

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – SEPTEMBER 9, 2015
HANOVER TOWNSHIP MUNICIPAL BUILDING
12:00 PM**

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

ROLL CALL OF EXECUTIVE COMMITTEE:

Greg Poff, Chairman	Township of Rockaway	Present
William Close, Secretary	Township of Sparta	Present
Ralph Blakeslee	Borough of Netcong	Absent
Adam Brewer	Township of West Caldwell	Present
Michael Guarino	Township of Denville	Present
Brian McNeilly	Borough of Stanhope	Present
Jonathan Rheinhardt	Borough of Wharton	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
Timothy Day	Borough of Chatham	Present
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	Absent
Silvio Esposito	Township of Hanover	Present
Eric Maurer	Borough of Hawthorne	Present
Robert Elia	Borough of Hopatcong	Present
Daniel O'Dougherty	Borough of Kinnelon	Present
Perry Mayers	Borough of Lincoln Park	Absent
Neil Henry	Township of Long Hill	Absent
Robert Kalafut	Borough of Madison	Present
Richard Merkt	Borough of Mendham	Present
Marybeth Zichelli	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
Sean Canning	Township of Mount Olive	Present
Richard Sheola	Borough of Mountain Lakes	Absent
Mel Levine	Borough of North Caldwell	Present
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
Kenneth Gabbert	Township of West Milford	Present

2015 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
Steven Ward	Township of Denville	Absent
Kelly Toohey	Dover Town	Absent
Kenneth Huelbig	East Hanover Township	Absent
Patricia Visco	Borough of Florham Park	Absent
Kelli Schanz	Township of Hanover	Absent
Jennifer Scully	Borough of Hawthorne	Absent
Unappointed	Borough of Kinnelon	---
James Burnet	Borough of Madison	Absent
Alex McDonald	Township of Millburn	Absent
Jason Kohn	Borough of Morris Plains	Absent
June Hercek	Borough of Montville	Absent
Michelle Reilly	Borough of Mountain Lakes	Absent
Andrew Cangiano	Borough of Mt. Arlington	Absent
unappointed	Township of Mount Olive	Absent
William Marsala	Borough of Ringwood	Absent
Yolanda Dykes	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
Cathleen Kiernan

Deputy Executive Director

Joseph Hrubash

Attorney/Litigation Management

Dorsey & Semrau, Esq.
Fred Semrau, Esq.

Underwriting Manager

Conner Strong & Buckelew
Cathy Dodd

Safety Director

J.A. Montgomery Risk Control
Dave McHale

Treasurer

Grace Brennan

Liability Claims Service

D&H Alternative Risk Solutions, Inc.
Paul Messerschmidt

Workers Compensation
Claim Service

Qual-Lynx
Bob Fox

Managed Care

FMCO
Thea Isabella

Auditor

Nisivoccia LLP

ALSO PRESENT:

Sharon Cooper, Public Entity Advocates
Frank Covelli, PIA
Wayne Dietz, Skylands Risk Management Inc.
Patty Esposito, Marsh USA, Inc.
Jeff Pasek, Dorsey & Semrau
Dave Sgalia, Henry O. Baker
Mark Todisco, Chadler Solutions
David Vozza, The Vozza Agency
Karen Waters, IMAC Insurance Agency, LLC
Jaine Testa, PERMA

APPROVAL OF MINUTES -

July 8, 2015 Open & Closed minutes:

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF JULY 8, 2015

Motion:	Commissioner Levine
Second:	Commissioner Day
Vote:	20 Ayes, 0 Nays, 6 Abstains (Commissioners McCue, Travisano, Esposito, Gordon, Hollberg and Maloney)

CORRESPONDENCE – None

MONTHLY COMMITTEE REPORTS:

Committee reports:

Membership, Marketing & Coverage Committee, Michael Guarino, Chair, Denville Township—
No report

Finance Committee, Robert Kalafut, Chair, Madison Borough – The committee met on August 27th and reviewed the first draft of the 2016 budget. The minutes of the meeting were distributed to commissioners. Committee will schedule a meeting in October prior to next JIF meeting and will introduce the budget at the October meeting.

Safety Committee, Chief Jason Kohn, Chair, Morris Plains Borough. – No report.

