

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING –OCTOBER 11, 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.	Absent
Joseph Tempesta	Township of East Hanover	Absent
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
Jon 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	Absent
Silvio Esposito	Township of Hanover	Present
Eric Maurer	Borough of Hawthorne	Present
Ron Tappan	Borough of Hopatcong	Absent
Robert Collins	Borough of Kinnelon	Absent
Perry Mayers	Borough of Lincoln Park	Absent
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	Present
Richard Sheola	Borough of Mountain Lakes	Present
Tammy Niccolletti	Borough of North Caldwell	Absent
David Hollberg	Township of Pequannock	Absent
Darren Maloney	Township of Randolph	Absent
Scott Heck	Borough of Ringwood	Absent
Sheila Seifert	Borough of Rockaway	Absent
William Close	Township of Sparta	Absent
Terri Lyons	Township of Washington	Absent
Nikole Monroig	Township of West Caldwell	Absent
Catherine Shanahan	Township of West Milford	Absent

2017 FUND COMMISSIONER ALTERNATES:

Maryann Frodella	Township of Andover	Absent
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	Present
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
Caty Lambe

Managed Care

FMCO
Mary Bresadola

Auditor

Nisivoccia LLP

ALSO PRESENT:

David Sgalia, Cupo Insurance Agency
Matthew Struck, Treadstone Risk Management
Dave Vozza, The Vozza Agency
Barry Maurillo, IMAC Insurance Agency, LLC
Stacy Russo, Russo & Associates
Patty Esposito, Marsh USA, Inc.
John Carrasco, Skylands Risk Management
Sharon Cooper, Public Entity Associates
John Serapiglia, Polaris Galaxy
Mark Todisco, Chadler Solutions
Frank Covelli, PIA
Jaine Testa, PERMA

APPROVAL OF MINUTES -

September 13, 2017 Open & Closed minutes:

MOTION TO APPROVE OPEN & CLOSED MINUTES OF SEPTEMBER 13, 2017

Motion: Commissioner Kohn
Second: Commissioner Esposito
Vote: 14 Ayes, 0 Nays, 3 Abstains
(Commissioners Guarino, Francisco, Sheola)

CORRESPONDENCE –

MONTHLY COMMITTEE REPORTS:

Membership, Marketing & Coverage Committee, Jon Dunleavy, Chair, Bloomingdale Borough – Committee met on October 11th prior to the JIF meeting and reviewed the quasi applications submitted by Mountain Lakes and Andover. The committee recommended approving both applications for coverage. Applications were approved via the consent motion. Committee is also reviewing the quasi application’s underwriting process and will provide update in the future.

Finance Committee, Jon Rheinhardt, Chair, Wharton Borough– The committee met on September 13th to review the Financial Model and again on October 3rd to review the draft 2018 budget. The proposed 2018 budget was distributed in Appendix II. Executive Director said when committee met in August the budget was based on assumptions for MEL excess premiums , the budget as introduced has been updated to reflect the changes in exposures gathered from underwriting data submitted and the 2018 MEL renewal rates.

Executive Director reviewed the details of the 2018 proposed budget. The increase in budget for 2018 is 2.49%. The fund’s assessment methodology will cap member increases at 1.25% over the overall budget increase with adjustments for individual loss experience.

The loss funds overall increase as determined by the actuary is 4%. Worker’s compensation increase is 8% and auto is increasing by 4%. The MEL renewal is favorable overall with worker’s compensation line decreasing and the excess property and liability lines flat, with the exception of the MEL claims portion, which is increasing by 2.5%.

The Morris POL/EPL premium increase is 6%. QBE looks at all funds statewide to determine increase and has asked for 3.5% rate increase across all funds. Based on the loss experience of the Morris JIF, its increase is 6%.

Carrier makes suggestion that some members take a higher portion of increase which fund will present at next month's meeting when budget is adopted and assessments are distributed.

Chairman said the committee reviewed financial model to look for ways to protect fund's surplus, and maintain it at static level.

Motion to introduce the 2018 budget in the amount of \$17,930,665 and schedule a public hearing on November 8, 2017 in the Hanover Township Municipal Building at 12:00 pm.

