

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND  
OPEN MINUTES MEETING – NOVEMBER 13, 2019  
HANOVER TOWNSHIP MUNICIPAL BUILDING  
12:00 PM**

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

**ROLL CALL OF 2019 EXECUTIVE COMMITTEE:**

Denville	Michael Guarino	Present
Stanhope	Brian McNeilly	Present
Netcong	Ralph Blakeslee	Absent
Wharton	Jon Rheinhardt	Present
Mount Arlington	Carolyn Rinaldi	Present
East Hanover	Joseph Tempesta	Present
Pequannock	Adam Brewer	Present

**ROLL CALL OF 2019 FUND COMMISSIONERS:**

Andover	Diana Francisco	Present
Bloomingtondale	Jon Dunleavy	Absent
Boonton Town	Neil Henry	Present
Boonton Township	Barbara Shepard	Present
Butler	Jim Lampmann	Present
Chatham	Robert Hoffmann	Absent
Chatham Borough	Stephen Williams	Present
Chester	Margaret Nordstrom	Present
Dover	William Reyes	Absent
Essex Fells	Francine Paserchia	Absent
Florham Park	Bill Huyler	Absent
Frelinghuysen	Donna Zilberfarb	Absent
Hanover	Silvio Esposito	Present
Hawthorne	Eric Maurer	Absent
Hopatcong	Ronald Tappan	Absent
Kinnelon	James Freda	Present
Lincoln Park	Perry Mayers	Absent
Long Hill	Nancy Malool	Absent
Madison	James Burnet	Absent
Mendham Borough	Joyce Bushman	Absent
Mendham Township	Karen Fornaro	Absent
Millburn	Jason Gabloff	Absent
Montville	Victor Canning	Absent
Morris Plains	June Uhrin	Absent
Mount Olive	Claudia Tomasello	Present
Mountain Lakes	Mitchell Stern	Present
North Caldwell	Kevin O'Sullivan	Absent

Pompton Lakes	Kevin Boyle	Absent
Randolph	Darren Maloney	Absent
Ringwood	Scott Heck	Absent
Rockaway Borough	Patricia Bussow	Absent
Rockaway Twp.	Lisa Palmieri	Present
South Orange Village	Adam Loehner	Present
Sparta	Bill Close	Absent
Washington Twp	Andrew Coppola	Absent
West Caldwell	Nikole Baltycki	Absent
West Milford	Catherine Shanahan	Absent

**2019 FUND COMMISSIONER ALTERNATES:**

Denville	Steven Ward (Alt.)	Absent
Stanhope	Dana Mooney (Alt.)	Absent
Wharton	Bill Hamilton (Alt.)	Absent
Mount Arlington	Kayleen Knight (Alt.)	Absent
East Hanover	Kenneth Huelbig (Alt.)	Absent
Andover	Maryann Frodella (Alt.)	Absent
Bloomingtondale	Sherry Gallagher (Alt.)	Absent
Boonton Town	Cynthia Oravits (Alt.)	Absent
Butler	James Kozimor (Alt.)	Absent
Chatham Township	Debra King (Alt.)	Present
Chatham Borough	Dave Holberg (Alt.)	Absent
Chester	Denean Probosco (Alt.)	Absent
Dover	Kelly Toohey (Alt.)	Absent
Florham Park	Cindy Phillips (Alt.)	Absent
Hanover	Mark Roddy (Alt.)	Absent
Hawthorne	Jennifer Scully (Alt.)	Absent
Lincoln Park	Dina Valente-Stoel (Alt.)	Absent
Mendham Borough	Jeff Cooper (Alt.)	Absent
Mendham Township	Debra Bonanno (Alt.)	Absent
Millburn	Alex McDonald (Alt.)	Absent
Montville	June Hercek (Alt.)	Absent
Morris Plains	Jason Kohn (Alt.)	Present
Mount Olive	Andrew Tatarenko (Alt.)	Absent
Mountain Lakes	Marcy Gianattasio (Alt.)	Absent
North Caldwell	Tami Michelotti (Alt.)	Absent
Rockaway Borough	Patricia Reiche (Alt.)	Absent
Rockaway Township	Patricia Seger (Alt.)	Absent
Sparta	Michele Landtau (Alt.)	Present
Washington Twp	Roger Read (Alt.)	Present
West Caldwell	William Wallace (Alt.)	Absent

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Administrator

PERMA Risk Management Services

**Cathleen Kiernan**

Attorney/Litigation Management

Dorsey & Semrau, Esq.

