

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
SEPTEMBER 8, 2016
SCOTCH PLAINS, NJ
8:00 AM**

Meeting of Fund Commissioners called to order by Chairman Bruce McArthur. Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE –Chairman McArthur led Commissioners in the Pledge of Allegiance.

ROLL CALL OF 2016 FUND COMMISSIONERS:

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

EXECUTIVE COMMITTEE ALTERNATES:

Gail McKane	Township of Harding	Absent
James Debbie	Borough of Mountainside	Absent
Joseph Carty	Borough of Far Hills	Absent

ALTERNATE FUND COMMISSIONERS:

Sheila Tweedie	Borough of Far Hills	Absent
Sean McCarthy	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 Caty Lambe, Anthony Jones
Safety Director	J.A. Montgomery Dave McHale, Brian Maitland
JIF Underwriting Manager	Gallagher Bollinger, Inc. Jack Dibble, Chan Coddington

ALSO PRESENT:

Hallee Weichler, Meeker Sharkey & Hurley Agency
Craig Sutherland, Meeker Sharkey & Hurley Agency
Louis Beckerman, Beckerman & Company
Ray Vaughn, Amalgamated General Agency
Matt Morris, Amalgamated General Agency

MINUTES: Open and Closed Minutes of July 14, 2016

**MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF JULY 14,
2016:**

Moved:	Commissioner Mirabella
Second:	Commissioner Champney
Vote:	Unanimous

CORRESPONDENCE:

SCOTCH PLAINS & SUMMIT – MEMBERSHIP: Enclosed in the agenda was correspondence from Scotch Plains & Summit that they are exploring other membership options, as well as, reviewing renewal with the fund.

Executive Director said the 2017 budget will be introduced without their renewal data and they will be reviewed and quoted on a stand alone basis. Executive Director said this is standard procedure so that the budget is not impacted by a withdrawal of loss funding, premiums and expenses allocated to a member.

EXECUTIVE DIRECTOR:

REPORT: Monthly report submitted to Fund Commissioners including monthly Fast-track Accident Frequency, 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 referred to Financial Fast Track as of July 31, 2016 and said the statutory surplus stands at \$2.4 million.

Executive Director said the JIF collected an assessment to fund the retrospective premium exposure – implemented by the MEL beginning in 2016. The funds were then transferred to an aggregate account that can be used to pay the MEL if the JIF’s claims exceed its deposit premium. Executive Director said each fund’s 10-year loss experience was used to determine whether their additional assessment exposure will be capped at 100%, 115% or 125% of the “base claims fund”. Executive Director said the fund will determine annually how much to budget in the Aggregate Excess Loss Fund Contingency should any fund year exceed the anticipated claims loss funds and noted that over last 10 year this JIF has exceeded 85% of the loss funds only three times.

Executive Director reviewed the Fixed Income Portfolio Summary and Rate Comparison and said the investments reflected a zero due to the transfer of funds from Wells Fargo to Wilmington Trust. Executive Director reviewed the Lost Time Accident Frequency report and said the fund’s LTAF stands at 1.82 compared to a 1.77 at the same time last year.

MEMBERSHIP RENEWALS: Executive Director said the Borough of Far Hills, Mountainside and Watchung, the Townships of Bedminster and Scotch Plains, the City of Summit and the Town of Westfield are scheduled to renew fund membership by January 1, 2017. Enclosed in the agenda was a listing of renewal documents received to date; Executive Director noted Watchung’s renewal was received on 9/7/16.

2017 RENEWAL ONLINE UNDERWRITING DATABASE: Members were asked to update their underwriting data in the online underwriting database for the 2017 budget. Executive Director said the deadline to complete review and submit schedules was August 15, 2016; the fund office will be following up with members to complete the process. Executive Director said there are a number of questionnaires that do not affect budget development so members have additional time to complete those items.

CONTRACTS REVIEW COMMITTEE: Executive Director said a meeting of the Contracts Review Committee will be scheduled before the October meeting to review the preliminary 2017 budget. Executive Director said the budget is the only item for review by the committee and not

professional contracts as those are in the 2nd year of a 3-year term, which were awarded through the RFQ process. Executive Director said the RFQ forms noted that the responder would include fees for each year or a statement to accept any fee adjustment at the fund's discretion.

RCF REPORT: The RCF met on September 7, 2015 at the Forsgate Country Club; a copy of the report will be included in the next agenda. Executive Director said the RCF amended their 2016 budget to accept the transfer of outstanding liabilities of Fund Year 2012 from the local JIFs and presented a proposed 2017 budget, which will both be adopted at a public hearing in October.