Motion: Commissioner Rheinhardt
Second: Commissioner Day
Roll Call Vote: Unanimous

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

Contracts and Rules Committee, Ralph Blakeslee, Chair, Netcong Borough– The committee met on September 11th to review responses received to the fund's RFQ for Actuary, Executive Director, Litigation Management, Payroll Auditor, Treasurer and Underwriting Manager. All respondents were incumbents and will renew at 2% increase with the exception of PERMA who is renewing at a 5% increase in accordance with the agreement started in 2015 to increase their fee by 5% over a 5-year period. Executive Director said professional fees were included in the introduced budget and no competing responses were received. Minutes of the meeting were included in Appendix III.

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

Claims Review Committee, Brian McNeilly, Chair, Stanhope Borough – Due to conflict with holiday, Payment Authorization Requests were reviewed directly 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.

Due Diligence:

Financial Fast-Track—The fund's surplus for August 31st is \$6.2 million, an increase of \$300,000 year-to-date.

POL/EPL compliance—Members can expect to retain their current deductibles for 2018, carrier has not made any changes for 2018. QBE reserves the right to review an individual member's loss experience that may alter renewing deductibles and co-insurances. For 2018, QBE is not making any changes to current member deductibles & co-pays. In early 2018, members will be receiving information on updating their personnel manuals as well as required training as part of the MEL's POL/EPL compliance program for 2019-2020. The program is updated every two years and members will have through 2018 to complete updates.

2018 Budget – Proposed 2018 Budget was distributed to commissioners and included in Appendix II. Finance Committee met on August 17th, September 13th and October 3rd to review draft budgets and the financial model. The budget was introduced and approved by motion during the Finance committee report.

2018 Membership Renewals – A list was distributed to commissioners of members scheduled to renew fund membership by January 1, 2018. Membership documents were mailed to those members following the July meeting. All members have committed to renewing and we are awaiting final agreements from two members.

EJIF Regulatory Compliance Training – The EJIF would like to extend an invitation to you and members of your municipality and utility authority to an upcoming workshop – **“Keeping Up with Changing Regulations”** to discuss staying in compliance with new, changing problematic rules. A workshop schedule and registration form was distributed to commissioners.

Residual Claims Fund (RCF) The public hearing on the RCF budget will be held on October 18, 2017, 10:30 a.m. in the Forsgate Country Club. A copy of the introduced 2017 Budget Amendments and the 2018 Proposed Budget was distributed to commissioners. The fund will introduce their 2018 budget at the public hearing on October 18th.

Environmental JIF- The budget was introduced in September and a public hearing is scheduled for October 18, 2017. A copy of the EJIF’s 2018 Proposed Budget, was distributed to commissioners and the fund will adopt their budget at the public hearing on October 18th.

MEL - The MEL’s 2018 budget introduction is scheduled for October 18, 2017 at the Forsgate Country Club in Jamesburg NJ.

Executive Director’s Report Made Part of Minutes.

TREASURER:

The following October 2017 bills list was included for approval on the consent motion as Resolution 24-17.

October 2017	
Closed	\$1,325,372.34
2017	\$177,880.40
Total	\$1,503,252.74

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF AUGUST 2017:

CLOSED	\$0
2013	\$(3,300)
2014	\$33,707.92
2015	\$41,480.59
2016	\$106,750.95
2017	\$209,779.26
TOTAL	\$388,418.72

Treasurer’s Report Made Part of Minutes.

ATTORNEY:

Fund attorney deferred his report until executive session.

Attorney’s report made part of minutes

UNDERWRITING MANAGER:

Executive Director gave the report and discussed the MEL bulletins recently released.

Optional Excess Land Use: The current policy through the JIF has \$150,000 sub-limit. The new offering through QBE will allow members to purchase additional coverage of \$850,000 for \$1 million in total coverage. Each member application will be underwritten separately and is subject to underwriting review of member's loss experience. The fund is looking for ways to work with underwriting approval process and will report to the board with more information. Fund Attorney commented that the majority of land use claims fall below \$150,000. Underwriting Manager is working with carrier on premium costs but members that are interested are encouraged to apply.

Fire Truck Valuation: The MEL Board of Fund Commissioners accepted the recommendation of its Coverage Committee to change the valuation for fire trucks 15 years and older from "actual cash value: to "replacement cost coverage or stated value, whichever is less". Members will have until October 31 to change values to be included in the 2018 budget. Changes in values reported after October 31 will be calculated as an additional assessment.

