

**MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES MEETING – OCTOBER 11, 2023
HANOVER MUNICIPAL BUILDING
12:00 PM**

Meeting of Fund Commissioners was called to order by Chairwoman Rinaldi.

Chairwoman Rinaldi read the Open Public Meeting Notice as follows:

In accordance with the Open Public Meetings Act, notice of this meeting was provided by:

- I. sending sufficient notice to the Daily Record and The Star Ledger
- II. advance written notice of this meeting was filed with the Clerk/Administrator of each member municipality and,
- III. posting this notice on the Public Bulletin Board of all member municipalities

Chairwoman Rinaldi led the board in the Pledge of Allegiance.

ROLL CALL OF 2023 FUND COMMISSIONERS:

Mount Arlington	Carolyn Rinaldi	Present
Pequannock	Adam Brewer	Present
Netcong	Ralph Blakeslee	Absent
East Hanover	Joseph Tempesta	Present
Mountain Lakes	Mitchell Stern	Present
Rockaway Township	Lisa Palmieri	Present
Stanhope	Brian McNeilly	Present

Andover	Patricia Bussow	Absent
Bloomingtondale	Mike Sondermeyer	Present
Boonton Town	Neil Henry	Present
Boonton Township	Douglas Cabana	Present
Butler	Jim Lampmann	Present
Chatham Township	Ziad Shehady	Absent
Chatham Borough	Stephen Williams	Absent
Chester	Margaret Nordstrom	Present
Denville	Steven Ward	Present
Dover	Jonathan Delaney	Present
Essex Fells	Francine Paserchia	Absent
Florham Park	Bill Huyler	Absent
Frelinghuysen	Donna Zilberfarb	Absent
Hanover	Silvio Esposito	Absent
Hawthorne	Eric Maurer	Present
Hopatcong	David Fanslau	Present
Kinnelon	James Freda	Absent
Lincoln Park	Perry Mayers	Absent
Long Hill	Randy Bahr	Absent
Madison	James Burnet	Absent
Mendham Borough	Joyce Bushman	Absent

Mendham Township	Jason Gabloff	Present
Millburn	Matthew Laracy	Absent
Montville	June Hercek	Absent
Morris Plains	Rosanne Denman	Absent
Mount Olive	Claudia Tomasello-Quinn	Absent
North Caldwell	Kevin O'Sullivan	Absent
Pompton Lakes		
Randolph	Debbie Bonanno	Present
Ringwood	Scott Heck	Absent
Riverdale	Paul Carelli	Absent
Rockaway Borough	Patricia Reiche	Present
South Orange Village	Julie Doran	Present
Sparta	Grant Rome	Absent
Washington Twp	Charlie Daniel	Absent
West Caldwell	Nikole Baltycki	Absent
West Milford	William Senande	Absent
Wharton	Joseph Kovalcik	Absent

2023 FUND COMMISSIONER ALTERNATES:

Mount Arlington	Lauren Schaeffner (Alt.)	Absent
Netcong	Elmer Still (Alt.)	Absent
East Hanover	Kenneth Huelbig (Alt.)	Absent
Mountain Lakes	Chief Shawn Bennett (Alt.)	Absent
Stanhope	Angelica Sabatini	Absent

Andover	Toni Grisaffi (Alt.)	Absent
Bloomingtondale	Sherry Gallagher (Alt.)	Absent
Boonton Town	Cynthia Oravits (Alt.)	Absent
Butler	James Kozimor (Alt.)	Absent
Chatham Township	Debra King (Alt.)	Absent
Chatham Borough	Karen Fornaro (Alt.)	Present
Chester	Dena Dziergoski (Alt.)	Absent
Denville	Jessica Falce (Alt.)	Absent
Dover	Reynaldo Julve (Alt.)	Absent
Florham Park	Cindy Phillips (Alt.)	Absent
Hanover	Mark Roddy (Alt.)	Absent
Hawthorne	Jennifer Scully (Alt.)	Absent
Kinnelon	Charlie Daniel (Alt.)	Absent
Lincoln Park	Dina Valente-Stoel (Alt.)	Absent
Madison	Chrissy Mahler	Absent
Mendham Borough	Eric Mesias (Alt.)	Present
Mendham Township	Ross Johnson (Alt.)	Absent
Millburn	Jesse Moehlman (Alt.)	Absent