EJIF REPORT: The EJIF met on September 7, 2015 at the Forsgate Country Club; a copy of the report will be included in the next agenda.

Executive Director said the EJIF presented their 2017 budget, which will be adopted at a public hearing in October. Executive Director said the EJIF is releasing a dividend of \$550,000 which includes an additional \$50,000 over what was released last year. Executive Director said as in the past, the EJIF dividend will be applied as a premium credit against the upcoming renewal budget.

MEL REPORT: The MEL met on September 7, 2015 at the Forsgate Country Club; Executive Director said a copy of the report will be included in the next agenda but provided a summary of important points discussed.

Executive Director said the MEL reviewed a preliminary 2017 budget and rate table, which reflected an overall increase of .6% when applying the 2016 exposures and limits against the 2017 rate table. Executive Director said the MEL presents a budget in October to adopt in November; a rate table is set now so that local JIFs can introduce their budgets in October. Executive Director said the JIFs develop and allocate loss funding among its members; however, the MEL is based on rates against exposures. Executive Director said the MEL budget will change once the renewal exposures are applied.

Executive Director said MEL representatives met with the Senate Majority office to discuss legislative initiatives that would expand the MEL's investment opportunities to improve the yield. Executive Director said the meeting was cooperative and the MEL was asked to submit correspondence with suggested language for legislation. As part of this initiative, Executive Director said the MEL amended its cash management plan to enable investments in municipal bonds; however, that is only an interpretation and actual legislation would confirm any such action take by the MEL. In addition, amendments were made to increase the length of maturity beyond ten years. Executive Director said although local JIFs would still have the ability to restrict the term of investment, the MEL is seeking more permissive legislation for longer maturities since short term investment rates are not improving. Lastly, the suggested language for legislation would authorize the formation of a joint cash management plan. Executive Director said each local JIF has their own investment vehicle, but there is currently no shared liquidity.

Executive Director said the MEL formed a POL/EPL task force with cooperation from QBE, the fund's carrier, to review proposed policy language change as respects land use. Executive Director said members should expect policy language changes.

Executive Director said the MEL issued an RFQ for a Marketing Consultant and responses were received from Brown & Brown, Acrisure, LLC and Princeton Strategic Communications. The MEL Management Committee will schedule interview with all three firms. Executive Director said the MEL has a contract with a Communications Consultant and a Graphic Designer; however, this RFQ is meant to address membership and marketing efforts.

Executive Director said an RFQ was released for a Risk Management Information/Operation System with an October 4th due date. Executive Director said the 3-year contract with Exigis is expiring at the end of this year; in redrafting the renewal for the online exposure data system the MEL is also exploring the latest risk management information systems (RMIS) to include both underwriting and claims information management.

RETROSPECTIVE PREMIUM: Executive Director said in accordance with the Retrospective Premium program adopted by the Fund in 2012, we are in the process of writing to members with an allocation of their claims experience for 2012, 2013, 2014 and 2015 including reserves and incurred but not reported reserves (IBNR). The Fund will not issue bills, if necessary, until the Fund Year is transferred to the Residual Claims Fund.

EMPLOYMENT PRACTICES PROGRAM: As a reminder, changes to the 2017 POL/EPL Program are posted on the MEL's webpage - www.njmel.org - which details changes to the MEL's Model Personnel Manual and information on training program requirements. Compliance includes updating Personnel Manuals, Training Managers & Supervisors, Police Command Staff and offering training to non-supervisory personnel.

Executive Director said members have until October 1st to submit checklist to qualify and/or maintain deductible and co-pay incentives. Executive Director said the fund office will send reminders to those that haven't submitted checklists yet.

Executive Director's Report Made Part of Minutes.

