's Report Made Part of Minutes.

ATTORNEY:

Fund attorney recommended elected officials attend the seminar at the League of Municipalities conference in Atlantic City. The focus of this year's seminar will be on land use. He next gave brief review of five cases that were dismissed.

Attorney's report made part of minutes

UNDERWRITING MANAGER:

Executive director gave the report and said, coverage bulletin 17-33 was issued in October announcing the termination of the T.U.L.I.P. (Tenant and Users Liability Insurance Program) program effective December 1, 2017.

CERTIFICATES OF INSURANCE: List of certificates was included in agenda. 35 certificates were issued between September 22, 2017 and October 21, 2017.

Underwriting manager's report made part of minutes

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

After discussion in executive session the motion that was opened earlier during the Membership Marketing and Coverage committee report was carried forward and approved by the board by a roll call vote.

MOTION TO RECOMMEND BYRAM, ROXBURY, POMPTON LAKES AND FRELINGHUYSEN FOR MEMBERSHIP IN THE MORRIS JIF SUBJECT TO LOSS CONTROL INSPECTION.

Motion: Commissioner Dunleavy
Second: Commissioner Gabloff
Roll call vote: unanimous

MOTION FOR EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES: PERSONNEL- SAFETY & PROPERTY OF PUBLIC LITIGATION:

Motion: Commissioner Day
Second: Commissioner Tempesta
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Motion: Commissioner Mayers
Second: Commissioner Close
Vote: Unanimous

MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION, EXECUTIVE DIRECTOR'S REPORT; RESOLUTION 25-17 APPROVING THE NOVEMBER 2017 BILLS LIST AND RESOLUTION 26-17 APPROVING THE SUPPLEMENTAL NOVEMBER 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 Henry
Second: Commissioner Maloney
Roll call Vote: Unanimous

OLD BUSINESS:

None

NEW BUSINESS:

None

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

Motion: Commissioner Brewer
Second: Commissioner Dunleavy
Vote: Unanimous

Meeting Adjourned 12:30 PM
Jaine Testa, Assisting Secretary
For Brian McNeilly, Fund Secretary
Date prepared November 21, 2017

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 25-17

NOVEMBER 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

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001351			
001351	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 11/2017	16,466.15
			16,466.15
001352			
001352	QUAL-LYNX	CLAIM ADJUSTING SERVICES - 11/2017	20,825.00
			20,825.00
001353			
001353	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 11/2017	16,766.91
			16,766.91
001354			
001354	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS FEE 11/2017	19,044.38
			19,044.38
001355			
001355	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 10/2017	112.53
001355	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 11/2017	24,469.46
			24,581.99
001356			
001356	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 11/2017	3,323.00
			3,323.00
001357			
001357	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 11/2017	2,346.19
			2,346.19
001358			
001358	MORRIS COUNTY PUBLIC SAFETY	SCHOOL CROSSING GUARD COURSE - 8/16/17	1,085.00
			1,085.00
001359			
001359	GRACE BRENNAN	TREASURER FEE 11/2017	2,064.67
			2,064.67
001360			
001360	DAILY RECORD	ACCT: ASB-70026874 - 10/24/17 -LEGAL NOT	66.68
			66.68
001361			
001361	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 11/2017	961.91
			961.91
001362			
001362	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT & STOR - 9/30/17	73.87
			73.87

001363			
001363	VITALES DELI	MEETING EXPENSE - 10/11/2017	703.07
001363	VITALES DELI	MEETING EXPENSE - 9/13/17	692.07
			1,395.14
		Total Payments FY 2017	109,000.89

TOTAL PAYMENTS ALL FUND YEARS \$ 109,000.89

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

Resolution No. 26-17

NOVEMBER 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

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001364			
001364	FIRST MCO	MANAGED CARE SERVICES FEE 10/2017	21,465.08
			21,465.08
001365			
001365	THE RODGERS GROUP, LLC	SPECIALIZED SERVICES PERFORMED 10/17	5,666.67
			5,666.67
001366			
001366	DAILY RECORD	ACCT: ASB-70026874 - 10/3/2017 - OCT MTG	42.04
			42.04
001367			
001367	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 10/17	75.00
			75.00
		Total Payments FY 2017	27,248.79

TOTAL PAYMENTS ALL FUND YEARS \$ 27,248.79