CERTIFICATES OF INSURANCE: List of certificates was included in agenda. 36 certificates were issued between July 22, 2017 and September 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

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

Motion: Commissioner Esposito
Second: Commissioner Rinaldi
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Motion: Commissioner Day
Second: Commissioner Gabloff
Vote: Unanimous

MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION; ADDITION OF THE GREATER ANDOVER SENIOR CITIZENS CLUB FOR QUASI COVERAGE; ADDITION OF BRIARCLIFF SPORTS CLUB (MOUNTAIN LAKES) FOR QUASI COVERAGE EXECUTIVE DIRECTOR'S REPORT; RESOLUTION 24-17 APPROVING THE OCTOBER 2017 BILLS LIST; TREASURER'S REPORTS; ATTORNEY'S REPORTS; UNDERWRITING MANAGER'S REPORTS; MONTHLY CERTIFICATES; SAFETY DIRECTOR'S REPORTS; MANAGED CARE PROVIDER'S REPORTS.

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

OLD BUSINESS:

Executive Director said property claims do not absolve a member from Public Contract laws. A ‘white paper’ prepared by Morris JIF commissioners titled *Dealing with Emergencies and Insurance*, is available on the MEL website and discusses hiring contractors. She emphasized that while there are guidelines that JIF provides, municipalities make their own decision on choosing contractors.

NEW BUSINESS:

None

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

Motion:	Commissioner Sheola
Second:	Commissioner Gabloff
Vote:	Unanimous

Meeting Adjourned 12:30 PM
Jaine Testa, Assisting Secretary
For Brian McNeilly, Fund Secretary
Date prepared October 16, 2017

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 24-17

OCTOBER 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 CLOSED

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001334			
001334	MUNICIPAL EXCESS LIABILITY RCF	2017 RCF ASSESSMENT	1,325,372.34
			1,325,372.34
Total Payments Closed Year			1,325,372.34

FUND YEAR 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001296			
001296	FIRST MCO	MANAGED CARE SERVICE FEE 07/2017 Did not appear on August confirmation bills list	21,465.08 21,465.08
001335			
001335	FIRST MCO	MANAGED CARE SERVICE FEE 09/2017	21,465.08
001335	FIRST MCO	MANAGED CARE SERVICES FEE 08/2017	21,465.08
			42,930.16
001336			
001336	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 10/2017	16,466.15
			16,466.15
001337			
001337	QUAL-LYNX	CLAIMS ADJUSTER SERVICES 10/2017	20,825.00
			20,825.00
001338			
001338	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 10/2017	16,766.91
			16,766.91
001339			
001339	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS FEE 10/2017	19,044.38
			19,044.38
001340			
001340	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 10/2017	72.94
001340	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 10/2017	24,469.46
			24,542.40
001341			
001341	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 10/2017	3,323.00
			3,323.00
001342			
001342	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 10/2017	2,346.19
			2,346.19
001343			
001343	GRACE BRENNAN	TREASURER FEE 10/2017	2,064.67
			2,064.67
001344			
001344	THE RODGERS GROUP, LLC	SPECIALIZED SERVICES PERFORMED 9/17	5,666.67
			5,666.67

001345			
001345	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 10/2017	961.91
			961.91
001346			
001346	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT & STOR 7/31/2017	128.61
001346	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT & STOR 8/31/2017	73.87
			202.48
001347			
001347	VITALES DELI	MEETING EXPENSE - 6/14/207	692.07
001347	VITALES DELI	MEETING EXPENSE - 7/12/2017	692.07
			1,384.14
001348			
001348	MGL PRINTING SOLUTIONS	CK: M.C. JIF ALP ACCT - 9/8/17	133.00
			133.00
001349			
001349	ANTHONY S. CUPO AGENCY	RMC FEE 2ND 2017 - CHATHAM TWP	11,424.56
001349	ANTHONY S. CUPO AGENCY	RMC FEE 2ND 2017 - ROCKAWAY BORO	6,760.69
001349	ANTHONY S. CUPO AGENCY	RMC FEE 2ND 2017 - BOONTON TWP	3,038.09
			21,223.34
001327			
001327	PETER A. RICCIARDI	VOIDED	650.00-
			650.00-
001350			
001350	PETER A. RICCIARDI	CROSSING GUARD INSTRUCTION - 8/16/17	650.00
			650.00
		Total Payments FY 2017	177,880.40

TOTAL PAYMENTS ALL FUND YEARS \$ 1,503,252.74

Michael Guarino, Chairman
MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND