

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
JULY 12, 2018
SCOTCH PLAINS, NJ
8:00 AM**

Meeting of Fund Commissioners called to order by Chairwoman Judy Sullivan. Open Public Meetings notice read into record.

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

ROLL CALL OF 2018 FUND COMMISSIONERS:

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

EXECUTIVE COMMITTEE ALTERNATES:

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

ALTERNATE FUND COMMISSIONERS:

Sheila Tweedie	Borough of Far Hills	Absent
Pat Monaco	Township of Bernards	Absent
Sandra Jones	Borough of Bernardsville	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Admin	PERMA Risk Management Services Cathleen Kiernan, Joseph Hrubash, Nancy A. Ghani
Attorney	DiFrancesco, Bateman, Coley, Yospin, Kunzman, Davis & Lehrer Stephen Davis, Esq.
Treasurer	Ralph Maresca
Claims Service	Qual-Lynx Claudia Acosta
Safety Director	J.A. Montgomery Brian Maitland
JIF Underwriting Manager	Gallagher Bollinger, Inc. Jack Dibble, Jim Gilmore, Terri Giglio
Managed Care Provider	FMCO Mary Bresadola

ALSO PRESENT:

Amy Pieroni, Acrisure
Dominick Cinelli, Brown & Brown
July 12, 2018

MINUTES: Open and Closed Minutes of June 14, 2018.

MOTION TO APPROVE OPEN & CLOSED MINUTES FOR JUNE 14, 2018:

Moved:	Commissioner Atkins
Second:	Commissioner Gildea
Vote:	Unanimous

Commissioner Wright was not present for vote

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 and the Monthly and Annual Regulatory Checklist.

Executive Director reviewed the tracking reports as of May 31, 2018; the Financial Fast Track reflected a statutory surplus of \$3.2 million, the Expected Loss Ratio report showed all fund years except 2018 at or below actuarial loss funding projections and the fund's Lost Time Accident Frequency (LTAF) was 0.85 while the overall MEL/JIF rate is 1.72.

Executive Director said the Employment Practices Compliance Report reflects members' current EPL/POL deductibles; members will have until October 1st to complete compliance requirements, which includes updating Personnel Manuals, Training Managers & Supervisors, Police Command Staff and offering training to non-supervisory personnel.

MEMBERSHIP RENEWALS: Executive Director reported that Harding Township is the only member scheduled to renew fund membership by January 1, 2019. Membership documents will be mailed following the meeting.

LAND USE LIABILITY: Executive Director said the fund office distributed correspondence to Fund Commissioners and Risk Managers detailing this optional policy via email on June 18th. Included in the email was the script for the Land Use Liability training as well as a member-specific policy document.

Executive Director said this exposure is minimal; however, there has been a significant increase in suits against Planning and Zoning Boards alleging that their actions violate civil rights.

Executive Director said the training script corresponds to a PowerPoint presentation (download from www.njmel.org) to be conducted by your land use or municipal attorney in order to facilitate active discussion. Training attendance sheets should be returned to this office to track compliance in the event of a claim.

Executive Director said there is no deadline to complete the training (and submit the attendance) as this is an optional policy. Coverage is only triggered in the event of a claim subject to policy terms; the MEL will reimburse up to \$50,000 (annual aggregate) for defense subject to the terms of the policy. Coverage will also contribute towards a defense in criminal court, but only if the public official is subsequently acquitted.

LEGISLATIVE ALERT: Executive Director said during the month, the fund office distributed a Legislative Alert on three bills pending action – that will cause major increases in municipal insurance costs. Members were asked to adopt resolutions in support of amendments to those bills. Enclosed in the agenda was a copy of the Alert, along with Resolution 12-18 for this JIF to adopt.

