

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – MARCH 12, 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	Town of Dover	Present
Robert Kalafut	Borough of Madison	Present
Ralph Blakeslee	Borough of Netcong	Present
Greg Poff	Township of Rockaway	Present
Michael Guarino	Township of Denville	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	Present
Barbara Shepard	Township of Boonton	Present
James Lampmann	Borough of Butler	Present
Thomas Ciccarone	Township of Chatham	Absent
Robert Falzarano	Borough of Chatham	Absent
Valerie Egan	Borough of Chester	Absent
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	Present
Eric Maurer	Borough of Hawthorne	Absent
Robert Elia	Borough of Hopatcong	Present
Daniel O'Dougherty	Borough of Kinnelon	Present
Perry Mayers	Borough of Lincoln Park	Present
Neil Henry	Township of Long Hill	Absent
Ellen Sandman	Borough of Mendham	Present
Tim Day	Township of Mendham	Present
Tim Gordon	Township of Millburn	Absent
Victor Canning	Township of Montville	Present
Scott Thompson	Borough of Morris Plains	Present
Carolyn Rinaldi	Borough of Mount Arlington	Present
Frank Wilpert	Township of Mount Olive	Present
Robert Tovo	Borough of Mountain Lakes	Absent

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
Michele Landtau	Township of Sparta	Present
Terri Lyons	Township of Washington	Present
Adam Brewer	Township of West Caldwell	Present
Cathy Shanahan	Township of West Milford	Absent

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
Kelly Toohey	Town of Dover	Absent
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
June Uhrin	Borough of Morris Plains	Absent
Gertrude Atkinson	Borough of Montville	Absent
Michelle Reilly	Borough of Mountain Lakes	Absent
Andrew Cangiano	Borough of Mt. Arlington	Absent
Sean Canning	Township of Mount Olive	Absent
John Doherty	Borough of Rockaway	Absent
Joseph Fiorella	Township of Rockaway	Absent
Pat Seger	Township of Rockaway	Absent
Dana Mooney	Borough of Stanhope	Absent
Andrew Coppolla	Township of Washington	Absent
David Young	Borough of Wharton	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator

PERMA Risk Management Services
James J. Kickham

Attorney/Litigation Management

Dorsey & Semrau, Esq
Jeff Pasek, Esq.

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

ALSO PRESENT:

Karen Waters, IMAC Insurance Agency, LLC
Eric Craner, Marsh USA, Inc.
Frank Covelli, PIA
John Whitley, Skylands Risk Management
Steve Reichman, ADP Statewide
Dave Sgalia, Henry O. Baker
Sharon Cooper, Public Entity Advocates
Cate Kiernan, PERMA
Jaine Testa, PERMA

APPROVAL OF MINUTES -

February 12, 2014 Open & Closed minutes:

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

Motion:	Commissioner Guarino
Second:	Commissioner Levine
Vote:	24 Ayes, 0 Nays, 3 Abstains (Commissioners McCue, Mayers and Sandman)

CORRESPONDENCE – None

MONTHLY COMMITTEE REPORTS:

Committee Reports:

Membership Committee, Greg Poff, Chair, Rockaway Township– No report.

Finance Committee, Robert Kalafut, Chair, Madison Borough – No report.

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

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

Safety Task Force Committee, Chief Scott Thompson, Chair, Borough of Morris Plains. – Committee Chairman Thompson said he has received inquiry from six member police agencies requesting consideration to participate in the next group of five agencies to participate in the Police Accreditation program for 2015.

Contract Review Committee -- Ralph Blakeslee, Chair, Borough of Netcong – No report

Legal Review Committee, William Close, Chair, Dover— No report

Claims Committee, William Close, Chair, Dover – Committee met on March 10, 2014 and recommended payment authority approval for 13 Workers' Compensation claims totaling \$823,521.51 and 5 Property claims totaling \$138,351.05.

EXECUTIVE DIRECTOR/ADMINISTRATOR:

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.

In response to Commissioner Kalafut, Executive Director said the January Financial Fast Track was not included in the March agenda to allow the accounting department the time to close out the year and gather reporting for the Fund Auditor.

RCF Report: The RCF met on March 5, 2014. Alternate Commissioner Close's report was distributed to commissioners.