Contracts and Rules Committee, Ralph Blakeslee, Chair, Netcong Borough— The committee met on July 8th prior to the JIF meeting. Minutes of the meeting were distributed to commissioners. In July the committee recommended an RFQ process that was initiated for professional contract positions for Claims Administration and Managed Care for the 2016 contract year, with a three-year term. The claims review committee reviewed the first responses prior to the September JIF meeting.

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

Claims Review Committee, Jon Rheinhardt, Chair, Wharton Borough – Committee met on August 17th and approved payment authority requests of \$529,384 for 11 worker's compensation claims, and 1 property claim totaling Payment Authority Request of \$13,310.

Due to a conflict with Labor Day, the committee did not meet in September. September Payment authority requests were presented for approval during Executive Session.

The committee met on September 9th prior to the JIF meeting and reviewed the first responses to the RFQs for positions of Managed Care and Claims Administration. Chairman Poff appointed an Ad-hoc Committee to interview vendors responding to the RFQ as follows: Jon Rheinhardt, Claims Review Chair, Ralph Blakeslee, Contract Review Chair, Eric Maurer, William Close, Greg Poff

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.

Crossing Guard Training – The Annual Crossing Guard Training Seminar took place on August 19th at the Morris County Public Safety Training Academy. The course attendance was the largest to date with over 140 guards attending representing 17 member towns.

2015 Safety Incentive Awards – Safety Award certificates, which can be used towards the purchase of Grainger merchandise, have been mailed to all 2014 recipients.

2016 Membership Renewals – Attached is a list of members scheduled to renew fund membership by January 1, 2016. Membership documents were mailed in August.

2016 Renewal Online Underwriting Database: Members were asked to update their underwriting data in the on-line underwriting database for the 2016 budget. Deadline to complete review of on-line underwriting data was September 1, 2015. PERMA will be reviewing data through September.

2015 Coverage Manuals –2015 Coverage Manuals were sent electronically to all Fund Commissioners and Risk Managers during the month of August.

Finance Committee - The Finance Committee met on August 27 to review the first draft of the 2016 budget. Minutes of the meeting were distributed to commissioners. The committee will schedule additional meetings to finalize budget and review assessments.

Request for Qualifications- At the recommendation of the Rules & Contracts Review Committee, the Fund advertised Requests for Qualifications for Workers' Compensation and Property/Casualty Third Party Administrators and Managed Care Vendors. Due date for responses was August 13, 2015. Responses were received from Inservco, D&H Alternative Risk Solutions. Qual-Lynx, BRM, PMA, TriStar Amerihealth, CHG, and FMCO. The Claims Review Committee reviewed responses prior to the JIF meeting and outlined an interview process for selected respondents and expects interviews to continue throughout the Fall.

Residual Claims Fund (RCF) - The Residual Claims Fund met on September 2, a copy of Commissioner Rheinhardt's report on the meeting was distributed. The Residual Claims Fund amended 2015 Budget (copy distributed) and the proposed 2016 Budget with a 1.5% increase (copy distributed) was introduced. The public hearing on the RCF budget will be held on October 21, 2015 10:30 a.m. in the Forsgate Country Club. Commissioner Rheinhardt said a new JIF for large cities is in process of forming and requested an affiliated status with the MEL and RCF. A proposal was submitted for a financing arrangement but was referred to a joint Ad-hoc Committee with representatives from the MEL and the RCF. Board of Commissioners raised concern with potential solvency of a large city.

RCF JIF Membership Renewal – The Morris JIF's three-year membership in the Residual Claims Fund is scheduled to expire on December 31, 2015. Resolution #19-15 renewing the membership term effective January 1, 2016 through December 31, 2018 was approved by the board.

**MOTION TO RENEW THE MORRIS JIF'S
MEMBERSHIP IN THE RESIDUAL CLAIMS FUND FOR
A THREE-YEAR TERM EFFECTIVE JANUARY 1, 2016.**

Motion: Commissioner Rheinhardt
Second: Commissioner Day
Vote: Unanimous

EJIF - The EJIF met on September 2, 2015; a copy of Commissioner Rheinhardt's report on the meeting was distributed. The budget was introduced with a 0.7% increase and will be adopted at the October 21st, 2015 meeting.

