

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – DECEMBER 10, 2014
HANOVER TOWNSHIP MUNICIPAL BUILDING
12:00 PM**

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

ROLL CALL OF EXECUTIVE COMMITTEE:

Jonathan Rheinhardt	Borough of Wharton	Present
William Close, Secretary	Township of Sparta	Present
Robert Kalafut	Borough of Madison	Present
Ralph Blakeslee	Borough of Netcong	Present
Michael Guarino	Township of Denville	Present
Greg Poff	Rockaway Township	Present
Brian McNeilly	Borough of Stanhope	Present

ROLL CALL OF FUND COMMISSIONERS:

Vita Thompson	Township of Andover	Absent
John Dunleavy	Borough of Bloomingdale	Present
Terry McCue	Town of Boonton	Absent
Barbara Shepard	Township of Boonton	Present
James Lampmann	Borough of Butler	Absent
Thomas Ciccarone	Township of Chatham	Absent
Timothy Day	Borough of Chatham	Present
Valerie Egan	Borough of Chester	Absent
Donald Trivisano	Dover Town	Present
Joseph Tempesta	Township of East Hanover	Present
Francine Paserchia	Borough of Essex Fells	Absent
William Huyler	Borough of Florham Park	Absent
David Boynton	Township of Frelinghuysen	Absent
Kelli Schanz	Township of Hanover	Absent
Eric Maurer	Borough of Hawthorne	Present
Robert Elia	Borough of Hopatcong	Absent
Daniel O'Dougherty	Borough of Kinnelon	Present
Perry Mayers	Borough of Lincoln Park	Absent
Neil Henry	Township of Long Hill	Absent
Richard Merkt	Borough of Mendham	Absent
Amey Upchurch	Township of Mendham	Absent
Tim Gordon	Township of Millburn	Present
Victor Canning	Township of Montville	Absent
June Uhrin	Borough of Morris Plains	Absent
Carolyn Rinaldi	Borough of Mount Arlington	Present
Frank Wilpert	Township of Mount Olive	Absent
Robert Tovo	Borough of Mountain Lakes	Absent
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	Absent
Terri Lyons	Township of Washington	Present
Adam Brewer	Township of West Caldwell	Present
Kenneth Gabbert	Township of West Milford	Present

2014 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
Michael Mariniello	Borough of Chatham	Absent
Steven Ward	Township of Denville	Absent
Kelley Toohey	Dover Town	Present
Kenneth Huelbig	East Hanover Township	Absent
Patricia Visco	Borough of Florham Park	Absent
Joseph Giorgio	Township of Hanover	Absent
Jennifer Scully	Borough of Hawthorne	Absent
Donna Mollineaux	Borough of Kinnelon	Absent
James Burnet	Borough of Madison	Absent
Alex McDonald	Township of Millburn	Absent
Jason Kohn	Borough of Morris Plains	Present
June Hercek	Borough of Montville	Absent
Michelle Reilly	Borough of Mountain Lakes	Absent
Andrew Cangiano	Borough of Mt. Arlington	Absent
Sean Canning	Township of Mount Olive	Present
William Marsala	Borough of Ringwood	Absent
John Doherty	Borough of Rockaway	Absent
Joseph Fiorella	Township of Rockaway	Absent
Michele Landtau	Township of Sparta	Absent
Dana Mooney	Borough of Stanhope	Absent
Andrew Coppola	Township of Washington	Absent
Catherine Shanahan	Township of West Milford	Absent
David Young	Borough of Wharton	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator

PERMA Risk Management Services
James Kickham

Attorney/Litigation Management

Dorsey & Semrau, Esq.
Fred Semrau, Esq.

Underwriting Manager	Conner Strong & Buckelew Edward Scioli
Safety Director	J.A. Montgomery Risk Control John Zengel
Treasurer	Grace Brennan
Liability Claims Service	D&H Alternative Risk Solutions, Inc. Janine Leahy
Workers Compensation Claim Service	Qual-Lynx Robert Fox
Managed Care	FMCO Thea Isabella
Auditor	Nisivoccia LLP

ALSO PRESENT:

Sharon Cooper, Public Entity Advocates
 Frank Covelli, PIA
 Patty Esposito, Marsh USA
 Janine Leahy, D&H Alternative Risk Solutions
 Jane McCarthy, Bloomingdale Borough
 Paul Messerschmidt, D&H Alternative Risk Solutions
 John Serapiglia, Polaris Galaxy Insurance Group
 Jeff Pasek, Esq. Dorsey & Semrau
 Stacy Russo, Russo and Associates
 Mark Todisco, The Chadler Group
 Karen Waters, IMAC Insurance Agency, LLC
 John Whitley, Skylands Risk Management
 Cate Kiernan, PERMA
 Jaine Testa, PERMA

