

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
APRIL 13, 2017
SCOTCH PLAINS, NJ
8:00 AM**

Meeting of Fund Commissioners called to order by Acting Chair Judith Sullivan. Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE – Acting Chair Sullivan led Commissioners in the Pledge of Allegiance.

ROLL CALL OF 2017 FUND COMMISSIONERS:

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

EXECUTIVE COMMITTEE ALTERNATES:

Joseph Carty	Borough of Far Hills	Absent
James Debbie	Borough of Mountainside	Absent
Michael Sullivan	Borough of Bernardsville	Present

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 Javier Esperra
Safety Director	J.A. Montgomery Brian Maitland
JIF Underwriting Manager	Gallagher Bollinger, Inc. Jack Dibble, Terri Giglio, Chan Coddington
Treasurer	Ralph Maresca

ALSO PRESENT:

Gail McKane, Former Harding Fund Commissioner
Rich Duthie, Pinnacle Risk Solutions
Rhonda Riesenber, Meeker Sharkey & Hurley Agency
Craig Sutherland, Meeker Sharkey & Hurley Agency
Matt Morris, Amalgamated General Agency

Jessica Johanson, Watchung Deputy Treasurer/Deputy Purchasing Agent

MINUTES: Open and Closed Minutes of March 9, 2017.

MOTION TO APPROVE OPEN & CLOSED MINUTES FOR MARCH 9, 2017:

Moved:	Commissioner Atkins
Second:	Commissioner Mirabella
Vote:	Unanimous

CORRESPONDENCE:

NONE

SPECIAL PRESENTATION:

GAIL MCKANE – Acting Chair Sullivan presented Ms. Gail McKane with a clock commemorating her retirement and service to the JIF. Ms. McKane thanked the Board and said it has been a pleasure working with them and the fund professionals.

EXECUTIVE DIRECTOR:

REPORT: Monthly report submitted to Fund Commissioners including monthly Fast-track Accident Frequency, Fast-track Financial report, Fixed Income Portfolio Summary, 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 February 28, 2017 and said the fund's statutory surplus is \$2.4 million and all fund years from 2013-2017 reflected a positive position. Executive Director reviewed the Expected Loss Ratio as of February 28, 2017 and said all fund years are at or below actuarial loss funding projections. The Lost Time Accident Frequency as of February 28, 2017 reflected the fund's rate of 0.55, currently ranking third among the 15 MEL members.

Executive Director said the 2017 JIF Coverage Manuals are ready for distribution and the fund office is awaiting the POL/EPL policies from QBE before distributing the documents to members.

AGGREGATE LOSS FUND CONTINGENCY: Executive Director said beginning with the 2016 Fund year, the MEL implemented a Retrospective Rating Program in which the MEL billed member JIFs only 85% of its expected claims fund; the balance will be billed to the JIFs that exceed that amount. Additional billing will be capped at 100%, 115% or 125% - which was determined based on the JIF's claims experience. Executive Director said for 2016 and 2017, the Suburban Municipal JIF's cap is 100% of the expected claims fund. Executive Director said for both fund years the Suburban Municipal JIF funded this corridor in the respective budgets and created an Aggregate Loss Fund Contingency account to transfer those amounts into. Each year, the JIF will decide how much of this corridor to fund and transfer to this account.

As a result of the audit process, a recommendation was made to document this procedure and enclosed in the agenda was a resolution noting the account creation and transfer of 2016 assessments collected. A revised resolution was distributed which noted the respective assessment transfers made for both 2016 and 2017 fund years.

MOTION TO ADOPT RESOLUTION 8-17 CREATING THE AGGREGATE LOSS FUND CONTINGENCY ACCOUNT:

Moved:	Commissioner Atkins
Second:	Commissioner McArthur
Roll Call Vote:	7 Ayes – 0 Nays

2017 MEL & MR HIF EDUCATIONAL SEMINAR: The 7th annual seminar is scheduled for Friday, April 21st, beginning at 9:00 AM at the National Conference Center in East Windsor, NJ. The seminar qualifies for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with MEL and MR HIF members as well as personnel who work for service companies that are engaged by MEL member JIFs and MR HIF member HIFs. Enclosed in the agenda was the enrollment form.