Since Frank Wilpert has retired, the Fund should elect a new representative and alternate to the EJIF fund.

MOTION TO APPOINT JON RHEINHARDT AS REPRESENTATIVE AND WILLIAM CLOSE AS ALTERNATE REPRESENTATIVE TO THE NJ ENVIRONMENTAL JOINT INSURANCE FUND FOR THE REMAINDER OF 2015.

Motion: Commissioner Rheinhardt
Second: Commissioner Day
Vote: unanimous

EJIF Membership Renewal – The Morris JIF's three-year membership in the New Jersey Municipal Environmental Risk Management Fund is scheduled to expire on December 31, 2015. Resolution #20-15 renewing the membership term effective January 1, 2016 through December 31, 2018 was approved by the board.

MOTION TO RENEW THE MORRIS JIF'S MEMBERSHIP IN THE NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND FOR A THREE-YEAR TERM EFFECTIVE JANUARY 1, 2016.

Motion: Commissioner Rheinhardt
Second: Commissioner Brewer
Vote: unanimous

MEL - The MEL met on September 2, 2015 a copy of Commissioner Rheinhardt's report was distributed to commissioners. The MEL's 2016 budget introduction is scheduled for October 21, 2015 at the Forsgate Country Club. Commissioner Rheinhardt discussed the retrospective rating program being implemented by the MEL. The purpose of the program is to shift premium dollars to those JIFs with a greater loss experience than their rates. Members will be assessed a deposit assessment of 85% which will be based on their expected claims fund assessments. He noted that if the Morris JIF were to exceed the 85%, it would be to issued a retro-assessment. Retro-assessment would be capped at either 100%, 115% or 125% of the expected claims fund. Cap is determined by JIF's 10 year loss experience. An alternative is to create a reserve fund at 100% through the loss fund contingency. Matter will be further discussed by the JIF's Finance Committee.

Fund Attorney also said the all Sandy claims have been adjudicated and members can now file with FEMA.

Volunteer Fire & First Aid Management – A seminar for the managers of volunteer fire and first aid departments has been rescheduled for September 30th at the Morris County Public Safety Training Academy at 6:00. A copy of the notice and registration form was mailed to members. The seminar will address: Summary of insurance coverage, VESP benefits, Employment Practices, Public Discrimination. To date, 17 people have registered to attend.

November meeting -- The fund's November meeting is scheduled for November 11th, Veteran's Day. The fund passed a motion to reschedule the meeting to Tuesday, November 10th at noon.

**MOTION TO RESCHEDULE THE NOVEMBER MEETING
TO TUESDAY, NOVEMBER 10TH.**

Motion: Commissioner McNeilly
Second: Commissioner Victor Canning

Executive Director's Report Made Part of Minutes.

TREASURER:

Payments for August were authorized at the July meeting by Resolution 17-15

AUGUST 2015	
2014	\$14,166.66
2015	\$158,785.07
TOTAL	\$172,951.73

The following September 2015 bills list was included for approval on the consent motion as Resolution 21-15. The Treasurer noted all assessments were received by the August 15th deadline.

SEPTEMBER 2015	
2014	\$14,166.66
2015	\$154,917.16
TOTAL	\$169,083.82

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF JUNE 2015:

CLOSED	\$0.00
2011	\$25,832.16
2012	\$127,141.00
2013	\$30,979.36
2014	82,521.20
2015	413,578.87
TOTAL	\$680,052.59

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF JULY 2015:

CLOSED	\$0.00
2011	\$16,216.43
2012	\$27,382.76
2013	\$30,883.24
2014	\$43,848.84
2015	\$247,748.98
TOTAL	\$366,080.25

Treasurer's Report Made Part of Minutes.

ATTORNEY:

Attorney reviewed several cases in Randolph and Andover.

Defense panel attorneys will now address administrators in their cover letters to improve communications flow within town personnel.

UNDERWRITING MANAGER:

CERTIFICATES OF INSURANCE:

List of certificates was included in the agenda. 37 certificates were issued through July 20 and 41 were issued thorough August 19, 2015.

