

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – OCTOBER 9, 2019
HANOVER TOWNSHIP MUNICIPAL BUILDING
12:00 PM**

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

ROLL CALL OF 2019 EXECUTIVE COMMITTEE:

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

ROLL CALL OF 2019 FUND COMMISSIONERS:

Andover	Diana Francisco	Absent
Bloomingtondale	Jon Dunleavy	Present
Boonton Town	Neil Henry	Absent
Boonton Township	Barbara Shepard	Present
Butler	Jim Lampmann	Present
Chatham	Robert Hoffmann	Present
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	Absent
Hawthorne	Eric Maurer	Present
Hopatcong	Ronald Tappan	Absent
Kinnelon	James Freda	Present
Lincoln Park	Perry Mayers	Present
Long Hill	Nancy Malool	Absent
Madison	James Burnet	Absent
Mendham Borough	Joyce Bushman	Absent
Mendham Township	Karen Fornaro	Absent
Millburn	Jason Gabloff	Present
Montville	Victor Canning	Absent
Morris Plains	June Uhrin	Absent
Mount Olive	Claudia Tomasello	Present
Mountain Lakes	Mitchell Stern	Absent
North Caldwell	Kevin O'Sullivan	Absent

Pompton Lakes	Kevin Boyle	Absent
Randolph	Darren Maloney	Present
Ringwood	Scott Heck	Absent
Rockaway Borough	Patricia Bussow	Present
Rockaway Twp.	Lisa Palmieri	Present
South Orange Village	Adam Loehner	Present
Sparta	Bill Close	Absent
Washington Twp	Andrew Coppola	Absent
West Caldwell	Nikole Baltycki	Present
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.)	Present
East Hanover	Kenneth Huelbig (Alt.)	Absent
Andover	Maryann Frodella (Alt.)	Present
Bloomingtondale	Sherry Gallagher (Alt.)	Absent
Boonton Town	Cynthia Oravits (Alt.)	Absent
Butler	James Kozimor (Alt.)	Absent
Chatham	Debra King (Alt.)	Absent
Chatham Borough	Dave Holberg (Alt.)	Absent
Chester	Denean Probosco (Alt.)	Absent
Dover	Kelly Toohey (Alt.)	Present
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	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 Twp.	Patricia Seger (Alt.)	Absent
Sparta	Michele Landtau (Alt.)	Present
Washington Twp	Roger Read (Alt.)	Absent
West Caldwell	William Wallace (Alt.)	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator

PERMA Risk Management Services

Cathleen Kiernan

Attorney/Litigation Management

Dorsey & Semrau, Esq.

Susan Sharp

Underwriting Manager

Conner Strong & Buckelew

Safety Director

J.A. Montgomery Risk Control

Brian Maitland

Matt Genna

Scott Thompson

Treasurer

Liability Claims Service

D&H Alternative Risk Solutions, Inc.

Theresa Loudis

Workers Compensation
Claim Service

Qual-Lynx

Claudia Acosta

Managed Care

FMCO

Suzanne Rajsteter

Auditor

Nisivoccia LLP

ALSO PRESENT:

Matthew Struck, Treadstone Risk Management

Stacy Russo, Russo & Associates

Patty Esposito, Marsh USA

David Sgalia, Cupo Insurance

Craig Josephsen, David M. Hundertmark Agency, Inc.

Dominick Cinelli, Brown & Brown

David Sgalia, Cupo Insurance

Sandy Cantwell, PERMA

APPROVAL OF MINUTES –

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

Motion: Commissioner Dunleavy
Second: Commissioner Brewer
Vote: 17 Ayes, 0 Nays, 10 Abstains
(Commissioners Guarino, Blakeslee, Rheinhardt, Shepard,
Frieda, Gabloff, Bussow, Baltycki, Frodella (Alt.), Toohey,
(Alt.))

CORRESPONDENCE – None

MONTHLY COMMITTEE REPORTS:

Membership, Marketing & Coverage Committee, John Dunleavy, Chair, Bloomingdale Borough – No report.