APPROVAL OF MINUTES -

November 12, 2014 Open & Closed minutes:

MOTION TO APPROVE OPEN & CLOSED MINUTES OF NOVEMBER 12, 2014

Motion:	Commissioner Guarino
Second:	Commissioner Poff
Vote:	16 Ayes, 0 Nays, 4 Abstentions (Commissioners S. Canning, Day, O'Dougherty and Maloney)

CORRESPONDENCE – None

MONTHLY COMMITTEE REPORTS:

Committee Reports:

Membership Committee, Greg Poff, Chair, Rockaway Township –Committee met via conference call on December 1st and reviewed renewal quotes for the townships of Washington and Frelinghuysen. Committee recommended submitting the proposed assessments to Washington Township and Frelinghuysen Township as presented.

Finance Committee, Robert Kalafut, Chair, Madison Borough – Committee Chairman Kalafut said the fund adopted the 2015 budget as per Committee’s recommendation at the November 12th, 2014 meeting.

Coverage Committee, Michael Guarino, Chair, Denville Township- No report

Safety Committee, Frank Wilpert, Chair, Mt. Olive Twp. – No report

Safety Task Force Committee, William Huyler, Florham Park; Chief Jason Kohn, Morris Plains Co-chairs – No report

Contract Review Committee, Ralph Blakeslee, Chair, Borough of Netcong – Committee Chairman Blakeslee said he emailed a link to all members with directions on completing the JIF’s survey on performance of claims administrators and managed care provider. Chairman Blakeslee said he will email a reminder.

Legal Review Committee, William Close, Chair, Sparta— Committee met December 8th and reviewed case assignments and status of open files. Fund Attorney also presented an overview of each attorney’s individual performance. Committee Chairman said the Committee will submit their recommendation for the 2015 panel at the fund’s January reorganization meeting.

Claims Committee, William Close, Chair, Sparta – Committee met on December 8th and recommended payment authority requests for six workers’ compensation claims totaling \$765,217.09 and one property claim totaling payment authority requests of \$32,800.00.

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.

Executive Director reviewed the Financial fast track and noted the fund's losses in 2014 were mostly driven by an increase in workers' compensation costs due to the harsh winter weather earlier this year. He noted that while the budget reflects a 2% increase, medical and worker's compensation costs increases are at greater than 2%. He also added the fund's surplus in the past year has been reduced by \$1 million.

Commissioner Kalafut said that operating losses are affected by the excess of claims vs. premiums and that if claim volume is not reduced, premiums must increase. Chairman Rheinhardt suggested considering reduction of expenditures for programs such as Police Accreditation.

Commissioner Blakeslee noted the quality of the fund's membership and that increasing premiums might cause members to look outside the fund for coverage. He suggested that the fund review cost effectiveness of program expenditures.

Executive Director noted that the Finance Committee changed the rating plan a few years back to bring the outliers closer to the average – and added that some members will experience significant increases in 2015. He also said that the Fund should strive to generate assessments that closely match a member's loss history.

Jim Kickham, Executive Director announced that as of January 1, 2015 he will no longer be active in the Morris JIF – since he is reducing his hours. Cate Kiernan, Account Manager at PERMA has been named as the new Executive Director. Jon Rheinhardt has been appointed MEL Chairman for 2015.

2015 1st Installment Billings – At last month's meeting, the 2015 assessments by member were certified. Bills were distributed to members the first week of December and are due by January 15th.

RCF- The Residual Claims Fund scheduled its 2015 Reorganization meeting for Wednesday, January 7, 2015 at 10:30 am in the Forsgate Country Club located in Jamesburg, NJ.

Commissioner Close thanked the fund for reappointing him as representative to the Residual claims fund for 2015. The RCF claims committee met via teleconference on December 10th and reviewed open claims. Commissioner Close commented that the fund handles significant and complex claims, and the volume of claims processed by the fund is “disconcerting”; adding that it is often more cost-effective to settle claims that one might prefer to challenge.

The Fund should elect its representative to the Residual Claims Fund for the 2015 Fund Year.