Montville	Nicholas Breiner (Alt.)	Absent
Morris Plains	Michael Koroski (Alt.)	Present
Mount Olive	Andrew Tatarenko (Alt.)	Absent
North Caldwell	Tami Michelotti (Alt.)	Absent
Randolph	Greg Poff	Absent
Ringwood	Zachary Faiola (Alt.)	Present
Riverdale	Lisa O'Neill (Alt.)	Absent
Rockaway Borough	Robert O'Connor (Alt.)	Absent
Sparta	Michele Landtau (Alt.)	Present
Washington Twp	Roger Read (Alt.)	Absent
West Caldwell	William Wallace (Alt.)	Present
West Milford	Catherine Shanahan (Alt.)	Absent
Wharton	Bill Hamilton (Alt.)	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator

PERMA Risk Management Services
Cathleen Kiernan

Attorney/Litigation Management

Dorsey & Semrau, Esq.
Sue Sharpe, Esq.

Safety Director

J.A. Montgomery Consulting
Brian Maitland
Ken Schulz
John Schwartz
Mike Thompson

Liability Claims Service

Lenape Claims Management
Theresa Laoudis

Workers Compensation
Claim Service

Qual-Lynx
Claudia Acosta

Managed Care

FMCO
Mary Bresadola

Payroll Auditor

Russo & Associates
Stacy Russo

ALSO PRESENT:

Karen Waters, Acrisure DBA IMAC Insurance
Dave Vozza, Vozza Agency
Hallee Cramer, RSC Insurance
Craig Sutherland, RSC Insurance
Charlotte Wendland, Henry O'Baker
Frank Covelli, PIA
Giovanni Mancini, Treadstone Risk Management
Randy May, Otterstedt Insurance Agency
Amy Pieroni, Acrisure

Lindsay Klein, Acrisure
Dave Sgalia, Cupo Insurance
Wayne Ring, Brown & Brown
Sandra Cantwell, PERMA

APPROVAL OF MINUTES -

MOTION TO APPROVE OPEN MINUTES OF September 13, 2023:

Motion: Commissioner Stern
Second: Commissioner Sondermeyer
Vote: 16 Ayes, 0 Nays, 9 Abstains
(Commissioners Tempesta, Lampmann, Nordstrom, Gabloff, Reiche,
Doran, Fornaro (Alt.), Koroski (Alt.), Wallace (Alt.))

CORRESPONDENCE – None

MONTHLY COMMITTEE REPORTS:

Membership, Marketing & Coverage Committee, Jim Lampmann, Chair – No report. Executive Director said the JIF is starting to receive membership requests.

Finance Committee, Jason Gabloff, Chair – Commissioner Gabloff said the committee met last week to discuss the first draft of the budget. The largest drivers are MEL property and worker’s compensation (WC). The initial budget came in at 15.5% and they worked with two variables to bring the budget to 9.65%. The committee elected to use the ‘low’ actuarial projection for WC since there is also a separate projection for “pension offset workers’ comp claims”. In the past the EJIF dividend has been added to surplus; this year it’s been applied to the budget. Executive Director said property has been driven up by the market’s response to the increased storm activity but also because all JIFs needed to perform property appraisals to update their property values. Values over \$500,000 were either trended or sent out for physical appraisal, depending on when a member JIF last did a property appraisal. The Fund has received appraisal data for 14 members and the increase in value is averaging 32%. The property line in the budget shows an increase of 62%. When the remainder of the appraised properties are received, which we anticipate by the end of October, the budget can be adjusted to reflect the final values. Last month the Board voted to reschedule the November meeting to the 21st to allow time to process the information and adjust the budget.