Finance Committee, Jon Rheinhardt, Chair, Wharton Borough – Committee Chairman Rheinhardt referred to the PowerPoint budget presentation that was distributed to commissioners prior to the meeting and said the projected total budget increase is 1.96%. Loss Funds strengthened to include some funding, but not specifically separate from other claims, to prepare for the unknown risk presented by the sexual molestation bill and the fireman's presumption bill. Executive Director said much of those claims will likely be against older years which have already been transferred to the Residual Claims Fund. The MEL Management Committee will be meeting to discuss how to protect the RCF surplus so it does not become depleted from an influx of these new types of claims. It is expected that the RCF will establish a surplus minimum that if reduced will trigger an assessment to local JIFs. Committee Chairman Rheinhardt said that many members run a summer camp, which is a potential exposure from sexual molestation claims involving volunteers. Commissioner Frodella said a background check should be run on volunteers. Executive Director said there is a two year period allowing victims to bring historical claims, and going forward, the statute of limitations to bring this type of claim will be increased to seven years from date damages are related to the abuse. That wide time span is why claims are anticipated to go to the RCF. The MEL is forming a task force and one objective is to offer training for elected officials and online training for employees. Commissioner McNeilly reminded members to retain expired policies to cover claims that pre-date their JIF coverage. In response, the Executive Director said the MEL taskforce may provide a resource to help find archived policies for members who are being sued but no longer have the policy on file.

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

Contracts and Rules Committee, Ralph Blakeslee, Chair, Netcong Borough – Competitive Contract RFPs were issued for Auditor, Attorney, CDL Testing, Actuary, Payroll Auditor and Safety Director. A meeting of the committee will be scheduled to review responses - which were due September 17. In response to Chairman McNeilly, Executive Director said the committee will have recommendations for the November meeting.

Legal Review Committee, William Close, Chair, Sparta Township - The committee met on September 20th with members of the defense panel. Each firm provided the committee with an overview of their defense of claims. The committee also reviewed a recommendation to add a firm to the panel to fill the Sussex County vacancy. Resolution 25-19 is included in the Attorney report.

Claims Review Committee, Brian McNeilly, Chair, Stanhope Borough –The committee met on October 7th at PERMA's office, in Parsippany and recommended approval of payment authority requests for 16 Workers' Compensation Claims totaling Payment Authority Requests of \$895,325.27, 3 Property Claims totaling Payment Authority Requests of \$120,277.50, 5 Liability Claims totaling Payment Authority Requests of \$873,877.47 and 2 Subrogation Compromise Request totaling \$3,118.28. Executive Director said the August PARs were distributed for confirmation today, as the fund voted to approve them at the July meeting.

EXECUTIVE DIRECTOR/ADMINISTRATOR REPORT:

2020 Budget – Proposed 2020 Budget was distributed via email following the Finance Committee’s October 3rd meeting. Executive Director said the MEL Property line is going up 14%, representing a 2 year rate increase as last year the budget was adopted before the Zurich numbers were finalized, and also due to an increase in member property values. This increase however is being offset by the MEL Workers’ Comp for claims and excess premium which decreased approximately 14%. The MEL Safety Institute has a higher increase this year to meet increased demand for online and classroom training. This trend is expected to continue with the upcoming classes to be offered for sexual molestation training. QBE is asking for an overall increase of 1% for POL premiums. The Morris JIF has a favorable experience for the 5 year period and is expected to see a slight decrease. A public hearing should be scheduled for the November fund meeting to adopt the budget.

MOTION TO INTRODUCE THE BUDGET AS PRESENTED AND SCHEDULE A PUBLIC HEARING FOR WEDNESDAY, NOVEMBER 13, 2019 IN THE HANOVER TOWNSHIP MUNICIPAL BUILDING AT 12:00 PM.

Motion: Commissioner Rheinhardt
Second: Commissioner Blakeslee
Vote: 27 Ayes, 0 Nays, 0 Abstains

2020 Membership Renewals – Twenty-nine members are scheduled to renew fund membership by January 1, 2020. All members have renewed, as no members advised otherwise by the October 1st deadline. Paperwork still needs to be processed for members who have not yet returned their resolution.

