

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
OCTOBER 12, 2017
SCOTCH PLAINS, NJ
8:00 AM**

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

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

ROLL CALL OF 2017 FUND COMMISSIONERS:

James Gildea, Chair	Town of Westfield	Present
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	Present
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. Terri Giglio, Jack Dibble
MEL Underwriting Manager	Conner Strong & Buckelew Edward Cooney
Treasurer	Ralph Maresca
Managed Care Provider	First Managed Care Organization Mary Bresadola

ALSO PRESENT:

Rich Duthie, Pinnacle Risk Solutions
Matthew Morris, World Insurance Associates

Craig Sutherland, Meeker Sharkey & Hurley Agency
Hallee Cramer, Meeker Sharkey & Hurley Agency
Rhonda Riesenber, Meeker Sharkey & Hurley Agency
Tom Sharkey, Meeker Sharkey & Hurley Agency

MINUTES: Open and Closed Minutes of September 14, 2017.

MOTION TO APPROVE OPEN & CLOSED MINUTES FOR SEPTEMBER 14, 2017:

Moved: Commissioner Mirabella
Second: Commissioner Atkins
Vote: Unanimous

CORRESPONDENCE:

NONE

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 August 31, 2017 and said the fund's statutory surplus is \$3 million; the Expected Loss Ratio as of August 31, 2017 reflected that all fund years are at or below actuarial development factors and the Lost Time Accident Frequency as of August 31, 2017 is 1.52.

Executive Director referred to the EPL/POL Compliance Status report and said the deductibles and co-insurance noted in the report are based on a member's compliance in the program. Executive Director said QBE, the Fund's EPL/POL carrier, has indicated they reserve the right to review claims experience which may change a member's available deductible and co-insurance options.

CONTRACTS REVIEW COMMITTEE: As reported last month, the Contracts Committee first met on September 11th to review the responses to the Request for Qualifications (RFQ) received for all positions related to the 2018-2020 contract period; the only exception was Managed Care Provider as the Committee asked PERMA to conduct a review of networks through a "market basket" repricing exercise. Executive Director said a preliminary review has been completed and the fund office will schedule a teleconference with the Contract Committee and provide a report at the next meeting.

Executive Director said the committee also met on October 5, 2017 to review the preliminary 2018 budget and dividend options. Enclosed in the agenda was the proposed 2018 budget presentation for review and discussion.

Executive Director said Bernards had previously submitted notification that they are seeking other membership options in addition to JIF; the budget presentation does not include Bernards and they would be provided with a separate quotation.

Executive Director reviewed the 2018 budget and highlighted the following:

- **Actuarial Loss Fund Projections** – Fund Actuary provides loss funds based on the fund's experience and changes. Executive Director said overall the Loss Funds are increasing by

- 1.66%. Executive Director said the \$22,108 or 47.41% increase to Auto Liability appears large; however, it is the smallest of the loss fund.
- **Premiums** – Executive Director said the MEL premium is decreasing by .45%, the MEL Property is increasing by 5.63% and the EJIF declared a \$1 million dividend to its member JIFs and it applied as a premium credit against the budget. Executive Director said QBE offered a renewal quote of 3.5% from the affiliated JIFs, but recommended that the increase be distributed to JIFs – based on experience – ranging from 1% to 7%. For Suburban Municipal JIF, the increase is 7%. Furthermore, QBE recommends JIF increases be distributed differently within the JIF based on individual member experience.
 - **Expenses** – Executive Director said the administrative expenses reflect the fees submitted during the RFQ process, which are a 2% increase over last year’s fee. The only exception is Administrator/Executive Director at a 3% increase and the Safety Director, which includes additional services for law enforcement risk control and training geared towards law enforcement. Executive Director said fees were proportionally reduced to reflect Bernards status outside of the budget and noted that although a member may leave a Fund there are still significant open claims to manage through their conclusion.

MOTION TO INTRODUCE THE 2018 BUDGET AND SCHEDULE A PUBLIC HEARING ON NOVEMBER 9, 2017 AT 8:00 AM IN THE SCOTCH PLAINS MUNICIPAL BUILDING:

Moved: Commissioner Atkins
 Second: Commissioner Mirabella
 Vote: 9 Ayes – 0 Nays

Executive Director said the committee also reviewed the enclosed dividend calculation worksheet and made a recommendation to release a dividend of \$63,500 from Closed Years. Committee agreed that the dividend to be issued would reflect the same percentage out of what was distributed last year. Enclosed in the agenda was Resolution 18-17 to authorize the release of a dividend.