Deputy Executive Director provided an update on renewal of the MEL's excess insurance and reinsurance negotiations for property, workers' compensation and liability.

The Underwriting Manager is expecting to meet with XL regarding the POL/EPL program in mid September.

Certificates List made part of minutes

SAFETY DIRECTOR:

Dave McHale gave the report and said Senior Safety Consultant John Zengel has been out on medical leave and suggested members contact Mr. McHale's office at JA Montgomery with questions.

Safety Director's Report Made Part of Minutes.

MANAGED CARE:

Managed Care Provider's Report Made Part of Minutes

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

Motion: Commissioner: Guarino
Second: Commissioner: Day
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Motion: Commissioner Guarino
Second: Commissioner Dunleavy
Vote: Unanimous

MOTION TO APPROVE CLAIM AUTHORITY PAYMENTS AS PRESENTED IN EXECUTIVE SESSION, EXECUTIVE DIRECTOR'S REPORT, RESOLUTION 21-15 APPROVING THE SEPTEMBER 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 Merkt
Second: Commissioner McNeilly
Vote: Unanimous

OLD BUSINESS:

CLAIM PAYMENT AUTHORITY REQUESTS: Commissioner Rheinhardt said the Claims Review Committee usually reviews PARs and makes its recommendation in Executive Session.

All Fund Commissioners are invited to participate in those meetings. Due to conflicts with Labor Day & Columbus Day, the PARs will only be presented during Executive Session.

NEW BUSINESS:

PUBLIC COMMENT:

None.

MOTION TO ADJOURN:

Moved: Commissioner Brewer
Second: Commissioner Levine
Vote: Unanimous

Meeting Adjourned 12:45 PM
Jaine Testa, Assisting Secretary
For
William Close, Secretary
Date prepared October 7, 2015

RESOLUTION NO. 19-15

**RESOLUTION TO RENEW MEMBERSHIP
MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**

WHEREAS, the Municipal Excess Liability Residual Claims Fund is being organized pursuant to N.J.S.A. 40A:10-36, et seq., to provide residual risk coverage to its member joint insurance funds; and,

WHEREAS, the Executive Committee of the **Morris County Municipal Joint Insurance Fund** has determined that renewing their membership in the Residual Claims Fund is in the best interests of the member local units.

NOW, THEREFORE, BE IT RESOLVED that the Fund Commissioners of the **Morris County Municipal Joint Insurance Fund** does hereby resolve and agree to renew its membership in the Residual Claims Fund for a period of three (3) years, the commencement of which shall be January 1, 2016. For the purpose of determining the term, any portion of the Fund year shall be considered a full year; and

BE IT FURTHER RESOLVED that the **Morris County Municipal Joint Insurance Fund** hereby adopted the Bylaws of the Residual Claims Fund. Coverage will be provided in accordance with the terms, conditions and limitations as contained in the Residual Claim Fund's Commercial Excess Insurance or Reinsurance, and Bylaws; and,

BE IT FURTHER RESOLVED that the Chairman of the **Morris County Municipal Joint Insurance Fund**, or other authorized representative, is authorized and directed to execute any and all written agreements necessary for membership in the Residual Claims Fund including, but not limited to, the Indemnity and Trust Agreement in order to implement membership by the **Morris County Municipal Joint Insurance Fund** in the Residual Claims Fund according to its Bylaws, Chapter C.372 Laws of 1983 (N.J.S.A. 40A:10-36 et seq.), administrative regulations, and any other statutes or regulations pertaining thereto.

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND

RESOLUTION NO. 20-15

RESOLUTION TO RENEW MEMBERSHIP NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND

WHEREAS, the **New Jersey Municipal Environmental Risk Management Fund** has been organized to provide Third Party Liability, First Party Coverage, Public Officials Liability, De Minimus Abandoned Toxic Waste Sites Buy-Out, Legal Services and Storage Tank Systems Coverages to its member Local Units; and,

WHEREAS, it has been determined that environmental impairment liability coverage is available from the **New Jersey Municipal Environmental Risk Management Fund**, hereinafter referred to as "E-JIF" as created under Chapter C.372 Laws of 1983 (N.J.S.A. 40A:10-36 et seq.); and,

WHEREAS, said statutes and the regulations pertaining thereto contain elaborate restrictions and safeguards concerning the safe and efficient administration of the public interest entrusted to such a Fund; and

WHEREAS, the **Executive Committee/Fund Commissioners** of the **Morris County Municipal Joint Insurance Fund** has determined that membership in the E-JIF is in the best interests of the member municipalities.