Executive Director said changes in the law and regulations impacting prior Fund years (now transferred to the RCF) also impacts current and future claims since the landscape has changed. While most claims are required to be reported within two years, the Fireman’s Cancer Presumption bill and the Sexual Molestation claims are not limited to a timeline and the actuaries need to make projections for much older claims as well as future claims. This has a greater impact in the MEL and the RCF where the older and higher dollar claims are handled

In response to Commissioner Brewer, Commissioner Gabloff said if the EJIF dividend was not applied to revenue, then the budget was around 12%.

Executive Director said the EJIF dividend was approximately \$300,000, which is half of the \$600,000 increase. Morris JIF has been applying the EJIF dividend to surplus for approximately 10 years. The Department of Banking and Insurance has identified the same factors impacting rising insurance costs as Dave Grubb outlined in his memo, which was enclosed in the agenda. Based on these factors they have already recommended another JIF to reconsider releasing, even though they have a sizable statutory surplus.

Commissioner Gabloff said by following a conservative approach to maintaining statutory surplus, Morris JIF can manage rates accordingly and maintain cash flow. Commissioner Brewer said he supports the conservative approach and wants to ensure the JIF does not put off assessments to later

years. Executive Director said the Committee discussed this topic with the same line of concern. Next year the property appraisals should not have the same impact since this year's adjusted values will have reset the base.

Executive Director said the statutory surplus at the end of June is at \$7.8 million. The unrealized investment loss of approximately \$2 million is withheld however as investment rates adjust, we will see that added back into the surplus.

Executive Director said in other lines, the POL/EPL was transferred to the commercial market in 2010; AIG has increased the overall MEL system by 9%. Because the Morris JIF has a good loss experience, our increase in this line is at 6%. There is some equalization so no JIF would go over 13%. Cyber increased 64%. The Cyber JIF is moving away from "per member" assessment allocation to an allocation on a per capita basis. The dollar increase total for this line is \$47,000.

Motion to introduce the 2024 Budget in the amount of \$25,014,028 and schedule a public hearing on Tuesday, November 21, 2023 at 12:00 pm at the Hanover Municipal Building, Whippany, NJ.

Motion: Commissioner Gabloff
Second: Commissioner Stern
Roll Call Vote: Unanimous

Executive Director said the RMC fees are currently at zero since not all members run their RMC fees through budget. The fees will be added in when assessments are generated and members without an RMC are not impacted.

Safety Committee, Bill Huyler, Chair – No report.

Contracts and Rules Committee, Ralph Blakeslee, Chair – No report.

Legal Review Committee, Adam Brewer, Chair – No report.

Claims Review Committee, Mitchell Stern, Chair – Commissioner Stern said there was no claims meeting due to the Columbus Day holiday. October Payment Authority Requests were emailed to the Commissioners. Commissioner Stern asked if there are questions or discussion needed and hearing none, he recommended the PARs be approved as submitted.

EXECUTIVE DIRECTOR/ADMINISTRATOR REPORT:

RCF, EJIF and MEL Reports: Executive Director said the Residual Claims Fund (RCF), Environmental JIF (EJIF) and the MEL all meet at Forsgate on September 15, 2023. The RCF introduced their 2024 operating budget and the EJIF introduced their proposed 2024 budget. The public hearing will be held on October 18, 2023 at the Forsgate Country Club. The MEL's 2024 budget introduction is scheduled for October 18, 2023 at the Forsgate Country Club in Jamesburg NJ. Commissioner McNeilly said the RCF is submitting a 2% budget increase and the EJIF is submitting a 1% budget increase.

Executive Director said the EJIF does not have the same requirements as the MEL and the RCF regarding withholding surplus for MEL / RCF developing claims and therefore expects the EJIF dividend will be approved.

Department of Banking & Insurance (DOBI) – Enclosed is a copy of correspondence written by the MEL Executive Director to the newly appointed Commissioner of DOBI outlining various matters

impacting Joint Insurance Funds and their member entities. The memo gives good outline to the factors impacting the rise in insurance costs and can be used as a reference if needed when Commissioners discuss the budget with their governing bodies. The Commissioner has agreed to a meeting with the MEL.