MEL RISK MANAGEMENT CONSULTANT ACCREDITATION PROGRAM: Executive Director reported the MEL is instituting a program to recognize the MEL's numerous experienced RMCs and train new staff. Producers who complete this program may use the designation "MEL Accredited Risk Management Consultant". To achieve accreditation, a RMC must complete the four all day sessions that will be conducted over a six month period. Each session will be held twice – once in Jamesburg at the Forsgate County Club (Exit 8A) and once at the Conner Strong and Buckelew Headquarters facility in Marlton (Exit 4). The program is also eligible for producer continuing education credits. The fee is a nominal \$500 payable to the Municipal Excess Liability Joint Insurance Fund. Enclosed in the agenda were the registration form and the agenda.

Commissioner Atkins inquired if any feedback was submitted to date, as well as, the level of involvement of risk management consultants in the development of the program. In response, Executive Director said there have already been several participants to sign up for the program notice since it was distributed last week. Executive Director said the program was developed based on suggestions from risk managers that have been involved in the JIF/MEL system. Executive Director said the program can be helpful to orient new risk managers involved in joint insurance funds where the placement of coverage is different than in the commercial market.

CYBER LIABILITY INSURANCE TWO-PART WEBINAR SERIES: Executive Directors said the JIF purchases its primary cyber liability coverage from XL Catlin, which has put together a two-part insurance webinar series to address the growing area of exposure. Enclosed in the agenda was a copy of the announcement, including registration information, which was also emailed to all Fund Commissioners and Risk Managers.

ELECTED OFFICIALS TRAINING COURSE: As a reminder, to supplement live presentations of this year's Elected Officials seminar, the MEL has an online version available to members. The deadline to complete the training for applicable credit is May 1, 2017. 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 a member's workers' compensation claims fund assessment. Enclosed in the agenda were directions to take the class online.

2017 FINANCIAL DISCLOSURES: Executive Director said Fund Commissioners should anticipate the online filing of the Financial Disclosure forms as both a JIF Commissioner, as well as, any municipal related positions that require filing.

Executive Director's Report Made Part of Minutes.

TREASURER:

VOUCHER LIST:

APRIL 2017 VOUCHER PAYMENTS, RESOLUTION 9-17

Fund Year 2016:	\$2,200.00
Fund Year 2017:	\$652,750.23
Total:	\$654,950.23

APRIL 2017 SUPPLEMENTAL VOUCHER PAYMENTS, RESOLUTION 10-17

Fund Year 2017: \$3,174.92
Total: \$3,174.92

**CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS'
TRANSFERS FOR MONTHS OF JANUARY 2017:**

Fund Year 2017	0.00
Fund Year 2016	40972.41
Fund Year 2015	3802.13
Fund Year 2014	6435.57
Fund Year 2013	69901.24
TOTAL	\$121,111.35

**MOTION TO ADOPT RESOLUTION 9-17 APRIL BILLS LIST AND RESOLUTION 10-17
APRIL SUPPLEMENT BILLS LIST AND APPROVE CONFIRMATION &
CERTIFICATION OF JANUARY 2017 CLAIM TRANSFERS AS SUBMITTED:**

Moved: Commissioner Atkins
Second: Commissioner Champney
Roll Call Vote: 7 Ayes – 0 Nays

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

ATTORNEY:

REPORT: Included in the agenda was an April report of appellate decisions impacting municipalities.
Report Made Part of Minutes.

JIF UNDERWRITING MANAGER:

REPORT: Included in the agenda was the March report.

Monthly Activity Report Made Part of Minutes.

