

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – SEPTEMBER 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	Town of Sparta	Present
Robert Kalafut	Borough of Madison	Present
Ralph Blakeslee	Borough of Netcong	Present
Michael Guarino	Township of Denville	Absent
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	Present
Barbara Shepard	Township of Boonton	Absent
James Lampmann	Borough of Butler	Absent
Thomas Ciccarone	Township of Chatham	Absent
Robert Falzarano	Borough of Chatham	Absent
Valerie Egan	Borough of Chester	Absent
Donald Travisano	Dover Town	Present
Joseph Tempesta	Township of East Hanover	Present
Francine Paserchia	Borough of Essex Fells	Absent
William Huyler	Borough of Florham Park	Present
David Boynton	Township of Frelinghuysen	Absent
Kelli Schanz	Township of Hanover	Present
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	Present
Neil Henry	Township of Long Hill	Absent
To Be Appointed	Borough of Mendham	---
Tim Day	Township of Mendham	Present
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	Absent
Frank Wilpert	Township of Mount Olive	Present
Robert Tovo	Borough of Mountain Lakes	Absent
Mel Levine	Borough of North Caldwell	Absent
David Hollberg	Township of Pequannock	Present
Darren Maloney	Township of Randolph	Present
Scott Heck	Borough of Ringwood	Absent
Sheila Seifert	Borough of Rockaway	Absent
Terri Lyons	Township of Washington	Absent
Adam Brewer	Township of West Caldwell	Present

Kenneth Gabbert	Township of West Milford	Present
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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	Present
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	Present
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	Present
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

Jim Kickham

Attorney/Litigation Management

Dorsey & Semrau, Esq.

Fred Semrau, Esq.

Underwriting Manager

Conner Strong & Buckelew

Cathy Dodd

Safety Director

J.A. Montgomery Risk Control

David McHale

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

Auditor

Nisivoccia LLP

ALSO PRESENT:

Frank Covelli, PIA
Patricia Esposito, Marsh USA, Inc.
Jeff Pasek, Dorsey & Semrau
Steve Reichman, ADP Statewide
Stacy Russo, Russo and Associates
Mark Todisco, The Chadler Group
Tom Ucko, IMAC Insurance Agency, LLC
Dave Vozza, The Vozza Agency
Cate Kiernan, PERMA
Jaine Testa, PERMA

APPROVAL OF MINUTES -

July 9, 2014 Open & Closed minutes:

MOTION TO APPROVE OPEN & CLOSED MINUTES OF JULY 9, 2014

Motion:	Commissioner Wilpert
Second:	Commissioner Poff
Vote:	13 Ayes, 0 Nays, 7 Abstentions (Commissioners McNeilly, Blakeslee, Hollberg, Dunleavy, McCue, Travisano, Huyler, Day, Kohn

Chairman Rheinhardt welcomed Donald Travisano, Administrator from Dover as the new fund commissioner.

CORRESPONDENCE – The Boroughs of Hopatcong and Stanhope submitted correspondence indicating they are considering alternatives as well as the Morris JIF for 2015. Executive Director said the projected 2015 budget can only include members that are expected to renew since the budget is allocated to members with an assessment methodology that includes “equalization”. If a member is included but later decides not to renew, it will impact all other member assessments. As a result, the Fund underwrites any member that notifies the Fund that it is considering other options as if they are a new member and they will not participate in the “equalization”. Any member that does not provide a letter by October 1 will be automatically renewed for at least one year.

MONTHLY COMMITTEE REPORTS:

Committee Reports:

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

Finance Committee, Robert Kalafut, Chair, Madison Borough – The Finance Committee met on August 26, 2014 to review a first draft of the 2015 budget. The minutes of the meeting were distributed to commissioners. Committee met again on September 10th in Hanover prior to JIF meeting. Chairman Kalafut said initial draft reflects an increase of 3.44%. General Liability is increasing at 14% while POL/EPL coverage will increase by at least 15%. The MEL property increase is 4.9% and MEL liability & workers’ compensation increase is 1.7%. The committee will continue to develop the budget over the next month before its introduction at the October meeting.