EJIF Report: The EJIF met on March 5, 2014. Alternate Commissioner Close's report on the meeting was distributed to commissioners. Executive Director drew attention to the Environmental Alert memo regarding the State legislature's decision to extend the deadline for remediation cases to May 7, 2016. Town must affirmatively request an extension.

MEL Report: The MEL met on March 5, 2014. A copy of Alternate Commissioner Close's report on the meeting was distributed to commissioners. Executive Director said the MEL has awarded a contract to Marc Pfeiffer with Rutgers University to conduct a Cyber Liability study to develop a 'best practices' for local governments. A memo was distributed to commissioners prior to the meeting. Members will be contacted by the MEL's Action Committee regarding participation in the study.

Executive Director said that claims are now being paid out for Hurricane Sandy flood claims at 65% of total incurred covered claims with the remaining 35% being held in abeyance until

Zurich can determine if the \$50 million flood limit has been reached. Most claims for the Morris JIF have already been paid as the losses were mostly due to wind.

The MEL has awarded a contract to Exigis to provide an online underwriting database management program, which will be introduced this summer for the 2015 data renewal process. This will eliminate the paper method of the renewal process between members and the executive director's office. Members, along with their risk managers, will be able to maintain their own underwriting data and assign individuals to enter and maintain the data.

Elected Officials Seminars: As a reminder, to supplement live presentations of this year's Elected Officials seminar, the MEL placed an on-line version on NJMEL.ORG. To date, 135 MEL member officials have already used this option. The deadline is May 1st. Instructions to access the program were distributed and members were reminded of a live presentation being held on April 3rd at Hanover. Account Manager also noted the recent Police Chief training session was attended by 70 chiefs and sessions for the Managers and Supervisors training are still available.

Employment Practices Program: There are a number of areas members must address to maintain Program Compliance. Members were directed to the MEL webpage for complete details – www.njmel.org and reminded to work with their municipal attorney to complete the Attorney Certification form by the deadline of May 1, 2014. Another copy of the training notice sent to members in February was distributed. A listing of Police Training scheduled in other northern counties was also distributed to commissioners.

2014 MEL & MR HIF Educational Seminar: The 4th annual seminar is scheduled for Friday, April 11th, beginning at 9:00 AM at the Crowne Plaza, 390 Forsgate Drive, Monroe, N.J. 08831, Turnpike Exit 8A. To date 100 registrations have been received. The seminar qualifies for an extensive list of Continuing Educational Credits including CFO/CMFO, TCH for Public Works, Clerks, Insurance Producers, Purchasing Agents and CPA and Attorney credits. 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. The enrollment form was distributed to members.

League Article: An article from the League Magazine that details the on-line resources available on the MEL's web site, www.njmel.org was distributed to commissioners.

Executive Leadership for Fire Service Officers - Stockton College is conducting a course on executive Leadership for fire service officers between April 21 and May 29th at the Middlesex County Fire Academy. A brochure for review was distributed to commissioners for information

Financial Disclosure Form: According to the state webpage concerning 2014 Financial Disclosure filings: Neither the 2013 instructions nor the fillable financial disclosure statement form shall be used for 2014. Local government officers are instructed to await further information from their municipal clerks, county clerks, or other agency representative. It is expected that the state will extend the deadline to file Financial Disclosures. The new filing procedure will be demonstrated at the Municipal Clerk’s seminar in March. We are awaiting further instructions from the State.

Inclement Weather Procedure - As a reminder, PERMA has instituted a procedure for Commissioners to confirm whether or not a meeting has been canceled. The Executive Director will discuss with the Fund Chairperson if the meeting should be canceled. In the event of an early morning or evening meeting(s), Perma will provide a recorded message indicating the status of the meeting. The recorded message can be obtained by calling the Fund's main number (201) 881-7632 at any time of the day or night. For meetings that occur during the course of normal business hours, meeting status can be obtained by utilizing the same number.

Executive Director’s Report Made Part of Minutes.

TREASURER:

The following March 2014 bills list was included for approval on the consent motion as Resolution 9-14.

March 2014	
2013	\$17,446.36
2014	\$1,277,445.72
Total	\$1,294,892.08

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF JANUARY 2014:

CLOSED	\$0.00
2010	\$80,991.08
2011	\$73,954.06
2012	\$39,672.23
2013	\$259,859.50
2014	9,126.30
TOTAL	\$463,603.17

Treasurer’s Report Made Part of Minutes.