NOW THEREFORE BE IT RESOLVED that the **Executive Committee/Fund Commissioners** of the **Morris County Municipal Joint Insurance Fund** do hereby resolve and agree to renew their membership in the E-JIF for a period of three (3) years, effective January 1, 2016; and

BE IT FURTHER RESOLVED that the application for membership is for the purpose of obtaining the following types of coverages:

Section I Third Party Liability

Section II First Party Coverage

Section III Public Officials Liability

Section IV De Minimus Abandoned Toxic Waste Sites Buy Out

Section V Legal Services

Section VI Storage Tank Systems

BE IT FURTHER RESOLVED that the Chairman of the **Morris County Municipal Joint Insurance Fund** or other authorized representative, is authorized and directed to execute any and all written agreements necessary for membership in the E-JIF including, but not limited to, the Indemnity and Trust Agreement in order to implement membership by the **Morris County Municipal Joint Insurance Fund** in the E-JIF according to its Bylaws, Chapter C.372 Laws of 1983 (NJSA 40A:10-36 et seq.), administrative regulations and any other statutes or regulations pertaining thereto.

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 21-15

SEPTEMBER 2015

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>
000445			
000445	THE RODGERS GROUP, LLC	POLICE ACCREDIATION - 09/01/2015	14,166.66
			14,166.66
		Total Payments FY 2014	14,166.66

FUND YEAR 2015

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000446			
000446	FIRST MCO	MANAGED CARE SERVICE - 08/2015	21,044.20
			21,044.20
000447			
000447	FRED SEMRAU ESQ.	LITIGATION MANAGEMENT - 09/2015	15,826.75
			15,826.75
000448			
000448	QUAL-LYNX	CLAIMS ADMIN - 09/2015	24,571.80
			24,571.80
000449			
000449	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 09/215	16,155.85
			16,155.85
000450			
000450	D & H ALTERNATIVE RISK	CLAIMS ADMIN - 09/2015	18,670.96
			18,670.96
000451			
000451	PERMA	REIMBURSE FINACE COMMITTEE MTG EXP	94.97
000451	PERMA	EXECUTIVE DIRECTOR FEE 09/2015	22,194.55
000451	PERMA	POSTAGE FEE 08/2015	67.09
			22,356.61
000452			
000452	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 09/2015	3,194.50
			3,194.50
000453			
000453	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 09/2015	2,255.08
			2,255.08
000454			
000454	GRACE BRENNAN	TREASURER FEE 09/2015	1,984.50
			1,984.50
000455			

000455	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER - 09/2015	924.58 924.58
000456			
000456	PETER A. RICCIARDI	CROSSING GUARD INSTRUCTION - 8/19/15	650.00 650.00
000457			
000457	DANIEL T. WORTS	CROSSING GUARD INSTRUCTION - 8/19/15	650.00 650.00
000458			
000458	ALLSTATE INFORMATION MANAGEMNT	ACCT: 417 - ACT & STOR 07/31/2015	180.75 180.75
000459			
000459	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINTENANCE/HOSTING 8/15	75.00 75.00
000460			
000460	WILLIS OF NEW JERSEY, INC.	SEMINAR CREDIT - 7/31/2015	-75.00
000460	WILLIS OF NEW JERSEY, INC.	RMC FEE 2ND INSTALL 2015 - LONGHILL	10,265.73 10,190.73
000461			
000461	BOONTON TOWN	RMC FEE 2ND INSTALL 2015 - BOONTON TOWN	10,440.17 10,440.17
000462			
000462	MOUNTAIN LAKES BOROUGH	RMC 2ND INSTALL 2015 - MOUNTAIN LAKES	5,745.68 5,745.68
		Total Payments FY 2015	154,917.16

TOTAL PAYMENTS ALL FUND YEARS \$ 169,083.82