MEL UNDERWRITING MANAGER:

LIST OF CERTIFICATES ISSUED – Included as part of the report was a List of Certificates issued for the period of 2/22/17 to 3/21/17.

Executive Director said members may receive communication from the Underwriting Manager's office with respect to changes made to the policy language effective January 1, 2017 regarding land use coverage. The notification will advise on optional excess limits for members to purchase from QBE and pricing would be based on a member's individual claims experience.

Report Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda was the March 2017 report submitted by FMCO. The March report indicated the provider billed amount was \$50,348, was re-priced to \$26,654 for a total savings of 47% and a PPO penetration of 88%.

Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Included in the agenda was the March 2017 report noting the activities/trainings, MSI classes, Safety Director Bulletins on Take Your Daughter/Sons to Work Day and an online Attention & Distraction Driving course.

Report Made Part of the Minutes.

CLAIMS:

REPORT: Claims Administrator said there were 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 Champney
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 Atkins
Second:	Commissioner McArthur
Roll Call Vote:	Unanimous

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

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

OLD BUSINESS:

NONE

NEW BUSINESS:

WATCHUNG ALTERNATE COMMISSIONER – Commissioner Atkins introduced Jessica Johanson to the Board and said she would be appointed as Watchung’s Alternate Fund Commissioner.

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved:	Commissioner Atkins
Second:	Commissioner Mirabella
Vote:	Unanimous

MEETING ADJOURNED: 8:26 am

**NEXT MEETING: MAY11, 2017
SCOTCH PLAINS, 8:00 AM**

Nancy A. Ghani, Account Manager
for
JUDY SULLIVAN, SECRETARY

RESOLUTION NO: 8-17

SUBURBAN MUNICIPAL JOINT INSURANCE FUND

(hereafter referred to as “the FUND”)

**CONFIRMING THE CREATION OF AN AGGREGATE LOSS FUND CONTINGENCY ACCOUNT
AND THE ANNUAL TRANSFER**

WHEREAS, the FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et.seq.); and

WHEREAS, the FUND is a member of the Municipal Excess Liability Joint Insurance Fund (hereafter referred to as “the MEL”), a duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et.seq.);

WHEREAS, The MEL implemented a Retrospective Rating and Premium program beginning with Fund Year 2016, and

WHEREAS, participation in the MEL’s Retrospective Rating and Premium program only requires the FUND to pay the MEL 85% of its rated workers’ compensation and liability claims fund and 100% of the balance of its assessment (premiums and administration costs); and

WHEREAS, at 120 months following the expiration of each Fund Year, the MEL will bill member FUNDS for the balance if the FUNDS’ claims exceed 85% of expected claims – capped at 100%, 115% or 125% determined by the prior claims experience of each member FUND.

WHEREAS, based on its prior 10 year claims experience, the Suburban Municipal Joint Insurance Fund’s 2016 cap and 2017 cap is 100% of expected claims,

NOW, THEREFORE BE IT RESOLVED by the FUND’s Governing Body that it hereby creates an Aggregate Loss Fund Contingency Account to fund this potential exposure, and

BE IT FURTHER RESOLVED that the FUND’s Governing Body transfers \$92,714 collected with 2016 FUND assessments and \$75,745 collected with the 2017 FUND assessments to the Aggregate Loss Fund Contingency Account.

ADOPTED:

This day before the Governing Body:

Chairman

date

Secretary

date

SUBURBAN MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 9-17

APRIL 2017

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>
001158			
001158	FAR HILLS BOROUGH	SAFETY INCENTIVE PROGRAM AWARD 2016	1,100.00
			1,100.00
001159			
001159	BERNARDSVILLE BOROUGH	SAFETY INCENTIVE PROGRAM AWARD 2016	1,100.00
			1,100.00
		Total Payments FY 2016	2,200.00