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

Safety Committee, Frank Wilpert, Chair, Mt. Olive Twp. – Chairman Wilpert noted that all Safety Incentive Award winners were mailed their Grainger gift certificates in July.

Safety Task Force Committee. Chair, (Vacant) – Account Manager said the 2014/2015 program for the next five member towns met to start their accreditation process on September 9th. The five member towns that started in 2013 are expected to complete the accreditation process by year-end. In response to Commissioner Tempesta, the next phase would begin in September of 2016, if the program continues. Interested members should contact the Chair of the Safety Task Force, - once the Chairman fills the vacancy left by Chief Thompson’s retirement. Chairman Rheinhardt asked for volunteer to Chair committee. William Huyler of Florham Park and Chief Jason Kohn of Morris Plains are potential co-chairs of the committee. <<veirfy

Contract Review Committee, Ralph Blakeslee, Chair, Borough of Netcong – Committee met on September 10th prior to the board meeting. Committee Chairman Blakeslee said an online survey on claims administrators and managed care performance is being prepared and would available to commissioners in approximately one month. The results will be shared with the Claims Review Committee and the executive board as well as the committees that work directly with the claims administrators. Chairman Rheinhardt noted this survey is consistent with recommendations included in the Internal Audit conducted a number of years ago.

Legal Review Committee, William Close, Chair, Sparta—Committee Chairman Close said the committee continues to review defense panel case assignments and their performance for the past year. The panel will meet to review the panel in advance of 2015 reorganization.

Claims Committee, William Close, Chair, Sparta – Committee met on September 8th at PERMA and recommended payment authority for 13 Workers’ Compensation Claims totaling Payment Authority Requests of \$646,684.60 and four Property Claims totaling Payment Authority Requests of \$43,632.55. By resolution the Claims Review Committee was authorized to make payments during the month of August and approved payment authority requests for 14 Workers’ Compensation Claims totaling \$775,088.87, 4 Property Claims totaling \$ 88,917.60 and 1 Liability Claims totaling Payment Authority Requests of \$16,297.46.

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.

2015 Renewal Applications – Online Underwriting Database – The new on-line underwriting database was launched the first week of August. The system – “Exigis Risk Works” issued logins

to Fund Commissioners and Risk Management Consultants. In addition to training sessions conducted in July, there were 3 webinars held after the logins were issued. Deadline to complete the underwriting renewal process is September 15, 2014.

Finance Committee - The Finance Committee met on August 26, 2014 to review the first draft of the 2015 budget. Minutes of the meeting were included in Appendix II for information.

Contract Review Committee - Contracts Review Committee met on September 10th at Hanover.
Membership Renewals –A list of members scheduled to renew fund membership by January 1, 2015 was distributed to commissioners. Membership documents have been mailed to renewing members. As of the September 10th meeting, three of the eleven renewing members had submitted their signed Agreements. In response to Commissioner Kalafut, Executive Director said that one public entity has expressed interest in membership.

Police Accreditation- The kick-off meeting for the fifth phase of police accreditation took place on September 9th at Pequannock. The next five towns participating in this phase are Boonton Town, Chester, Lincoln Park, Long Hill Township and Pequannock.

Police Accreditation – At Reorganization, the Board adopted a Resolution appointing the Rodgers Group to continue the grant program for the Morris JIF for the fifth phase. Motion to approve the 2014 budget amendment to record a transfer of \$250,000 from the Closed year's accounts was approved in the consent agenda.

Financial Disclosures – The Division of Local Government Services has contacted the Fund office and asked us to follow up with any commissioner that had not yet completed their filing to advise them that the state will begin issuing fines to commissioners that do not complete their filing by August 29th. All Morris Commissioners have completed their filings.

Crossing Guard Training –The Annual Crossing Guard Training Seminar was held on August 20th at the Morris County Police Academy. The course attendance was the largest to date with 118 guards attending representing 14 member towns.

2014 Assessment/Second Installment – Statements of accounts for second installment billings were mailed in June and were due to the Treasurer by August 1, 2014.

2014 Coverage Manuals: The 2014 Coverage Manuals were sent electronically to all Fund Commissioners and Risk Managers during the month of August.