Risk Management Information/Operating System (RMIS) –Members and Risk Managers received an email with a link to renewal worksheets - to begin the 2020 underwriting renewal during the month of July with a September 15th completion date. The fund is working with members to finalize by Friday, as the database will be closed on Monday, Oct. 14th.

Residual Claims Fund (RCF) - The public hearing on the RCF budget will be held on October 16, 2019, 10:30 a.m. in the Forsgate Country Club. Enclosed in the agenda is a copy of the RCF’s amendments to the 2018 budget reflecting transfer of fund year 2014 and the 2020 Proposed Operating Budget.

Environmental JIF - The budget was introduced in September and a public hearing is scheduled for October 16, 2019. Enclosed in the agenda is a copy of the EJIF’s 2020 Proposed Budget, as introduced.

MEL - The MEL’s 2020 budget introduction is scheduled for October 16, 2019 at the Forsgate Country Club in Jamesburg NJ.

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.

2019 EJIF Seminar: A notice sent to Fund Commissioners and Risk Management Consultant on the latest E-JIF seminar series focusing on Spill Prevention, Control, and Countermeasures (SPCC) was included in the agenda. The seminars will be held during the month of October and are scheduled throughout the state.

D2 Cybersecurity – Status Report – Attached is monthly status report from the cyber security provider which recaps member participation and training to date. The report is showing improvement in employees recognizing suspicious emails, however the goal is to be closer to zero on number of clicks on hacked emails. Commissioner Rheinhardt asked if there’s anything the fund can do to help members that show less than 5% of their employees have completed training. Executive Director said she would follow up with D2 and members that have not finished their training to see where the issues are and see if they can be resolved. Some towns that are not in the report already had a training contract with another vendor.

Due Diligence: The Financial Fast Track for August 31, 2019 shows a surplus of just under \$5 million. There has been a few difficult years as reflected in reserves and IBNR, however there is opportunity for improvement. There is funding in close year accounts to offset difficult years. Loss Ratio report shows most years are below the actuarial target, which is another indicator that the IBNR could be reduced going forward.

Lost Time Accident Frequency report is tracking at 1.38, which is low however the average cost of a claim has gone up.

EPL/ POL Rates are shown in the EPL Compliance Status report. QBE has reviewed the JIFs and members can expect to renew at the options as reported. Members will be required to update the POL/EPL programs next year, by the end of 2020. The MEL has contracted with a firm to review and update the program. As the last comprehensive overview was in 2003, members can expect there will changes for compliance next year. The target for release is early next year.

Executive Director’s Report Made Part of Minutes.

TREASURER:

October 2019 Bills List	
2019	\$146,620.35
Total	\$146,620.35

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF AUGUST 2019:

CLOSED	\$0.00
2015	\$15,964.15
2016	\$65,175.18
2017	\$63,508.69
2018	\$89,630.59
2019	\$401,587.74
TOTAL	\$635,866.35

Treasurer's Report Made Part of Minutes.

ATTORNEY:

Fund Attorney said their office is working with the MEL on the Elected Officials training to be offered at the League in Atlantic City. Please remind officials they will also receive a \$250 credit when they attend. The Facebook and Social Media memorandum draft has received very good feedback. A final version will be distributed at the November meeting. The Defense Attorney breakfast had full attendance, and every attorney made a presentation of the cases they are covering. This was followed by an effective discussion that brought forth some follow up items. A summary report of the discussions and follow up items will be distributed at the November meeting. Resolution 25-19 is presented to add an additional attorney to the defense panel. Fund Attorney asked that the resolution be removed from the consent agenda and be voted on separately.

MOTION TO APPROVE RESOLUTION 25-19 TO ADD AN ADDITIONAL ATTORNEY TO THE DEFENSE PANEL:

Motion: Commissioner Dunleavy
Second: Commissioner Blakeslee
Vote: 25 Ayes, 1 Nay, 1 Abstains
(Chairman Guarino, Commissioner Frodella)

UNDERWRITING MANAGER: Executive Director said the Cyber report can be entered into Origami or members can submit the paperwork, downloaded from the MEL website. Morris JIF has a high compliance rate.

Certificates Report is included in the monthly agenda.