Employment Practices Compliance Program – Every two years the MEL reviews applicable laws and regulations to update the Model Personnel Manual, Model Employee Handbook and Model Volunteer Handbook. Information was issued in May announcing that the updated documents can be found on the MEL’s webpage <https://njmel.org/employment-practices-risk-control-program/>.

In addition, members are asked to complete training for Managers & Supervisors, Non-Supervisory Employees and Police Command Staff training. The details for attending the training information have been sent to members and another copy of flyers was included in the agenda.

Safety Director said there is a typo on the flyer concerning the evening training for MEL Risk Management for Managers & Supervisors – the date is listed as Oct. 25 and should be Oct. 24th.

Cyber JIF – An email was issued to Fund Commissioners and Risk Management Consultants outlining next steps for Training/Phishing and External Scanning. D2 will be contacting each member to gather Point of Contact information. Since the Morris JIF has already worked with D2 Cybersecurity on training, towns will only need to review existing information for continued accuracy. External Vulnerability Scanning is a new service – so members will need to provide new information to D2.

2024 Membership Renewals – Attached is a list of members scheduled to renew fund membership by January 1, 2024. Twelve (12) members are scheduled to renew as of January 1, 2024. All members are renewing and will be included in the budget.

Statutory Bonds – Underwriting Manager’s office has contacted municipal clerks of towns that are renewing their JIF membership to secure updated bond applications for statutory positions. We continue to follow up with members who have not yet submitted renewal applications.

Power of Collaboration – The latest in a series of Power of Collaboration advertisement to be published in the League of Municipalities magazine was included in the agenda. The ad highlights how the MEL Safety Institute (MSI) provides training that meets the needs and work schedules of MEL/JIF members. Training for 2023 are on target to exceed last year’s record of 70,000. Thus, resulting in lost-time accident rates for MEL/JIF members being the lowest among municipal employees – a direct benefit measured in reduced workers’ compensation cost.

Due Diligence Reports: As mentioned at previous meetings, the Financial Fast Track will be issued quarterly to align with the actuarial reports. 2019 is the Fund’s difficult year showing a deficit, however all other years are at or below the actuary’s projections. The Lost Time Accident Frequency reports uses a formula that measures losses against a ‘per 100’ employee base, allowing a fair comparison regardless of the number of people a member employs. At 1.34 the Morris JIF is in the middle of the JIFs monitored and anything under 2 is very good. Lost Days report will also show severity. A reminder that the POL / EPL carrier reserves right to evaluate and raise or decrease a member’s detectable based on claim experience. This typically occurs in the October timeframe but she does not expect any changes.

Executive Director’s Report Made Part of Minutes.

TREASURER:

Chairwoman Rinaldi said Resolution 28-23 for October 2023 bills list is included for approval on the consent motion.

October 2023	
2022	\$100.00
2023	\$224,684.95
Total	\$224,784.95

CLAIMS PAYMENT AND IMPREST TRANSFERS AS OF AUGUST 2023:

CLOSED	\$0
2019	\$86,868.40
2020	\$31,311.39
2021	\$63,004.27
2022	\$26,033.03
2023	\$423,758.53
TOTAL	\$630,975.62

Treasurer’s Report Made Part of Minutes.

ATTORNEY’S REPORT:

Fund Attorney gave an overview of Cordero vs. Dover involving a serious motorcycle accident that was allegedly caused by debris in the road. There was no report of debris and a street sweeper operated nightly. A contractor painting road stripes was a co-defendant in the case. Carl Perone, a Tier 1 panel attorney was assigned to defend the case. Selective Insurance, the insurer for the contractor, initially denied indemnification, however due to Mr. Perone’s aggressive defense, Selective agreed to take over the case and reimburse the JIF for \$30,00 of legal fees.

UNDERWRITING MANAGER

Executive Director said the timeline for members that have been grandfathered for lower cyber has been extended until July 1, 2024 however members should be working on meeting the new cyber compliance requirements. The program reduces a member’s deductible and hopefully prevents claims.