ATTORNEY:

Pooled Investments –Resolution 9-14 distributed that would authorize the JIF to participate in a Pooled Investment Program. Fund Attorney said the pooling of such assets creates a

critical mass and the economies of scale for investment management purposes. Mr. Pasek said Fred Semrau has reviewed the matter and determined that a pooled investment program is consistent with statutes.

In addition, Resolution 10-14 was distributed to revise the Fund's Cash Management Plan. The Local Finance Board amended permissible investments in 1997 but the Fund had not updated its Cash Management plan accordingly. Chairman Rheinhardt added that - through Local Finance Board Notice 97-14 - local public entities can participate in local government investment pools.

Claim Activity: Mr. Pasek reported on a claim in Hawthorne whereby the defense motion for summary judgment was granted and all claims dismissed against member due to late filing of tort claim.

Manager & Supervisory Training – Mr. Pasek said Fund Attorney's office has completed four management and supervisor's training seminars with additional seminars still scheduled.

**MOTION TO APPROVE RESOLUTION 11-14
AMENDING 2014 CASH MANAGEMENT PLAN**

Motion: Commissioner Guarino
Second: Commissioner Poff
Vote: unanimous

UNDERWRITING MANAGER:

CERTIFICATES OF INSURANCE: List of certificates was included in the agenda. 72 certificates we issued during February.

Certificates List made part of minutes

SAFETY DIRECTOR:

Safety Director reviewed reports in agenda and noted a seminar on *The Management of Special Events* is scheduled for April 30th in Hanover.

Safety Director's Report Made Part of Minutes.

MANAGED CARE:

Managed Care Director reviewed the reports in the agenda and said the savings after repricing for February was 64% and PPO penetration was 86%..

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 Wilpert
Second: Commissioner O'Dougherty
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Motion: Commissioner Levine
Second: Commissioner Day
Vote: Unanimous

MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION, EXECUTIVE DIRECTOR'S REPORT, APPROVE RESOLUTION 9-14 APPROVING THE MARCH BILL LISTS, RESOLUTION 10-14 AUTHORIZING PARTICIPATION IN A POOLED INVESTMENT PROGRAM WITH WELLS FARGO TREASURER'S REPORTS, ATTORNEY'S REPORTS, UNDERWRITING MANAGER'S REPORTS - MONTHLY CERTIFICATES, SAFETY DIRECTOR'S REPORTS, AND MANAGED CARE PROVIDER'S REPORTS

Moved: Commissioner Blakeslee
Second: Commissioner Wilpert
Vote: Unanimous

OLD BUSINESS:

None

NEW BUSINESS:

None

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

Moved: Commissioner Blakeslee
Second: Commissioner Day

Vote: Unanimous

Meeting Adjourned: 12:20 PM
Jaine Testa, Assisting Secretary
For
William Close, Secretary
Date prepared: April 2, 2014

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

Resolution No. 9-14

MARCH 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 2013

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
005094			
005094	JOHNSON & JOHNSON, ESQS.	VOIDED	
005168			
005168	STATEWIDE INSURANCE FUND	VOIDED	
000098			
000098	JOHNSON & JOHNSON, ESQS.	PROFESSIONAL LEGAL SERVICES - 5/6/13	711.11
			711.11
000099			
000099	STATEWIDE INSURANCE FUND	ERROR 7/13 DEPOSIT INTO MORRIS ACCT	2,545.91
			2,545.91
000100			
000100	PERMA	1099 E-FILING 2013	22.68
			22.68
000101			
000101	THE RODGERS GROUP, LLC	SPECIALIZED SERVICES - 3/3/2014	14,166.66
			14,166.66
		Total Payments FY 2013	17,446.36

FUND YEAR 2014

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000102			
000102	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND 2ND QTR 2014	4,907.55
			4,907.55
000103			
000103	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES FEE 02/2014 - ADJ	2,036.86
000103	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES FEE 02/2014	18,598.92
000103	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES FEE 01/2014 - ADJ	2,036.86
			22,672.64
000104			
000104	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 2ND QTR 2014	281,039.52
000104	MUNICIPAL EXCESS LIABILITY JIF	MEL 2ND QTR 2014	792,703.13
			1,073,742.65
000105			
000105	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 03/2014	15,518.91
000105	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 01/2014 - ADJUST	868.68