**Frederick Semrau**

Underwriting Manager

Conner Strong & Buckelew

Safety Director

J.A. Montgomery Risk Control

**Brian Maitland**

**Scott Thompson**

Treasurer

**Grace Brennan**

Liability Claims Service

D&H Alternative Risk Solutions, Inc.

**Theresa Loudis**

Workers Compensation  
Claim Service

Qual-Lynx

**Claudia Acosta**

**Melissa Pugh**

Managed Care

FMCO

**Suzanne Rajsteter**

Auditor

Nisivoccia LLP

**ALSO PRESENT:**

Matthew Struck, Treadstone Risk Management

Karen Waters, IMAC Insurance

Stacy Russo, Russo & Associates

Patty Esposito, Marsh USA

David Sgalia, Cupo Insurance

Craig Josephsen, David M. Hundertmark Agency, Inc.

Dominick Cinelli, Brown & Brown

Dave Vozza, The Vozza Agency

Ernest Reigstad, Skylands Risk Management

Kathleen Hart, Weiner Law Group

Sharon Cooper, Public Entity Advocates

Sandy Cantwell, PERMA

**APPROVAL OF MINUTES –**

**MOTION TO APPROVE OPEN & CLOSED MINUTES OF SEPTEMBER 11, 2019:**

Motion: Commissioner Brewer

Second: Commissioner Stern

Vote: 15 Ayes, 0 Nays, 7 Abstains

(Commissioners Rinaldi, Francisco, Henry, Esposito, Stern,  
King (Alt.), Read (Alt.))

## CORRESPONDENCE – None

### MONTHLY COMMITTEE REPORTS:

**Membership, Marketing & Coverage Committee, John Dunleavy, Chair, Bloomingdale Borough** – Executive Director said the JIF has received membership applications from the towns of Morristown and Riverdale. A meeting will be scheduled for the Committee to review and make recommendations at the December JIF meeting.

**Finance Committee, Jon Rheinhardt, Chair, Wharton Borough** – Committee Chairman Rheinhardt said the committee met today prior to the JIF meeting and reviewed the 2020 member assessments. The assessments, distributed to everyone today, include risk management fees.

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

**Contracts and Rules Committee, Ralph Blakeslee, Chair, Netcong Borough** – Executive Director said Competitive Contract RFPs were issued for Auditor, Attorney, CDL Testing, Actuary, Payroll Auditor and Safety Director. The committee met via teleconference on November 1<sup>st</sup> to review the responses. Minutes are included in Appendix II. Committee evaluated the proposal responses and recommends re-appointments of these professionals at reorganization. However the Committee will need to meet again to discuss the Safety Director. The Committee initially proposed an adjustment to the quote, but negotiation is not allowed in the competitive contract process. Therefore the committee will meet and discuss options in December, before the January organizational meeting.

**Legal Review Committee, William Close, Chair, Sparta Township** – Chairman Guarino said there is no report, however the Fund Attorney has communications to be discussed during Attorney report.

**Claims Review Committee, Brian McNeilly, Chair, Stanhope Borough** – Due to the Veteran's Day holiday falling on Monday, November 11<sup>th</sup>, the Claims Review committee did not meet this month. In accordance with established procedure, Payment Authority Requests will be presented directly to the board during closed session.

### EXECUTIVE DIRECTOR/ADMINISTRATOR REPORT:

**2020 Budget** – The 2020 proposed budget was introduced at last month's meeting. All members were mailed a notice of the public hearing. Budget was also published in the designated newspaper. Proposed budget distributed in the agenda reflects updates in underwriting data, MEL rating and POLEPL renewal since introduction, giving a 1.96% increase. Assessments distributed today are in accordance with the Morris JIF methodology in that the budget equalization (assessments capped at 1.125% over the budget increase net of POLEPL) does not include a member's POL/EPL; rather the POL/EPL assessment is added to each member as rated. An additional calculation used by the JIF is to look at 7 years of loss data, and members that are significantly higher than the average of the JIF's loss ratio receives a surcharge. The amount is then credited to members who have a significantly lower loss ratio than the average. This is achieving the initial goal, which is to bring in outliers towards the average. When the JIF started this practice in 2010, there were 7 or 8 members on the high and

low ends; this year there is one member on the higher end receiving a surcharge, and two members on the lower end that will receive the credit.

