

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
APRIL 9, 2015
SCOTCH PLAINS, NJ
8:00 AM**

Meeting of Fund Commissioners called to order by Chair Tom Atkins. Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE – Chair Tom Atkins led Commissioners in the Pledge of Allegiance.

ROLL CALL OF FUND COMMISSIONERS:

Tom Atkins, Chair	Borough of Watchung	Present
Bruce McArthur, Secretary	Township of Bernards	Present
James Gildea	Town of Westfield	Present
Gail McKane	Township of Harding	Absent
Judy Sullivan	Township of Bedminster	Absent
Megan Champney	City of Summit	Present
Alexander Mirabella	Township of Scotch Plains	Present

EXECUTIVE COMMITTEE ALTERNATES:

Janet Waite	Borough of Bernardsville	Present
James Debbie	Borough of Mountainside	Absent
Joseph Carty	Borough of Far Hills	Absent

ALTERNATE FUND COMMISSIONERS:

Sheila Tweedie	Borough of Far Hills	Present
Albert Ellis	Borough of Watchung	Absent
Terri Johnson	Township of Bernards	Absent
Sandra Jones	Borough of Bernardsville	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Admin	PERMA Risk Management Services Cathleen Kiernan, Nancy A. Ghani
Attorney	DiFrancesco, Bateman, Coley, Yospin, Kunzman, Davis & Lehrer Stephen Davis, Esq.
Claims Service	Qual-Lynx Robert Fox
Safety Director	J.A. Montgomery John Zengel
JIF Underwriting Manager	Gallagher Bollinger Jack Dibble, Terri Giglio
Managed Care Provider	FMCO Thomas Mooney
Treasurer	Ralph Maresca

ALSO PRESENT:

Craig Sutherland, James F. Hurley Agency
Candyce Forster, James F. Hurley Agency
Hallee Weichler, James F. Hurley Agency
Louis Beckerman, Beckerman & Company
Ray Vaughn, Amalgamated General Agency

MINUTES: Open and Closed Minutes of March 12, 2015.

MOTION TO APPROVE OPEN & CLOSED MINUTES FOR MARCH 12, 2015:

Moved:	Commissioner Gildea
Second:	Commissioner Tweedie
Vote:	Unanimous

CORRESPONDENCE:

NONE

EXECUTIVE DIRECTOR:

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, MEL Loss Ratio Report and the Monthly and Annual Regulatory Checklist.

Executive Director reviewed the Financial Fast Track as of January 31, 2015 and February 28, 2015; the February report indicated a statutory surplus of \$2 million. Executive Director said all funds years are experiencing a surplus with the exception of 2011, which will be closed out and transferred to the Residual Claims Fund in June.

Executive Director reviewed the Loss Ratio report as of February 28, 2015; with the exception of 2011 the fund's losses for all lines are less than actuary development targets. Executive Director said 2015 is too early to compare, but said the current workers' compensation incurred budget of 4.65% is tracking to last year's rate of 4.32% given that the 2015 winter conditions were worse than the 2014 winter.

Executive Director said the fund's Lost Time Accident Frequency as of February 28, 2015 is 2.19.

Executive Director reviewed the Employment Practices Compliance status report as of April 2, 2015 and said the report reflects each member's current EPL/POL deductibles and co-insurance. Executive Director said the EPL/POL policies to be issued by XL are anticipated for release in May.

2015 MEL & MR HIF EDUCATIONAL SEMINAR: Banking and Insurance Commissioner Kenneth Kobylowski will be the Keynote speaker at the annual MEL & MRHIF Educational Seminar, Friday April 17, 2015. Enclosed in the agenda was a registration form for the annual MEL & MRHIF Educational Seminar at to the National Conference Center at the East Windsor Holiday Inn. Continuing Ed credits are available for CFO/CMFO, Clerks, Public Works, Insurance Producers, Purchasing Agents, Accountants, Lawyers, TCH Water Supply, Wastewater, RPPO and QPA.

2014/2015 PUBLIC OFFICIALS/ELECTED OFFICIALS TRAINING SEMINARS: As a reminder, to supplement live presentations of this year's Elected Officials seminar, the MEL posted an online version on www.njmel.org. The deadline to complete the training in June 1, 2015. Enclosed in the agenda were the instructions to access the program. As a reminder, a \$250 credit will be earned for local elected officials, the municipal manager/administrator, authority commissioners

and authority executive directors that participate in an online or instructor led session. The maximum credit is 25% of the member's liability claims fund.