Underwriting manager's report made part of minutes

SAFETY DIRECTOR:

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 Brewer
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Motion: Commissioner Brewer
Second: Commissioner Dunleavy
Vote: Unanimous

Motion to Approve Claim Authority Payments as Presented in Executive Session; Executive Director's Report; Resolution 24-19 approving the October 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 Dunleavy
Second: Commissioner Gabloff
Roll call Vote: 26 Ayes, 0 Nay, 1 Abstains
(Commissioner Hoffman)

OLD BUSINESS:

None

NEW BUSINESS:

Commissioner Dunleavy wished a happy birthday to council Sue Sharpe.

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

Moved: Commissioner Guarino
Second: Commissioner Mayers
Vote: Unanimous

Meeting Adjourned: 12:34 PM
Sandy Cantwell, Assisting Secretary
For Brian McNeilly, Secretary
Date prepared: October 17, 2019

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution 24-19

October 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>
001841			
001841	FIRST MCO	MANAGED CARE SERVICES FEE 9/19	23,757.57
			23,757.57
001842			
001842	FRED SEMRAU ESQ.	LITIGATION FEE 10/19	16,007.05
			16,007.05
001843			
001843	QUAL-LYNX	CLAIM ADJUSTING SERVICES 10/19	23,179.92
			23,179.92
001844			
001844	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 10/19	18,284.86
			18,284.86
001845			
001845	LENAPE CLAIMS MANAGEMENT INC.	CLAIMS FEES W/ EXPENSES 10/19	20,009.52
			20,009.52
001846			
001846	PERMA RISK MANAGEMENT SERVICES	POSTAGE 9/19	90.60
001846	PERMA RISK MANAGEMENT SERVICES	ADMIN FEE 10/19	28,564.65
			28,655.25
001847			
001847	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 10/19	3,457.83
			3,457.83
001848			
001848	FRED SEMRAU, ESQUIRE	ATTORNEY FEE 10/19	2,440.97
			2,440.97
001849			
001849	GRACE BRENNAN	TREASURER FEE 10/19	2,105.88
			2,105.88
001850			
001850	THE RODGERS GROUP, LLC	POL ACCRED MAIN PROG 3/4	3,000.00
			3,000.00
001851			

001851	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 10/19	1,001.00
			1,001.00
001852			
001852	ALLSTATE INFORMATION MANAGEMENT	ACCT#417 - ARC & STOR - 8.31.19	86.50
			86.50
001853			
001853	NEWTECH SERVICES INC.	WEB MAINT/HOST & DR 10/19	175.00
			175.00
001854			
001854	SKYLANDS RISK MANAGEMENT INC	RMC FEE - 2ND INSTALL 2019 - STANHOPE	4,459.00
			4,459.00
		Total Payments FY 2019	146,620.35
		TOTAL PAYMENTS ALL FUND YEARS	\$146,620.35

RESOLUTION 25-19

**RESOLUTION OF THE COMMISSIONERS OF THE
MORRIS COUNTY MUNICIPAL JOINT INSURANCE
FUND REVISING THE LEGAL DEFENSE PANEL FOR
THE YEAR 2019**

WHEREAS, the Morris County Joint Insurance Fund (hereinafter “the Fund”) finds it necessary and appropriate to obtain certain professional services, as defined in the Local Public Contracts Law, (N.J.S.A. 40A-12 et. seq.), to review the Fund’s procurement procedures; and

WHEREAS, the Commissioners of the Morris Joint Insurance Fund traditionally establish a defense panel of attorneys to handle the various claims and litigation asserted against the insured of the Morris Joint Insurance Fund, and

WHEREAS, the Commissioners of the Morris Joint Insurance Fund established the 2019 Defense Panel in January of 2019 and revised the Defense Panel in September of 2019; and

WHEREAS, the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., requires that the resolution authorizing the award of a contract for professional services without competitive bidding, and the contract itself, be available for public inspection.

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Morris County Municipal Joint Insurance Fund that the following attorney is hereby added to the JIF’s defense panel for the year 2019 at the rates herein specified:

General Liability

TIER THREE

Thomas Ryan, Esq. (Sussex County) at the rate of \$160 per hour

Adopted by the Governing Body this 9th day of October, 2019.

Morris County Municipal Joint Insurance Fund