**Motion to open the Public Hearing on the 2020 Budget.**

Motion: Commissioner Rheinhardt  
Second Commissioner Williams

**Discussion of Budget & Assessments – None.**

**Motion to close the Public Hearing.**

Motion: Commissioner Rheinhardt  
Second Commissioner Esposito

**Motion to Adopt the 2020 Budget.**

Motion: Commissioner Rheinhardt  
Second Commissioner Williams  
Roll Call Vote: 22 Ayes, 0 Nays, 0 Abstains

**Motion to certify the 2020 Assessments**

Motion: Commissioner Rheinhardt  
Second Commissioner Williams  
Roll Call Vote: 22 Ayes, 0 Nays, 0 Abstains

**Residual Claims Fund (RCF)** - The RCF met on October 16, 2019 as a public hearing at the Forsgate Country Club and adopted their 2020 budget. Enclosed is a copy of Chairman Guarino's report.

**Environmental JIF** - EJIF met on October 16, 2019 as a public hearing at the Forsgate Country Club and adopted their 2020 budget. Enclosed is a copy of Chairman Guarino's report.

**MEL** - The MEL met on October 16<sup>th</sup> at the Forsgate Country Club to introduce the 2020 budget. Enclosed is a copy of Chairman Guarino's report on the meeting – which includes the proposed budget.

The RCF and the MEL amended their risk management plans, which will be on the JIF agenda next month. To summarize the change, any former members' dividend will be held in the event there is an assessment needed to offset the pool for losses associated with the sexual molestation bill.

**MEL EPL Helpline:** Enclosed in the agenda is a copy of the bulletin issued earlier in the year concerning the Fund's EPL Hotline. Members are encouraged to contact any of the three firms when they need guidance. The MEL worked with QBE to restructure the helpline so that assistance is now provided by New Jersey law firms with municipal and JIF experience. This memo will be repeated in the agenda for ease of reference, and it can also be found on the website.

**Elected Officials Training:** This year's elected officials training program will focus on "Employment Practices for Governmental Officials". Two sessions are scheduled as part the League of Municipalities Conference on Tuesday, November 19, 2019 at 3:45PM in Bally's

(Bally’s Room) and Wednesday, November 20, 2019 at 3:45PM at the Atlantic City Convention Center Room (Room 302); enclosed is the notice that was distributed to members. Eventually this course will be also be online.

**MEL Cyber Task Force**—November is National Cyber Awareness Month. Enclosed is a bulletin.

**Due Diligence:** The Financial Fast Track for September shows surplus at \$5 million, a slight improvement over last month. There has been a few difficult years as reflected in reserves and IBNR, however older years are showing improvement. There is funding available in closed year accounts to offset difficult years. Financial losses are required to be qualified by calendar year, however looking at the entire balance gives a truer picture. Loss Ratio report shows most years are at the actuarial target, with exception of 2016 and 2019. Note that the targets set for 2019 are not JIF specific. Lost Accident Frequency show less than 2 workers per 100 are having lost time due to a claim, which is very favorable.

EPL/ POL Rates are shown in the EPL Compliance Status report. QBE reviewed the JIF and did not suggest any of our members increase their deductible. The EPL/POL policy has been updated over the years, however an overall update to the program will be completed next year by the end of first quarter. Members will have until the end of 2020 to update their EPL/POL programs using the new guidelines.

Executive Director’s Report Made Part of Minutes.

**TREASURER:**

<b>November 2019 Bills List</b>	
<b>2019</b>	\$150,245.95
<b>Total</b>	\$150,245.95

**CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF SEPTEMBER 2019:**

<b>CLOSED</b>	\$0.00
<b>2015</b>	\$51,622.13
<b>2016</b>	\$117,205.13
<b>2017</b>	\$61,708.15
<b>2018</b>	\$40,491.47
<b>2019</b>	\$371,430.90
<b>TOTAL</b>	\$642,457.78

Treasurer’s Report Made Part of Minutes.

**ATTORNEY:**

Fund Attorney referred to three memos included in the agenda:

- Social Media Policy for Elected Officials. After running this past your municipal attorney, please share with current and newly elected officials. If there are any other issues to consider, please give feedback.