2014 Safety Expos: The MEL supports the NJUA JIF with its annual Safety Exposition – which is also open to municipal members. This year, the Expo is scheduled for September 26th at the Camden County Emergency Services Training Center and November 7th at the Middlesex County Fire Academy. A copy of the registration packets was mailed to member utility authorities and municipalities in August. Multiple classes are offered for credits and all utility department personnel are encouraged to attend training.

Residual Claims Fund (RCF) - The Residual Claims Fund met on September 3, 2014 Commissioner Close gave the report. The fund reviewed the responses received to positions advertised in the Request for Qualifications (RFQ) and will make their recommendation at the October meeting. The Residual Claims Fund amended 2014 Budget and the proposed 2015 Budget was introduced on September 3, 2014. The public hearing on the RCF budget will be held on October 15, 2014 10:30 a.m. in the Forsgate Country Club. Commissioner Close's report was distributed to commissioners.

EJIF - The EJIF met on September 3, 2014. Commissioner Wilpert gave the report. The 2015 budget was introduced and will be adopted at the October 15th meeting. The board also passed a motion to appoint the Law Offices of John Hipp as special counsel to the defense panel to handle a specific claim. A dividend of \$475,000 was approved for 2014. Commissioner Wilpert's report was distributed to commissioners.

MEL - The MEL met on September 3, 2014. A copy of Chairman Rheinhardt's report was distributed to commissioners. The MEL's 2015 budget introduction is scheduled for October 15, 2014 at the Forsgate Country Club in Jamesburg NJ. The budget reflects an overall increase of 1.6%.

Chairman Rheinhardt said the MEL issued Requests for Qualifications and received multiple responses for claims administrators and managed care providers. Chairman Rheinhardt said the MEL Board authorized an expense for the fund's internal auditor to provide an independent review of the fund's evaluation process for the Claims Administration and Managed Care positions. The Chairman noted the independent audit was necessary since some aspects of the evaluation process can contain information of a proprietary nature, particularly for the Managed Care position.

Executive Director's Report Made Part of Minutes.

TREASURER:

The Treasurer noted that all members have paid their second installment and that no late fees will be assessed. Only one member's assessment payment was received after the deadline but this was due to a postal delivery error.

Payments for August were authorized at the July meeting by Resolution 19-14.

AUGUST 2014	
2013	\$7,190.00
2014	\$208,803.73
Total	\$215,993.73

The following September 2014 bills list was included for approval on the consent motion as Resolution 21-14. The bills list was not included in the September agenda and was distributed as a handout.

SEPTEMBER 2014	
2013	\$14,166.66
2014	\$168,246.60
TOTAL	\$182,413.26

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF JUNE 2014:

CLOSED \$0.00

2010	\$23,929.18
2011	\$62,464.31
2012	\$68,453.68
2013	\$82,390.62
2014	\$389,091.65
TOTAL	\$626,329.44

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF JULY 2014:

CLOSED	\$0.00
2010	\$28,396.02
2011	\$62,750.88
2012	\$98,868.62
2013	\$67,099.26
2014	\$359,120.72
TOTAL	\$616,235.50

Treasurer's Report Made Part of Minutes.

ATTORNEY:

Attorney noted that he continues to review claims handling procedures with the property and liability claims administrator, D&H Alternative Risk Solutions. He also said the fund will create a status report to advise members on the status of claims. This will provide better communication to the members on the disposition of claims, particularly if there is no deductible involved in which case a member may not be aware of the resolution of the claim.

UNDERWRITING MANAGER:

CERTIFICATES OF INSURANCE: List of certificates was included in the agenda. 58 certificates were issued during July and 33 were issued during August.

Executive Director noted that the Underwriting Manager will present a report in November regarding changes in the MEL POL/EPL and property program.