MOTION TO ADOPT RESOLUTION 18-17 AUTHORIZING THE RELEASE OF A DIVIDEND IN THE AMOUNT OF \$63,500 FROM THE CLOSED YEARS ACCOUNT, SUBJECT TO STATE APPROVAL:

Moved: Commissioner McArthur
 Second: Commissioner Atkins
 Vote: 9 Ayes – 0 Nays

Chairman Gildea thanked the Contracts Committee for their time and review and also thanked Commissioner McArthur for the sound financial rationale provided during the dividend discussion.

RESIDUAL CLAIMS FUND (RCF): The public hearing on the RCF budget will be held on October 18, 2017, 10:30 a.m. in the Forsgate Country Club. Enclosed in the agenda was a copy of the introduced 2017 Budget Amendments and the 2018 Proposed Budget.

ENVIRONMENTAL JIF (EJIF): The budget was introduced in September and a public hearing is scheduled for October 18, 2017. Enclosed in the agenda was a copy of the EJIF’s 2018 Proposed Budget.

MEL JIF: The MEL’s 2018 budget introduction is scheduled for October 18, 2017 at the Forsgate Country Club in Jamesburg NJ.

2017 EJIF REGULATORY COMPLIANCE TRAINING: Enclosed in the agenda was an invitation on an EJIF Regulatory Compliance Training titled: “Keeping up with Changing Regulations” to be offered on four dates in October.

Executive Director’s Report Made Part of Minutes.

TREASURER:

VOUCHER LIST:

OCTOBER 2017 VOUCHER PAYMENTS, RESOLUTION 19-17

Closed Year: \$254,095.18
Fund Year 2017: \$126,911.60
Total: \$381,006.78

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

Fund Year 2017	34,075.75
Fund Year 2016	12,763.90
Fund Year 2015	8,612.14
Fund Year 2014	14,359.83
Fund Year 2013	0.00
TOTAL	\$69,811.62

MOTION TO ADOPT RESOLUTION 19-17 OCTOBER BILLS LIST AND APPROVE CONFIRMATION & CERTIFICATION OF AUGUST 2017 CLAIM TRANSFERS AS SUBMITTED:

Moved: Commissioner Atkins
Second: Commissioner Mirabella
Roll Call Vote: 9 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 said the case of *Twanda Jones vs Morey's Pier* was favorable decision for public entities in that it confirmed timely notice must be presented to a public entity. Executive Director said the MEL submitted an Amicus Curiae Brief in support of the decision.

Report Made Part of Minutes.

JIF UNDERWRITING MANAGER:

REPORT: Included in the agenda was the September report of certificates issued.

Monthly Activity Report Made Part of Minutes.

MEL UNDERWRITING MANAGER:

LIST OF CERTIFICATES ISSUED: Included in the agenda was a List of Certificates issued for the period of 8/22/17 to 9/21/17.

MEL BULLETIN 17-30: Last month and distributed for information was MEL Bulletin 17-30 on Public Officials Liability-Optional Excess Land Use Coverage. Executive Director said the has been discussion at the MEL to determine available funding mechanisms and whether to budget this coverage on a JIF-wide basis or act as a pass through for member's that purchase this optional coverage.

Ms. Cramer inquired if land use coverage would be offered earlier than January 1, 2018; in response MEL Underwriting Manager said QBE is currently reviewing options to provide coverage retrospectively.

MEL BULLETIN 17-31: Last month and distributed for information was MEL Bulletin 17-31 on 2018 Public Officials/Employment Practices Policy Change. MEL Underwriting Manager

said the policy forms would be changing from the MEL's historical policy form to a more standard commercial form.

Mr. Sutherland inquired when the policy form would be issued; in response MEL Underwriting Manager said he expects it to be available during early November.

MEL BULLETIN 17-32: Included in the agenda was MEL Bulletin 17-32 on Fire Truck Valuation Change.

Report Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Inadvertently a report was included reflecting information from another MEL affiliated JIF; next month's agenda will include the correct cumulative report.

Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Included in the agenda was the September 2017 report noting the activities/trainings, Safety Director Bulletins that were distributed and a notice on Storage of Departmental Firearms.

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 McArthur
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 Mirabella
Second:	Commissioner Champney
Vote:	Unanimous

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

Moved:	Commissioner Atkins
Second:	Commissioner Mirabella
Roll Call Vote:	9 Ayes - 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

PETER PALMER: Commissioner Atkins said Freeholder Palmer announced his retirement noting Freeholder Palmer was an active Suburban Municipal JIF Commissioner; Freeholder Palmer sends his regards to the Fund.

PUBLIC COMMENT:
NONE

MOTION TO ADJOURN:

Moved: Commissioner Atkins
Second: Commissioner McArthur
Vote: Unanimous

MEETING ADJOURNED: 8:23 am

NEXT MEETING: NOVEMBER 9, 2017
SCOTCH PLAINS, 8:00 AM

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