- Legal Review Meeting Takeaways. The September meeting had several good ideas, such as looking for options when responding to frivolous claims that the JIF cannot recover on. Fund Attorney distributed a memorandum outlining those items.
- Helpline is not getting much usage, keep it in mind for additional guidance and support. There is no additional fees, and the service is for the administrators.

Lastly, the MEL is well ahead of the sexual abuse issues with their training, which is being offered at the League, and all are encouraged to attend. Also remember there is a \$250 credit. Also recommended is the video the MEL produced on this topic.

**UNDERWRITING MANAGER:** Executive Director said the cyber risk compliance is in Origami, and there has been a good response. Underwriting is following up for signatures on compliant members.

Certificates Report is included in the monthly agenda.

Underwriting manager’s report made part of minutes

**SAFETY DIRECTOR:**

Note that PEOSH classes for Indoor Air Quality Designated Person are available. Each town needs to have one person attend training. Also CDL is open for registration.

BELOW 100 TRAINING: There is a safety incentive training opportunity in Bergen on November 19th for Below 100. More than half of the members have attended this course. If you would like to have this training at your location, contact Scott Thompson.

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 Tempesta  
 Second: Commissioner Stern  
 Vote: Unanimous

**MOTION TO RETURN TO OPEN SESSION:**

Motion: Commissioner Tempesta  
 Second: Commissioner Williams  
 Vote: Unanimous

**Motion to Approve Claim Authority Payments as Presented in Executive Session; Executive Director’s Report; Resolution 26-19 approving the November 2019 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 Brewer  
 Second: Commissioner Frieda  
 Roll call Vote: 22 Ayes, 0 Nay, 0 Abstains

**OLD BUSINESS:**

None

**NEW BUSINESS:**

None

**PUBLIC COMMENT:**

None

**MOTION TO ADJOURN:**

Moved: Commissioner Tempesta

Second: Commissioner Stern

Vote: Unanimous

Meeting Adjourned: 12:43 PM  
Sandy Cantwell, Assisting Secretary  
For Brian McNeilly, Secretary  
Date prepared: December 3, 2019



# MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 26-19

NOVEMBER 2019

**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 2019**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001855			
001855	FIRST MCO	MANAGED CARE SERVICES FEE 11/19	23,757.57
			<b>23,757.57</b>
001856			
001856	FRED SEMRAU ESQ.	LITIGATION FEE 11/19	16,007.05
			<b>16,007.05</b>
001857			
001857	QUAL-LYNX	CLAIM ADJSUTING SERVICES 11/19	23,179.92
			<b>23,179.92</b>
001858			
001858	VALLEY MEDICAL GROUP	DOT TESTING, TRAINING & MRO 3RD QTR 2019	10,980.92
			<b>10,980.92</b>
001859			
001859	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 11/19	18,284.86
			<b>18,284.86</b>
001860			
001860	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS FEES W/ EXPENSES 11/19	20,009.52
			<b>20,009.52</b>
001861			
001861	PERMA RISK MANAGEMENT SERVICES	POSTAGE 10/19	126.60
001861	PERMA RISK MANAGEMENT SERVICES	ADMIN FEE 11/19	28,564.65
			<b>28,691.25</b>
001862			
001862	THE ACTUARIAL ADVANTAGE	ACTUARIAL FEE 11/19	3,457.83
			<b>3,457.83</b>
001863			
001863	FRED SEMRAU, ESQUIRE	ATTORNEY FE 11/19	2,440.97
			<b>2,440.97</b>
001864			
001864	GRACE BRENNAN	TREASURER FEE 11/19	2,105.88
			<b>2,105.88</b>
001865			
001865	DAILY RECORD	ACCT:ASB-70026874 - 2020 BDGT - 10.20.19	67.68
			<b>67.68</b>
001866			
001866	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 11/19	1,001.00
			<b>1,001.00</b>
001867			
001867	ALLSTATE INFORMATION MANAGEMNT	ACCT#417 - ARC & STOR - 9.30.19	86.50
			<b>86.50</b>
001868			
001868	NEWTECH SERVICES INC.	WEB MAINT/HOST & DR 11/19	175.00
			<b>175.00</b>
		<b>Total Payments FY 2019</b>	<b>150,245.95</b>
		<b>TOTAL PAYMENTS ALL FUND YEARS</b>	<b>\$150,245.95</b>