TREASURER:

VOUCHER LIST:

AUGUST 2016 VOUCHER PAYMENTS CONFIRMATION OF PAYMENTS

Fund Year 2016:	\$55,201.74
Total:	\$55,201.74

SEPTEMBER 2016 VOUCHER PAYMENTS, RESOLUTION 17-16

Fund Year 2016:	\$53,428.18
Total:	\$53,428.18

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS FOR MONTHS OF JUNE 2016:

Fund Year 2016	78,142.61
Fund Year 2015	17,652.22
Fund Year 2014	14,004.87
Fund Year 2013	1,327.09
Fund Year 2012	20.50
TOTAL	111,147.29

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS FOR MONTHS OF JULY 2016:

Fund Year 2016	52,743.60
Fund Year 2015	19,607.27
Fund Year 2014	4,680.32
Fund Year 2013	15,893.84
Fund Year 2012	4,774.20
TOTAL	97,699.23

MOTION TO CONFIRM AUGUST 2016 PAYMENTS, ADOPT RESOLUTION 17-16 APPROVING SEPTEMBER BILLS LIST AND APPROVE CONFIRMATION & CERTIFICATION OF JUNE 2016 AND JULY 2016 CLAIM TRANSFERS AS SUBMITTED:

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Roll Call Vote: 5 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.

MANAGER/SUPERVISOR & POLICE CHIEF TRAINING: Fund Attorney said there are three remaining training sessions for managers & supervisors to be held at Westfield on September 12th, Summit on September 14th and Mountainside on September 28th. Executive Director said all members' Chiefs (or highest commanding officer) have completed the required Police Chief training, but an additional one is scheduled for September 16th. Members can contact the fund office for more information on either training.

Monthly Activity Report Made Part of Minutes.

JIF UNDERWRITING MANAGER:

LIST OF CERTIFICATES ISSUED - List of Certificates issued for the period of July & August 2016 were 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 6/22/16 to 7/24/16 and 7/25/16 to 8/25/16 were included in the agenda for information.

Executive Director said the MEL Underwriting Manager reported the 2017 renewal negotiations are proceeding favorably and indicated the rates may come in slightly less than projected.

Monthly Activity Report Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda was the August 2016 report submitted by FMCO. Managed Care Provider said total provider billed amount was \$1,091,302, was re-priced to \$563,630 for a total savings of 48% and a PPO penetration of 83%.

Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Included in the agenda was the July and August 2016 report noting the activities/trainings and bulletins on Ladder Safety, Zika virus and resources for school crossing guards. Safety Director said the 3rd quarter Executive Safety Committee meeting would be held following this meeting.

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 Mirabella

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 Gildea
Second: Commissioner Mirabella
Roll Call Vote: Unanimous

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

Moved: Commissioner Gildea
Second: Commissioner Mirabela
Roll Call Vote: 5 Ayes - 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved: Commissioner Mirabella
Second: Commissioner Gildea
Vote: Unanimous

MEETING ADJOURNED: 8:27 am

NEXT MEETING: OCTOBER 13, 2016

SCOTCH PLAINS, 8:00 AM

Nancy A. Ghani, Account Manager
for
JAMES GILDEA, SECRETARY

SUBURBAN MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 17-16

SEPTEMBER 2016

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 2016

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001055			
001055	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 09/2016	6,334.66
			6,334.66
001056			
001056	QUAL-LYNX	CLAIMS ADMIN - 09/2016	16,702.50
			16,702.50
001057			
001057	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 9/2016	3,909.02
			3,909.02
001058			
001058	BOLLINGER INC.	UNDERWRITING MANAGER FEE 09/2016	6,026.44
			6,026.44
001059			
001059	PERMA	POSTAGE FEE 08/2016	3.09
001059	PERMA	EXECUTIVE DIRECTOR FEE 09/2016	13,738.37
			13,741.46
001060			
001060	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 09/2016	2,527.05
			2,527.05
001061			
001061	RALPH A MARESCA, JR	TREASURER FEE 09/2016	1,474.92
			1,474.92
001062			
001062	ALLSTATE INFORMATION MANAGEMNT	ACCT: 416 - ACT & STOR 7/31/2016	24.73
			24.73
001063			
001063	DiFRANCESCO,BATEMAN,COLEY,YOSP	ATTORNEY FEE 07/2016	2,687.40
			2,687.40
		Total Payments FY 2016	53,428.18

TOTAL PAYMENTS ALL FUND YEARS \$ 53,428.18

TREASURER:

VOUCHER LIST:

JULY 2016 VOUCHER PAYMENTS, RESOLUTION 16-16

Fund Year 2015: \$11,964.06
Fund Year 2016: \$585,933.19
Total: \$597,897.19

**CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS'
TRANSFERS FOR MONTHS OF MAY 2016:**

Fund Year 2016	50,533.321
Fund Year 2015	24,993.23
Fund Year 2014	24,176.92
Fund Year 2013	7,917.02
Fund Year 2012	9,504.31
TOTAL	117,124.79