**MOTION TO ELECT WILLIAM CLOSE AS THE
MORRIS COUNTY MUNICIPAL JOINT INSURANCE
FUND'S 2015 REPRESENTATIVE TO THE RESIDUAL**

**CLAIMS JOINT INSURANCE FUND AND CHAIRMAN
JON RHEINHARDT AS THE ALTERNATE**

Motion: Commissioner Poff
Second: Commissioner Kalafut
Vote: unanimous

EJIF - The EJIF Board of Fund Commissioners met on November 19th at the Sheraton Hotel in Atlantic City. A copy of Commissioner Wilpert's report on the meeting was distributed to commissioners. Executive Director gave the report and said the fund's policy form is being rewritten in an effort to improve policy format and to clarify how coverages are administered. The new policy, which is a "claims made policy" is expected to be effective April 1, 2015. Seminars will be conducted statewide for risk managers. The new policy will be posted to the fund's website.

The EJIF's 2015 Reorganization meeting is scheduled for 10:50 am on Wednesday, January 7, 2015 in the Forsgate Country Club located in Jamesburg, NJ.

The Fund should elect its representative to the Environmental Joint Insurance Fund for the 2015 Fund Year.

**MOTION TO ELECT FRANK WILPERT AS THE
MORRIS COUNTY MUNICIPAL JOINT INSURANCE
FUND'S 2015 REPRESENTATIVE TO THE
ENVIRONMENTAL JOINT INSURANCE FUND AND
CHAIRMAN RHEINHARDT AS THE ALTERNATE.**

Motion: Commissioner Poff
Second: Commissioner Kalafut
Vote: unanimous

MEL -The MEL Board of Fund Commissioners conducted its public hearing on the 2015 budget on November 19th in the Atlantic City Convention Center. A copy of Chairman Rheinhardt's report on the meeting – with adopted budget - was distributed to commissioners. Chairman Rheinhardt said the MEL Board really adopts a "rate table".

Chairman Rheinhardt also said that the Superstorm Sandy Committee continues to meet and is still in the process of resolving outstanding claims.

The 2015 Reorganization meeting for the MEL is scheduled for Wednesday, January 7, 2015 at 11:15 am at the Forsgate Country Club located in Jamesburg, NJ.

The Fund should elect its representative to the Municipal Excess Liability Joint Insurance Fund for the 2015 Fund Year.

**MOTION TO ELECT JON RHEINHARDT AS THE
MORRIS COUNTY MUNICIPAL JOINT INSURANCE**

**FUND'S 2015 REPRESENTATIVE TO THE MUNICIPAL
EXCESS LIABILITY JOINT INSURANCE FUND AND
WILLIAM CLOSE AS THE ALTERNATE.**

Motion: Commissioner Poff
Second: Commissioner Kalafut
Vote: unanimous

Emergency Restoration Vendors: The MEL and the Morris Claims Review Committee have been reviewing procedures concerning contracting for emergency restoration services. Chairman Rheinhardt, Commissioner Close and Sean Canning worked together to develop a white paper on the legal requirements to secure these services—a copy was distributed to commissioners. The procedures and supporting documents have been posted to the Morris webpage.

Deputy Underwriting Manager: The bio of Edward Scioli, who has joined Conner Strong & Buckelew and will be the new Deputy Underwriting Manager, was distributed to commissioners.

January Reorganization Meeting - The Fund's Reorganization meeting is scheduled for Wednesday, January 14, 2015 at 12 pm in the Hanover Township Municipal Building. All Fund Commissioners are encouraged to attend so that the Fund can achieve a quorum.

Executive Director introduced Edward Scioli as the MEL fund's Deputy Underwriting Manager.

Membership – The Township of Washington has decided to renew its membership in the Morris County Municipal Joint Insurance Fund.

**MOTION TO AMEND THE 2015 BUDGET AND
CERTIFY WASHINGTON TOWNSHIP'S
ASSESSMENT OF \$360,262**

Motion: Commissioner Blakeslee
Second: Commissioner Lyons
Vote: unanimous

In response to Commissioner McNeilly, the Executive Director said he would provide him with an indication of what town's assessment would have been if they were not rated individually.

Executive Director's Report Made Part of Minutes.

TREASURER:

With the adoption of the 2015 budget, the first assessment invoices were mailed the first week in December; and payment is due by January 15th, 2015.

The following December 2014 bills list was included for approval on the consent motion as Resolution 24-14.

DECEMBER 2014	
2014	\$1,293,869.83
TOTAL	\$1,293,869.83

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF OCTOBER 2014:

CLOSED	\$0.00
2010	\$0.00
2011	\$160,809.18
2012	\$71,995.63
2013	\$24,428.18
2014	\$318,058.75
TOTAL	\$575,291.74

Treasurer's Report Made Part of Minutes.

ATTORNEY:

Attorney provided an update on the case Ortiz v. Hawthorne was successfully argued for a motion for summary judgment and the case was dismissed. The member's actions were found not to be palpably unreasonable.