CERTIFICATES OF INSURANCE: Monthly insurance certificates report included.

Underwriting manager’s report and Certificates made part of minutes.

SAFETY DIRECTOR: Safety Director gave an overview of the safety report and the various trainings being used and available to members. The app is projected to be available in December. A newsfeed has been added to the website.

Safety Director’s Report Made Part of Minutes.

MANAGED CARE: Managed Care Provider gave an overview of the month’s savings.

Managed Care Provider’s Report Made Part of Minutes

Motion to Approve Claim Authority Payments as presented, Executive Director's Report; Resolution 28-23 Approving October 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 McNeilly
Second: Commissioner Mauer
Roll call Vote: Unanimous

OLD BUSINESS:

None.

NEW BUSINESS:

None.

PUBLIC COMMENT:

Mr. Covelli said Mr. Grubb did an outstanding job in his letter to the State outlining the JIF program and aligning ourselves with the state.

MOTION TO ADJOURN:

Moved: Commissioner Mauer
Second: Commissioner Lampmann
Vote: Unanimous

Meeting Adjourned: 12:41 PM
Sandy Cantwell, Assisting Secretary
For Adam Brewer, Secretary

MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 28-23

October 2023

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 2022

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002976			
002976	WHARTON BOROUGH	2022 SAFETY INCENTIVE AWARD	100.00
			100.00
		Total Payments FY 2022	100.00

FUND YEAR 2023

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002977			
002977	FIRST MANAGED CARE OPTION	MANAGED CARE FEE 10/23	25,957.93
			25,957.93
002978			
002978	DORSEY & SEMRAU	LITIGATION MGMT 10/23	17,481.75
			17,481.75
002979			
002979	QUAL-LYNX	TPA SERVICE 10/23	25,333.66
			25,333.66
002980			
002980	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR 10/23	18,803.23
002980	J.A. MONTGOMERY RISK CONTROL	LAW ENFORCEMENT 10/23	1,346.11
			20,149.34
002981			
002981	LENAPE CLAIMS MANAGEMENT, INC.	TPA FEE- CLAIMS ADJUSTOR 10/23	21,845.65
			21,845.65
002982			
002982	PERMA RISK MANAGEMENT SERVICES	ADMIN FEE 10/23	31,167.29
			31,167.29
002983			
002983	THE ACTUARIAL ADVANTAGE	ACTUARIAL SERVICE 10/23	3,884.35
			3,884.35
002984			
002984	DORSEY & SEMRAU	ATTORNEY FEE 10/23	2,210.85
			2,210.85
002985			
002985	GRACE BRENNAN	TREASURER 10/23	2,279.47
			2,279.47
002986			
002986	CONNER STRONG & BUCKELEW	UNDERWRITING MGMT FEE 10/23	1,084.00
			1,084.00
002987			
002987	ANTHONY & SONS BAKERY	CATER MEETING 8/29/23	999.00
			999.00

002988			
002988	VITALE'S DELI	MEETING- HANOVER MUNICIPAL 9/13/23	850.15
			850.15
002989			
002989	NEWTECH SERVICES INC.	WEBSITE MAINT/ DIS RECOVERY 10/23	175.00
			175.00
002990			
002990	RD PARISI ASSOCIATES	RMC 2ND HALF 2023 DOVER TOWN	26,672.00
			26,672.00
002991			
002991	ACCESS	DEPT 417 INV 10427856 8/31/23 FOR SEPT	129.51
			129.51
002992			
002992	SKYLANDS RISK MANANAGEMENT INC.	RMC- 1ST AND 2ND HALF 2023	9,496.00
			9,496.00
002993			
002993	PEQUANNOCK TOWNSHIP	2023 RMC FEE	34,969.00
			34,969.00
		Total Payments FY 2023	224,684.95
		TOTAL PAYMENTS ALL FUND YEARS	\$224,784.95

Chairperson

Attest: _____ Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

_____ Treasurer