Executive Director said a session is being scheduled in Summit during May; the fund office will email the board once the date is finalized.

2015 FINANCIAL DISCLOSURE FORMS: Last year, the Division of Local Government Services introduced a new online program for financial disclosure filings. The fund office has provided all Fund Commissioners with the login information they need to complete their Financial Disclosure filing for the Suburban Municipal JIF. The email included links to the instructions and the DLGS webpage to file your disclosure. The filing deadline is April 30th.

Executive Director said the division instructed the fund office to forward violations to anyone that failed to complete the 2014 filing by September 1, 2014. All but one Fund Commissioner completed their 2014 filings on time.

LEAGUE MAGAZINE: Enclosed in the agenda was the second of a series of MEL advertisements to appear in the League magazine. Each advertisement in the "Power of Collaboration" series will be different and will highlight activities of the MEL and JIFs as well as people who have rendered significant service. Executive Director said this ad congratulated the efforts of the League and Bill Dressel on the initial formation of joint insurance funds thirty years ago.

Chairman Atkins commented on the massive effort it took to form the MEL and the local JIFs back then, which included Dave Grubb and Joe Vozza as key figures to the formation.

NJ BRAIN INJURY ALLIANCE SPORTS RELATED CONCUSSIONS: The MEL JIF has worked with the NJ Brain Injury Alliance to develop a model resolution and policy concerning sports related concussions. Executive Director said the MEL adopted the model resolution at their last meeting and suggested it be included in local agendas for members to consider adopting.

Executive Director said a concern was expressed with one policy item and a notice was not distributed to all Suburban JIF members until further clarification is made. Specifically, it was Item 5 which noted that should a sports organization sponsored by a member use facilities of any Board of Education then it would comply with the BOE's sports concussion prevention program. Executive Director said this was a model only for members to consider adopting and was not mandatory.

Executive Director's Report Made Part of Minutes.

TREASURER:

A supplemental bills list, Resolution 11-15 was distributed for review and approval of payment.

VOUCHER LIST:

APRIL 2015 VOUCHER PAYMENTS, RESOLUTION 10-15

Closed Year:	\$400.00
Fund Year 2011:	\$1,300.00
Fund Year 2012:	\$1,300.00
Fund Year 2013:	\$2,200.00
Fund Year 2014:	\$2,800.00
Fund Year 2015:	\$473,151.35
Total:	\$481,151.35

APRIL 2015 SUPPLEMENTAL VOUCHER PAYMENTS, RESOLUTION 11-15

Fund Year 2015:	\$217,157.50
Total:	\$217,157.50

**CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS'
TRANSFERS FOR MONTHS OF FEBRUARY 2015:**

Fund Year 2015	6811.38
Fund Year 2014	34021.21
Fund Year 2013	5008.39
Fund Year 2012	50527.42
Fund Year 2011	45290.90
TOTAL	\$141,659.30

**MOTION TO ADOPT RESOLUTIONS 10-15 AND 11-15 APPROVING APRIL
BILLS LISTS AND APPROVE CONFIRMATION & CERTIFICATION OF
FEBRUARY 2015 CLAIM TRANSFERS AS SUBMITTED:**

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Roll Call Vote: 7 Ayes-0 Nays

Voucher List and Treasurer's Report Made Part of Minutes.

ATTORNEY:

REPORT: Included in the agenda was a report of appellate decisions impacting municipalities.

Fund Attorney referred to his report detailing the decision in *Aguas v. State of New Jersey* and said the case highlighted the importance that all employers adopt and implement an effective anti-sexual harassment program as it can protect them from liability should a claim be asserted. Based on two other cases - *Lehman v. Toys R Us* and *Gaines v. Bellino* - there were specific guidelines set for an employer to protect itself from liability.

Fund Attorney said the guidelines issued by the MEL track to the standards set in these cases and referred to the five standards outlined in the report out of *Gaines v. Bellino*. Fund Attorney said this case provides an affirmative defense for the municipality if an employee does not take advantage of the protections in place *and* the employer does not take adverse action against the employee. Fund Attorney added these types of cases are difficult and costly to defend due to fee shifting.