MOTION TO ADOPT RESOLUTION #12-18 URGING THE LEGISLATURE TO AMEND S-716; S-477 AND S-1766:

Moved: Commissioner Atkins
Second: Commissioner Gildea
Roll Call Vote: 5 Ayes – 0 Nays
Commissioner Wright was not present for vote

2018 COVERAGE DOCUMENTS: Executive Director reported the 2018 coverage documents were sent to Administrator/Clerk, Fund Commissioners and Risk Managers via email on June 21st.

2017 AUDIT FILING: PERMA filed the 2017 Year End Audit, Certification of the Audit adopted by the Executive Committee, Actuarial Valuation and Actuarial Certification with the Departments of Insurance and Community Affairs. In addition, the Synopsis of Audit was published in the Fund's official newspaper.

2018/2019 EMPLOYMENT PRACTICES PROGRAM: Correspondence was mailed to Fund Commissioners and Risk Management Consultants concerning updates to member Employment Practices Programs. Updated Model Personnel Manuals have been posted to the MEL's webpage www.njmel.org. Deadline to complete program compliance is October 1, 2018.

As a reminder on the training components:

Manager & Supervisors - The Fund Attorney is scheduling these sessions directly with members.

Police Chief/Command Staff – Sessions are scheduled around the state; enclosed in the agenda was a copy of the training sessions to date and a registration form.

All other/"non-supervisory" employees - the video "*We must respect each other in local government*" has been added to the MEL Safety Institute to meet this training.

RISK MANAGEMENT INFORMATION/OPERATING SYSTEM (RMIS): Executive Director said members and risk managers will receive an email with a link to renewal worksheets to begin the 2019 underwriting renewal during the month of August. Executive Director said there was a slight delay due to exposure data transfer and validation of three southern JIFs; however, once completed the links will be distributed and members will have through September to confirm 2019 renewal data.

AUGUST PAYMENTS: The Fund is not scheduled to meet in August and it would be appropriate to authorize the Treasurer to process contracted expenses.

MOTION TO AUTHORIZE THE TREASURER TO PROCESS CONTRACTED EXPENSES DURING THE MONTH OF AUGUST.

Moved: Commissioner Gildea
Second: Commissioner Champney
Roll Call Vote: 5 Ayes – 0 Nays
Commissioner Wright was not present for vote

Commissioner Wright arrived at 8:07AM

Executive Director's Report Made Part of Minutes.

TREASURER:

VOUCHER LISTS:

JULY 2018 PAYMENTS RESOLUTION 13-18

Fund Year 2017:	\$12,500.00
Fund Year 2018:	\$445,203.42
Total:	\$457,703.42

**CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS'
TRANSFERS FOR MONTHS OF MAY 2018:**

Fund Year 2018	46,119.45
Fund Year 2017	16,784.74
Fund Year 2016	32,415.34
Fund Year 2015	29,818.03
Fund Year 2014	17,287.89
Closed	0.00
TOTAL	\$142,425.45

**MOTION TO APPROVE PAYMENTS AND TO ADOPT RESOLUTION 13-18
APPROVING JULY BILLS LIST AND APPROVE CONFIRMATION &
CERTIFICATION OF MAY 2018 CLAIM TRANSFERS AS SUBMITTED:**

Moved: Commissioner Atkins
Second: Commissioner Gildea
Roll Call Vote: 6 Ayes-0 Nays
Voucher List and Treasurer's Report Made Part of Minutes.

ATTORNEY:

REPORT: Included in the agenda were reports of appellate decisions impacting municipalities.

Fund Attorney said there are a few members that have not scheduled their Manager/Supervisor sessions and his office will issue another notice reminding members to set up a session. Commissioner Atkins thanked the Fund Attorney for the training conducted in Watchung.

Monthly Reports Made Part of Minutes.

JIF UNDERWRITING MANAGER:

REPORT: Included in the agenda was a report of certificates issued for June 2018.

Monthly Reports Made Part of Minutes.

MEL UNDERWRITING MANAGER:

REPORT: Included as part of the report was a List of Certificates issued for the period of 5/22/18 to 6/22/18.