000105	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 02/2014 - ADJUST	868.68 17,256.27
000106			
000106	QUAL-LYNX	CLAIMS ADMIN - 03/2014 - ADJUSTMENT	1,942.86
000106	QUAL-LYNX	CLAIMS ADMIN - 03/2014	22,150.98
000106	QUAL-LYNX	CLAIMS ADMIN - 01/2014 - ADJUSTMENT	1,942.86
000106	QUAL-LYNX	CLAIMS ADMIN - 02/2014 - ADJUSTMENT	1,942.86 27,979.56
000107			
000107	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 03/2014	16,319.89
000107	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 01/2014 - ADJ	1,272.85
000107	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 02/2014 - ADJ	1,272.85 18,865.59
000108			
000108	D & H ALTERNATIVE RISK	CLAIMS ADMIN - 03/2014	18,308.01
000108	D & H ALTERNATIVE RISK	CLAIMS ADMIN - 01/2014 - ADJUSTMENT	1,062.00
000108	D & H ALTERNATIVE RISK	CLAIMS ADMIN - 02/2014 - ADJUSTMENT	1,062.00 20,432.01
000109			
000109	PERMA	POSTAGE FEE 02/2014	143.11
000109	PERMA	EXECUTIVE DIRECTOR - 03/2014	21,143.32
000109	PERMA	EXECUTIVE DIRECTOR - 1/2014 - ADJUSTMENT	1,541.07
000109	PERMA	EXECUTIVE DIRECTOR - 2/2014 - ADJUSTMENT	1,541.07 24,368.57
000110			
000110	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING FEE 03/2014	3,131.00 3,131.00
000111			
000111	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 03/2014	2,210.85 2,210.85
000112			
000112	GRACE BRENNAN	TREASURER FEE 03/2014	1,945.55 1,945.55
000113			
000113	THE RODGERS GROUP, LLC	POLICE ACCREDIATION MAINTENANCE - 02/14	3,000.00 3,000.00
000114			
000114	MUNICIPAL EXCESS LIABILITY JIF	MSI 2ND QTR 2014	20,131.74 20,131.74
000115			
000115	DAILY RECORD	ACCT #187377 2/13/14 AD 2014 CONTRACTS	86.48 86.48
000116			
000116	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 03/2014	906.00 906.00
000117			
000117	ALLSTATE INFORMATION MANAGEMNT	DEPT: 417 - ACT & STOR - 01/31/2014	51.98 51.98
000118			
000118	ADVENT INSURANCE SERVICES	RMC FEE 1ST 2014 - MT. ARLINGTON	5,430.14
000118	ADVENT INSURANCE SERVICES	RMC FEE 1ST 2014 - FLORHAM PARK	12,581.33 18,011.47

000119			
000119	WILLIS OF NEW JERSEY, INC.	RMC FEE 1ST 2014 - LONG HILL TWP	10,042.81
			10,042.81
000120			
000120	PROFESSIONAL INSURANCE ASSOC.	RMC FEE 1ST 2014 - KINNELON BORO	7,703.00
			7,703.00
		Total Payments FY 2014	1,277,445.72

TOTAL PAYMENTS ALL FUND YEARS \$ 1,294,892.08

RESOLUTION 10-14
AUTHORIZING THE MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
TO PARTICIPATE IN A POOLED INVESTMENT PROGRAM WITH
WELLS FARGO BANK, NA AND WELLS CAPITAL MANAGEMENT

WHEREAS, the Morris County Municipal Joint Insurance Fund seeks to establish a process to pool assets for those accounts that do not have sufficient assets to be separately managed; and

WHEREAS, the pooling of such assets creates a critical mass and the economies of scale for investment management purposes; and

WHEREAS, Wells Fargo Institutional Retirement and Trust and Wells Capital Management can provide assistance with the pooling of the MEL's assets; and

WHEREAS, the Treasurer, Executive Director and Fund Attorney hereby recommend that the Morris JIF participate in a Pooled Investment Program.

NOW, THEREFORE, BE IT RESOLVED by the Morris JIF's Board of Commissioners the following:

1. That the Chairman of the Morris JIF is hereby authorized to enter into an Agreement with Wells Fargo Bank, NA to participate in a Pooled Investment Program.
2. The Chairman of the Morris JIF is further authorized to enter into an Investment Management Agreement as well as a Custody Agreement for such funds with Wells Fargo Bank, NA and Wells Capital Management.

ADOPTED: March 12, 2014