FUND YEAR 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001160			
001160	MUNICIPAL EXCESS LIABILITY JIF	FAITHFUL PERFORMANCE BOND 2ND QTR'17	1,358.61
			1,358.61
001161			
001161	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 04/2017	6,334.66
			6,334.66
001162			
001162	MUNICIPAL EXCESS LIABILITY JIF	MEL PROPERTY 2ND QTR 2017	79,625.92
001162	MUNICIPAL EXCESS LIABILITY JIF	MEL 2ND QTR 2017	238,544.06
			318,169.98
001163			
001163	APEX INSURANCE SVCS c/o XL INSURANCE	TECH ERRORS & OMISSIONS 2OF2 INSTALL	4,230.00
			4,230.00
001164			
001164	APEX INSURANCE SVCS c/o QBE INS	VOLUNT EMRG SERV DIR & OFF 2OF2 INSTALL	2,057.00
001164	APEX INSURANCE SVCS c/o QBE INS	POL/EPL 2 OF 2 INSTALLMENT	214,505.00
			216,562.00
001165			
001165	QUAL-LYNX	CLAIM ADJUSTING SERVICES - 04/2017	17,036.55
			17,036.55
001166			
001166	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 04/2017	3,987.20
			3,987.20
001167			
001167	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 03/2017	39.99
001167	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 04/2017	14,431.81
			14,471.80

001168			
001168	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 04/2017	2,532.00
			2,532.00
001169			
001169	RALPH A MARESCA, JR	TREASURER FEE 04/2017	1,504.42
			1,504.42
001170			
001170	MEEKER SHARKEY ASSOC, LLC	RMC FEE 2ND QTR 2017 - HARDING TWP	2,058.03
001170	MEEKER SHARKEY ASSOC, LLC	RMC FEE 2ND QTR 2017 - FAR HILLS BORO	722.20
001170	MEEKER SHARKEY ASSOC, LLC	RMC FEE 2ND QTR 2017 - WATCHUNG BORO	4,415.94
001170	MEEKER SHARKEY ASSOC, LLC	RMC FEE 2ND QTR 2017 - BEDMINSTER TWP	4,601.90
001170	MEEKER SHARKEY ASSOC, LLC	RMC FEE 2ND QTR 2017 - BERNARDS TWP	11,103.89
001170	MEEKER SHARKEY ASSOC, LLC	RMC FEE 2ND QTR 2017 - BERNARDSVILLE	5,274.85
			28,176.81
001171			
001171	ARTHUR J. GALLAGHER	UNDERWRITING MANAGER FEE 04/2017	6,146.97
			6,146.97
001172			
001172	MUNICIPAL EXCESS LIABILITY JIF	REIMBURSE THE SETUP OF JIF WEBSITES - 03	500.00
001172	MUNICIPAL EXCESS LIABILITY JIF	MSI 2ND QTR 2017	6,233.26
			6,733.26
001173			
001173	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 4/17	75.00
001173	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 3/17	75.00
			150.00
001174			
001174	ALLSTATE INFORMATION MANAGEMNT	ACCT: 416 - ACT & STOR 02/28/2017	47.93
			47.93
001175			
001175	SCOTCH PLAINS TOWNSHIP	RMC FEE 2ND QTR 2017 - SCOTCH PLAINS	8,672.65
			8,672.65
001176			
001176	WESTFIELD TOWN	RMC FEE 2ND QTR 2017 - WESTFIELD TWP	16,635.39
			16,635.39
		Total Payments FY 2017	652,750.23

TOTAL PAYMENTS ALL FUND YEARS \$654,950.23

Chairperson

Attest: _____ Dated: _____

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

Treasurer

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
SUPPLEMENTAL BILLS LIST**

Resolution No. 10-17

APRIL 2017

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 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001177			
001177	DiFRANCESCO,BATEMAN,COLEY,YOSP	ATTORNEY FEE 03/2017	3,174.92
			3,174.92
		Total Payments FY 2017	3,174.92

TOTAL PAYMENTS ALL FUND YEARS \$3,174.92

Chairperson

Attest: _____ Dated: _____

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

Treasurer _____