INCREASED LIABILITY LIMITS/PHYSICAL DAMAGE DRONES: Included as part of the report was a memorandum from the Underwriting Manager on two items: 1) Increased Liability Limits and 2) Physical Damage coverage for drones.

Executive Director said MEL members have a minimum liability limit of \$5 million and offers options up to \$15 million (\$20 million total). A recent bus accident involving a member in a non-MEL JIF put focus on offering limits above the \$20 million mark; MEL Coverage Committee recommended that all members of a local JIF purchase the full limits first before additional limits are quoted for the 2019 renewal. Executive Director said currently all members of this Fund

purchase the full limits and this matter would be discussed again once the MEL Underwriting Manager has secured additional limit options.

Executive Director said the MEL policy does not offer first party physical damage coverage for drones; the MEL Coverage Committee recommended the local JIFs provide a \$10,000 sublimit for this coverage. Executive Director said the Board can make a decision now or refer to the Coverage Committee; Board agreed that JIF to provide coverage at a \$10,000 sublimit.

MOTION TO ACCEPT RECOMMENDATION OF MEL COVERAGE COMMITTEE AND JIF TO PROVIDE FIRST PARTY PHYSICAL DAMAGE FOR DRONES AT A \$10,000 SUBLIMIT:

Moved: Commissioner McCarthy
Second: Commissioner Gildea
Vote: Unanimous

Monthly Reports Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda were the June reports submitted by FMCO. As of June 2018, Managed Care Provider said the total provider billed to date amount was \$615,317 and was re-priced to \$283,872 for a total savings of 54% and a PPO penetration of 86%.

Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Included in the agenda was the June 2018 report noting the activities/trainings, MSI classes and Safety Director and Law Enforcement bulletins distributed during that time.

Monthly 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 Atkins
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 Atkins
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 Wright
Roll Call Vote: 6 Ayes - 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved:	Commissioner Atkins
Second:	Commissioner Wright
Vote:	Unanimous

MEETING ADJOURNED: 8:25 am

NEXT MEETING: SEPTEMBER 13, 2018

SCOTCH PLAINS - 8:00 AM

Nancy A. Ghani, Account Manager

for

MEGAN

CHAMPNEY,

SECRETARY

RESOLUTION NO: 12-18
SUBURBAN MUNICIPAL JOINT INSURANCE FUND
(hereafter referred to as “THE FUND”)
URGING THE LEGISLATURE TO AMEND S-716, S-477 AND S-1766

WHEREAS: While it is commendable that legislation is being considered to provide additional compensation to Firefighters with cancer, S-716 as currently written, without responsible amendments, will prove to be very expensive to municipalities and taxpayers, and

WHEREAS: While it is also commendable that the statute of limitations is being extended for claims involving sexual abuse, S-477 as currently written would eliminate the statute of limitations entirely leaving officials and volunteers with the near impossible task of defending a claim that is decades old.

WHEREAS: Under current law family members can already collect substantial compensation for actual losses such as medical bills, lost income as well as loss of companionship.

WHEREAS: Without appropriate amendments, the combined impact of these bills would devastate local government insurance budgets at a time when the local taxpayers are being squeezed because of changes in the Federal Tax code.

NOW THEREFORE BE IT RESOLVED BY the Executive Committee of the Suburban Municipal Joint Insurance Fund that:

- S-716 be amended to provide that the cancer presumption be limited to types of cancer that scientific evident establishes that Firefighters develop at a higher rate than the general public, and
- S-716 be amended to end the presumption at age 65 when the firefighter becomes eligible for Medicare. Alternatively, S-716 should be amended to remove volunteers and establish a special program for them along the lines recently adopted by New York, Connecticut, Michigan, Colorado and Georgia, and
- S-716 also be amended so that the standard to rebut the presumption remains at the current “preponderance of the evidence”, and
- S-477 be amended to increase statute of limitation on claims involving sexual molestation against public entities to 7 years, subject to no limitation against the molester, and
- S-1766 be amended to remove public entities from “emotional distress” compensation for wrongful death claims subject to Title 59, and

A copy of this resolution be forwarded to the Governor and the Senate President and the Speaker of the Assembly.