Fund Attorney said this decision also highlighted the broadened definition of a supervisor, which historically may have relied on job titles and/or hierarchy with an organization. Fund Attorney said the Supreme Court adopted the Equal Employment Opportunity Commission (EEOC) definition of a supervisor as anybody that has a right to direct an employee in their day-to-day activities.

Executive Director said with respect to fee-shifting, this JIF and the MEL incurred a claim in which the award was \$20,000 but the attorney fees were \$1 million.

In response to Chairman Atkins, Fund Attorney said this decision would be highlighted in any future training sessions on hostile work environments as it provides an employer the broader ability to defend a possible claim. Fund Attorney added the decision is an affirmation of the standards that have been in place, but is now backed by the Supreme Court.

Executive Director said JIF members are expressing a greater adherence and attention to the model employment policies issued by the MEL.

Commissioner McArthur said police departments handle complaints in a different manner and inquired if all municipal departments should adopt and follow the same standards with respect to harassment. In response Fund Attorney said theoretically all departments should operate and respond to harassment complaints in the same manner, but recognized the challenges that police departments face as well as the voluminous training needs they are required to undergo. Fund Attorney said the impact of this decision should be communicated to all department heads including police chiefs. Executive Director said the police department account for 65% of employment practices claims. In addition, the MEL requires that police chief and command staff attend a training every 2 years which highlight police related employment practices liability.

JIF UNDERWRITING MANAGER:

LIST OF CERTIFICATES ISSUED - List of Certificates issued for the March 2015 was included in the agenda for information.

Monthly Activity Report Made Part of Minutes.

MEL UNDERWRITING MANAGER:

LIST OF CERTIFICATES ISSUED - List of Certificates issued for the period of 2/19/15 to 3/23/15 were included in the agenda for information.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda was the March 2015 report submitted by FMCO. Managed Care Provider said the total provider billed amount for 2015 to date was \$246,651 and was re-priced to \$117,288 for a total savings of 52%.

Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Included in the agenda was the March 2015 report noting the activities and trainings available, as well as announcements on the additions to the MEL Media Library, a Pool Safety & Awareness Workshop and a bulletin on Safety when Collecting Brush on Roadways. In addition there was an announcement on the new online Camp Counselor Training Programs, which was made available on April 1st.

Report Made Part of the Minutes.

CLAIMS:

REPORT: Claims Administrator said they have Payment Authority Requests to present during Closed Session.

**RESOLUTION - EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES:
PERSONNEL - SAFETY & PROPERTY OF PUBLIC LITIGATION**

Moved:	Commissioner McArthur
Second:	Commissioner Gildea
Roll Call Vote:	Unanimous

PAYMENT AUTHORIZATION REQUESTS: Executive Committee reviewed payment authorization requests presented by Claims Service in Executive Session.

MOTION TO RETURN TO OPEN SESSION:

Moved:	Commissioner Tweedie
Second:	Commissioner Gildea
Roll Call Vote:	Unanimous

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST
PRESENTED IN EXECUTIVE SESSION BY QUAL-LYNX:**

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Roll Call Vote: 7 Ayes - 0 Nays

OLD BUSINESS:

NJ SUPREME COURT COUNCIL ON AFFORDABLE HOUSING (COAH) RULING:
Chairman Atkins said the New Jersey State League of Municipalities (NJSLOM) released a follow-up notice on March 27, 2015 to provide a broader analysis of the NJ Supreme Court ruling in response to the Fair Share Housing Center motion to enforce litigant's rights, which would strip municipalities of the administrative protections afforded by the Fair Housing Act (FHA).

Chairman Atkins said the counties of Somerset, Sussex and Hunterdon would be under the vicinage of Judge James Coleman for this process. Chairman Atkins advised that the process will be dynamic with several timelines and procedures to follow

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved: Commissioner Mirabella
Second: Commissioner Gildea
Vote: Unanimous

MEETING ADJOURNED: 8:30 am

NEXT MEETING: MAY 14, 2015

SCOTCH PLAINS, 8:00 AM

Nancy A. Ghani, Account Manager
for
BRUCE MCARTHUR, SECRETARY

SUBURBAN MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 10-15

APRIL 2015

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Suburban 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 CLOSED

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
005425			
005425	HARDING TOWNSHIP	2010 SAFETY INCENTIVE AWARD	400.00
			400.00
		Total Payments Closed Year	400.00