Certificates List made part of minutes

SAFETY DIRECTOR:

Safety Director said the MEL Safety and Education Committee - through the MEL Leadership Institute - will be offering a Management Skills training course October 7, 21 and 28 in Hanover for newly appointed supervisors and managers. The class size is limited to 25 and each member

may send a maximum of two supervisors or managers. The registration form was included in 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 Gordon
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Motion: Commissioner Sean Canning
Second: Commissioner Brewer
Vote: Unanimous

MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION, EXECUTIVE DIRECTOR'S REPORT, RESOLUTION 21-14 APPROVING THE SEPTEMBER BILLS LIST, RATIFY APPROVAL OF THE AUGUST BILLS LIST, APPROVAL OF THE 2014 BUDGET AMENDMENT TRANSFERRING \$250,000 FROM CLOSED YEARS ACCOUNT FOR POLICE ACCREDITATION PROGRAM; TREASURER'S REPORTS, ATTORNEY'S REPORTS, UNDERWRITING MANAGER'S REPORTS - MONTHLY CERTIFICATES, SAFETY DIRECTOR'S REPORTS, AND MANAGED CARE PROVIDER'S REPORTS

Moved: Commissioner Tempesta
Second: Commissioner Wilpert
Vote: Unanimous

NEW BUSINESS:

None

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

Moved: Commissioner Hollberg
Second: Commissioner Mayers

Vote: Unanimous

Meeting Adjourned 12:30 PM

Jaine Testa, Assisting Secretary

For

William Close, Secretary

Date prepared: September 29, 2014

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

Resolution No. 21-14

SEPTEMBER 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>
000213			
000213	THE RODGERS GROUP, LLC	POLICE ACCREDITATION - 11TH INSTALL 9/14	14,166.66
			14,166.66
		Total Payments FY 2013	14,166.66

FUND YEAR 2014

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000214			
000214	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 08/2014	20,634.85
			20,634.85
000215			
000215	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 09/2014	15,518.91
			15,518.91
000216			
000216	QUAL-LYNX	CLAIMS ADMIN - 09/2014	24,093.84
			24,093.84
000217			
000217	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 09/2014	16,319.89
			16,319.89
000218			
000218	D & H ALTERNATIVE RISK	CLAIMS ADMIN - 09/2014	18,308.01
			18,308.01
000219			
000219	PERMA	POSTAGE FEE 08/2014	32.25
000219	PERMA	EXECUTIVE DIRECTOR FEE 09/2014	21,143.32
			21,175.57
000220			
000220	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING FEE 09/2014	3,131.00
			3,131.00
000221			
000221	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 09/2014	2,167.50
			2,167.50
000222			
000222	DAILY RECORD	ACCT: ASB-187377 - 08/19/14 - PUBLIC NOT	42.04
			42.04
000223			
000223	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER - 09/2014	906.00
			906.00

000224			
000224	PETER A. RICCIARDI	CROSSING GUARD INSTRUCTION - 8/20/14	650.00
			650.00
000225			
000225	DANIEL T. WORTS	CROSSING GUARD INSTRUCTION - 8/20/14	650.00
			650.00
000226			
000226	ALLSTATE INFORMATION MANAGEMNT	DEPT: 417 - ACT & STOR - 7/31/14	69.31
			69.31
000227			
000227	ANTHONY & SONS BAKERY	MEETING - 8/20/14	1,170.00
			1,170.00
000228			
000228	BOONTON TOWN	RMC FEE 2ND INSTALLMENT 2014 - BOONTON	10,206.21
			10,206.21
000229			
000229	MOUNTAIN LAKES BOROUGH	RMC FEE 2ND INSTALL 2014 - MOUNT LAKES	5,659.30
			5,659.30
000230			
000230	POLARIS GALAXY INSURANCE LLC	RMC FEE 2ND INSTALL 2014 - PEQUANNOCK	12,806.81
000230	POLARIS GALAXY INSURANCE LLC	ADJUST FOR SEMINAR ATTENDANCE	-15.00
000230	POLARIS GALAXY INSURANCE LLC	RMC FEE 1ST INSTALL 2014 - PEQUANNOCK	12,806.81
			25,598.62
000231			
000231	GRACE BRENNAN	TREASURER FEE 09/2014	1,945.55
			1,945.55
		Total Payments FY 2014	168,246.60

TOTAL PAYMENTS ALL FUND YEARS \$ 182,413.26