ADOPTED:
this day before the Governing Body:

Chairperson

Date

Secretary

Date

SUBURBAN MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 13-18

JULY 2018

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>
001391			
001391	SUPLEE, CLOONEY, & COMPANY	AUDIT 2017	12,500.00
			12,500.00
		Total Payments FY 2017	12,500.00

FUND YEAR 2018

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001392			
001392	MUNICIPAL EXCESS LIABILITY JIF	PROPERTY 3RD QTR	84,221.57
001392	MUNICIPAL EXCESS LIABILITY JIF	FFB 3RD QRT	1,401.25
			85,622.82
001393			
001393	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 0718	6,590.58
			6,590.58
001394			
001394	MUNICIPAL EXCESS LIABILITY JIF	MEL 3RD QTR	237,598.57
			237,598.57
001395			
001395	QUAL-LYNX	CLAIMS 0718	17,036.55
			17,036.55
001396			
001396	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 0718	5,317.00
			5,317.00
001397			
001397	PERMA RISK MANAGEMENT SERVICES	REIMBURSEMENT MTG 6/28/18	75.53
001397	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 0718	14,720.44
001397	PERMA RISK MANAGEMENT SERVICES	POSTAGE 0618	93.40
			14,889.37
001398			
001398	THE ACTUARIAL ADVANTAGE	ACTUARIAL SERVICES 0718	2,629.00
			2,629.00
001399			
001399	RALPH A MARESCA, JR	TREASURER 0718	1,534.45
			1,534.45
001400			
001400	MEEKER SHARKEY ASSOC, LLC	HARDING TWP 0718	2,099.23

001400	MEEKER SHARKEY ASSOC, LLC	FAR HILLS BOROUGH 0718	744.79
001400	MEEKER SHARKEY ASSOC, LLC	WATCHUNG BOROUGH 0718	4,486.45
001400	MEEKER SHARKEY ASSOC, LLC	BEDMINSTER TWP 0718	4,672.65
001400	MEEKER SHARKEY ASSOC, LLC	BERNARDS TWP 0718	10,041.45
001400	MEEKER SHARKEY ASSOC, LLC	BERNARDSVILLE BOROUGH 0718	5,380.43
			27,425.00
001401			
001401	ARTHUR J. GALLAGHER	UNDERWRITING 0718	6,269.91
			6,269.91
001402			
001402	MUNICIPAL EXCESS LIABILITY JIF	MSI 3RD QRT	6,557.07
			6,557.07
001403			
001403	NEWTECH SERVICES INC.	WEB MAINTENANCE 0718	75.00
			75.00
001404			
001404	ALLSTATE INFORMATION MANAGEMNT	ARCHIVE 5/1 - 5/31	41.83
			41.83
001405			
001405	DiFRANCESCO,BATEMAN,COLEY,YOSP	ATTORNEY 0518	3,152.03
			3,152.03
001406			
001406	RUSSO & ASSOCIATES LLC	INTERNAL AUDITOR	1,634.63
			1,634.63
001407			
001407	ARTHUR J. GALLAGHER	RMC BOROUGH OF MOUNTAINSIDE 0718	4,472.88
			4,472.88
001408			
001408	ACRISURE LLC	RMC CITY OF SUMMIT 0718	15,506.41
			15,506.41
001409			
001409	SCOTCH PLAINS TOWNSHIP	3RD QRT RISK MGMT SCOTCH PLAINS	8,850.32
			8,850.32
		Total Payments FY 2018	445,203.42

TOTAL PAYMENTS ALL FUND YEARS \$457,703.42

Chairperson

Attest: _____ Dated: _____

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