FUND YEAR 2011

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
005426			
005426	HARDING TOWNSHIP	2011 SAFETY INCENTIVE AWARD	1,300.00
			1,300.00
		Total Payments FY 2011	1,300.00

FUND YEAR 2012

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
005427			
005427	HARDING TOWNSHIP	2012 SAFETY INCENTIVE AWARD	1,300.00
			1,300.00
		Total Payments FY 2012	1,300.00

FUND YEAR 2013

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
005428			
005428	HARDING TOWNSHIP	2013 SAFETY INCENTIVE AWARD	400.00
			400.00
005429			
005429	BERNARDSVILLE BOROUGH	2013 SAFETY PROGRAM AWARD - 3/16/2015	1,800.00
			1,800.00
		Total Payments FY 2013	2,200.00

FUND YEAR 2014

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
005430			
005430	HARDING TOWNSHIP	2014 SAFETY INCENTIVE AWARD	1,800.00
			1,800.00
005431			
005431	BERNARDSVILLE BOROUGH	2014 SAFETY PROGRAM AWARD - 03/16/2015	1,000.00

Total Payments FY 2014

1,000.00
2,800.00

FUND YEAR 2015

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
005432			
005432	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND - 2ND QTR 2015	1,364.79
			1,364.79
005433			
005433	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 04/2015	6,210.45
			6,210.45
005434			
005434	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 2ND QTR 2015	73,543.29
005434	MUNICIPAL EXCESS LIABILITY JIF	MEL 2ND QTR 2015	262,752.27
			336,295.56
005435			
005435	QUAL-LYNX	CLAIMS ADMIN - 04/2015	16,375.00
			16,375.00
005436			
005436	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 04/2015	3,832.42
			3,832.42
005437			
005437	BOLLINGER INC.	UNDERWRITING MANAGER - 04/2015	5,908.28
			5,908.28
005438			
005438	PERMA	POSTAGE FEE 03/2015	61.12
005438	PERMA	EXECUTIVE DIRECTOR FEE 04/2015	13,050.00
			13,111.12
005439			
005439	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 04/2015	2,477.50
			2,477.50
005440			
005440	RALPH A MARESCA, JR	TREASURER FEE 04/2015	1,445.95
			1,445.95
005441			
005441	MEEKER SHARKEY ASSOC, LLC	RMC FEE 2ND QTR 2015 - HARDING TWP	2,108.49
005441	MEEKER SHARKEY ASSOC, LLC	RMC FEE 2NDQTR 2015 - FAR HILLS BORO	705.00
005441	MEEKER SHARKEY ASSOC, LLC	RMC FEE 2ND QTR 2015 - WATCHUNG BORO	4,295.46
005441	MEEKER SHARKEY ASSOC, LLC	RMC FEE 2ND QTR 2015 - BENDMINISTER TWP	4,443.21
005441	MEEKER SHARKEY ASSOC, LLC	RMC FEE 2ND QTR 2015 - BERNARDS TWP	10,796.30
005441	MEEKER SHARKEY ASSOC, LLC	RMC FEE 2ND QTR 2015 - BERNARDSVILLE	5,092.95
			27,441.41
005442			
005442	MUNICIPAL EXCESS LIABILITY JIF	MSI 2ND QTR 2015	13,232.59
			13,232.59
005443			
005443	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINTENANCE/HOSTING 3/15	75.00
			75.00
005444			
005444	ALLSTATE INFORMATION MANAGEMNT	ACCT: 416 - ACT & STOR - 02/28/2015	19.88
			19.88

005445			
005445	DiFRANCESCO,BATEMAN,COLEY,YOSP	ATTORNEY FEE 03/31/2015	3,950.84
			3,950.84
005446			
005446	SCOTCH PLAINS TOWNSHIP	RMC FEE 2ND QTR 2015 - SCOTCH PLAINS TWP	9,287.92
			9,287.92
005447			
005447	WESTFIELD TOWN	RMC 4TH QTR 2014 - WESTFIELD ADJUSTMENT	-15.96
005447	WESTFIELD TOWN	RMC FEE 1ST QTR 2015 - WESTFIELD	16,069.30
005447	WESTFIELD TOWN	RMC FEE 2ND QTR 2015 - WESTFIELD	16,069.30
			32,122.64
		Total Payments FY 2015	473,151.35

TOTAL PAYMENTS ALL FUND YEARS \$ 481,151.35

Chairperson

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

Treasurer