Attorney acknowledged Mr. Kickham's involvement with the Morris JIF since its inception and his contributions in many areas, including his depth of knowledge and passion for his work, his untiring efforts assisting member municipalities, including his advocacy for the Morris JIF with the MEL and RCF funds. He then personally thanked Mr. Kickham for his help and guidance through the years.

UNDERWRITING MANAGER:

CERTIFICATES OF INSURANCE: List of certificates was included in the agenda. 32 certificates were issued during October.

Certificates List made part of minutes

SAFETY DIRECTOR:

Safety Director reviewed the PEOSH report on frequently cited standards and recommended that DPW supervisors review the report.

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 Blakeslee
Second:	Commissioner Travisano
Vote:	Unanimous

Executive director noted that a worker's compensation claim for Dover would be discussed after adjournment with fund commissioner and their risk manager.

MOTION TO RETURN TO OPEN SESSION:

Motion:	Commissioner Canning
Second:	Commissioner Guarino
Vote:	Unanimous

MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION, EXECUTIVE DIRECTOR'S REPORT, RESOLUTION 24-14 APPROVING THE DECEMBER 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 Maloney
Second:	Commissioner Tempesta
Vote:	Unanimous

NEW BUSINESS:

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

Moved:	Commissioner Brewer
Second:	Commissioner Guarino
Vote:	Unanimous

Meeting Adjourned 12:25 PM

Jaine Testa, Assisting Secretary
For

William Close, Secretary

Date prepared: December 18, 2014

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

Resolution No. 24-14

DECEMBER 2014

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 2014

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000264			
000264	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND - 4TH QTR 2014	4,907.55
			4,907.55
000265			
000265	FIRST MCO	MANAGED CARE SERVICES - 11/2014	20,634.85
			20,634.85
000266			
000266	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 4TH QTR 2014	281,039.51
000266	MUNICIPAL EXCESS LIABILITY JIF	MEL 4TH QTR 2014	801,854.76
			1,082,894.27
000267			
000267	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 12/2014	15,518.91
			15,518.91
000268			
000268	QUAL-LYNX	CLAIM ADMIN - 12/2014	24,093.84
			24,093.84
000269			
000269	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 12/2014	16,319.89
			16,319.89
000270			
000270	D & H ALTERNATIVE RISK	CLAIMS ADMIN - 12/2014	18,308.01
			18,308.01
000271			
000271	PERMA	POSTAGE FEE 11/2014	100.01
000271	PERMA	EXECUTIVE DIRECTOR FEE 12/2014	21,143.32
			21,243.33
000272			
000272	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING FEE 12/2014	3,141.00
			3,141.00
000273			
000273	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 12/2014	2,167.50
			2,167.50
000274			
000274	GRACE BRENNAN	TREASURER FEE 12/2014	1,945.55
			1,945.55
000275			
000275	NEW JERSEY STATE ASSOCIATION	POLICE ACCREDIT 11/14 LONG HILL TWP PD	5,000.00
000275	NEW JERSEY STATE ASSOCIATION	POLICE ACCREDIT 11/14 LINCOLN PARK PD	4,000.00
000275	NEW JERSEY STATE ASSOCIATION	POLICE ACCREDIT 11/14 PEQUANNOCK TWP PD	5,000.00
000275	NEW JERSEY STATE ASSOCIATION	POLICE ACCREDIT 11/14 BOONTON PD	4,000.00
000275	NEW JERSEY STATE ASSOCIATION	POLICE ACCREDIT 11/14 CHESTER BORO PD	3,000.00
			21,000.00

000276			
000276	MUNICIPAL EXCESS LIABILITY JIF	MSI 4TH QTR 2014	20,131.74
			20,131.74
000277			
000277	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGEMENT - 12/2014	907.00
			907.00
000278			
000278	ALLSTATE INFORMATION MANAGEMNT	DEPT: 417 - ACT & STOR 10/31/2014	55.92
			55.92
000279			
000279	MGL PRINTING SOLUTIONS	CHECKS - MC JIF ALP ACCT - S194-28	206.00
			206.00
000280			
000280	WEST CALDWELL TOWNSHIP	RMC FEE REIMBURSEMENT - 2014	26,227.81
			26,227.81
000281			
000281	THE RODGERS GROUP, LLC	SPECIALIZED SERVICES - 12/2014 - 3 OF 12	14,166.66
			14,166.66
		Total Payments FY 2014	1,293,869.83

TOTAL PAYMENTS ALL FUND YEARS \$ 1,293,869.83