

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
November 12, 2020
VIA TELECONFERENCE
8:00AM**

Meeting of the Fund Commissioners called to order by Chairwoman Megan Champney. Open Public Meetings notice read into record.

ROLL CALL OF 2020 FUND COMMISSIONERS:

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

EXECUTIVE COMMITTEE ALTERNATES:

Anthony Suriano	Borough of Bernardsville	Present
Joseph Carty	Borough of Far Hills	Absent
Glenn Mortimer	Borough of Mountainside	Present

ALTERNATE FUND COMMISSIONERS:

Margaret Heisey	Township of Scotch Plains	Absent
Sheila Tweedie	Borough of Far Hills	Absent
Pat Monaco	Borough of Bernards	Absent
Trina Lindsey	Township of Bedminster	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator PERMA Risk Management Services
**Cathleen Kiernan, Joseph Hrubash Nancy A. Ghani,
Brandon Tracy, Robyn Walcoff, Jennifer Conicella**

Attorney DiFrancesco, Bateman, Coley, Yospin, Kunzman, Davis & Leher
Stephen Davis, Esq.

Treasurer **Ralph Maresca**

Claims Service Qual-Lynx
Claudia Acosta

Underwriting Manager Conner Strong and Buckelew
Edward Cooney

Safety Director/Law Enforcement J.A. Montgomery
Risk Control **Brian Maitland**

Managed Care Provider FMCO
Suzanne Rajsteter

ALSO PRESENT:

Hallee Cramer, Meeker, Sharkey & Hurley
Rich Duthie, Pinnacle
Dominick Cinelli, Brown & Brown
Craig Sutherland, Meeker, Sharkey & Hurley
Lindsay Travali, Acrisure
Amy Pieroni, Acrisure

MINUTES: Open and Closed Minutes of October 8, 2020.

MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR OCTOBER 8, 2020 AS PRESENTED:

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Vote: 7 Ayes – 0 Nays

CORRESPONDENCE:

NONE

EXECUTIVE DIRECTOR:

2021 Budget: Executive Director said there have been no changes since the 2021 proposed budget was introduced at the October 8th Fund meeting. Budget was published in the designated newspaper, and all members were mailed a notice of the public hearing. Included in the agenda was a budget total of \$5,031,715 and reflects updates in underwriting data representing a 1% decrease. Also included in the agenda were the proposed assessments.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2021 BUDGET.

Moved: Commissioner Mirabella
Second: Commissioner Gildea
Vote: Unanimous

DISCUSSION OF BUDGET & ASSESSMENTS

Executive Director reviewed the 2021 assessments and said these were developed in accordance with the Retrospective Premium program - adopted by the Fund in 2011 - which puts greater emphasis on individual member loss experience in allocating the cost of claims.

MOTION TO CLOSE THE PUBLIC HEARING.

Moved: Commissioner Mirabella
Second: Commissioner Gildea
Vote: Unanimous

MOTION TO ADOPT 2021 BUDGET AND CERTIFY ASSESSMENTS

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

2020 DIVIDEND: Executive Director said last month, the Fund Commissioners approved the release of \$75,000 from Closed Years. Included in the agenda was a copy of the distribution of that dividend by member. A filing with the State was done on 10/16/2020 and the Fund Office is awaiting their response.

REMOTE PUBLIC MEETINGS: The Division of Local Government Services issued Local Finance Notice LFN2021-21 regarding holding remote public meetings during a declared emergency focusing on how to allow the public to attend the meeting and comment. Executive Director said the MEL Fund Attorney prepared a draft and distributed to Management Committee for review. Once adopted by the MEL the Fund will vote to adopt a remote public meeting policy at the re-organization meeting in January.

RESIDUAL CLAIMS FUND (RCF) REPORT: The RCF met on October 21, 2020 at 10:50 a.m. as a public hearing via Zoom. The RCF board introduced the 2021 Budget, and voted to accept the transfer of Fund Year 2016 outstanding liabilities of local member JIFS, valued as of December 31, 2020.. Included in the agenda was a copy of Chairwoman Champney's report. Chairwoman Champney requested to make Resolution 25-20 and Resolution 26-20 a single motion

In addition, the Fund should elect its 2021 representative to the Residual Claims Fund.

MOTION TO ELECT CHAIRWOMAN MEGAN CHAMPNEY AS THE SUBURBAN MUNICIPAL JOINT INSURANCE FUND'S 2021 REPRESENTATIVE TO THE MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Vote: Unanimous

EJIF REPORT: The EJIF met on October 21, 2020 as a public hearing via Zoom and adopted their 2021 budget. Included in the agenda was a copy of Chairwoman Champney's report.

MEL REPORT: The MEL met on October 21, 2020 via Zoom, and adopted a remote meeting policy. Included in the agenda was a copy of Chairwoman Champney's report.

MOTION TO ELECT CHAIRWOMAN MEGAN CHAMPNEY AS THE SUBURBAN MUNICIPAL JOINT INSURANCE FUND'S 2021 REPRESENTATIVE TO THE ENVIRONMENTAL JOINT INSURANCE FUND, AND THE MUNICIPAL EXCESS JOINT INSURANCE FUND.

Motion: Commissioner Mirabella
Second: Commissioner Gildea
Vote: Unanimous

2020 FISCAL MANAGEMENT PLAN AMENDMENT: The Fund Office has been notified that Ms. Janet Buggle has retired from Qual-Lynx. Ms. Buggle is an authorized signer on the Qual-Lynx claims accounts therefore she should be removed. Executive Director said Investors Bank requested a revised Resolution to remove her as a signatory.

MOTION TO ADOPT RESOLUTION 25-20 AUTHORIZING THE TRANSFER OF FUND YEAR 2016 VALUED AS OF DECEMBER 31, 2020, AND ADOPT RESOLUTION 26-20 AMENDING THE SUBURBAN MUNICIPAL JOINT INSURANCE FUND 2020 FISCAL MANAGEMENT PLAN

Motion: Commissioner Mortimer
Second: Commissioner Gildea
Roll Call Vote: 7 Ayes – 0 Nays

EMPLOYMENT PRACTICES PROGRAM: Executive Director said a webinar, that had over 300 attendees, was held on October 29th to provide guidance to members' counsel and administrators on the new Model Personnel Manual and Employee Handbook. Included in the agenda was a copy of that notice; the memorandum also summarizes the various training elements of the Employment Practices Compliance Program. The MEL Fund Attorney is working to put together a summary of the questions and answers from the Webinar, which will be distributed once completed.

Executive Director reviewed the frequently asked questions, and Matthew Giacobbe's answers at the webinar such as whether or not the Personnel Manual and Employee handbook had to be adopted separately, if the Personnel Manual can be used as the employee handbook or if an existing handbook can be updated to reflect the latest version of the Personnel Manual. Executive Director said Matthew Giacobbe recommended the adoption of separate policies, but it is not a requirement, and noted the personnel manual could be used in place of the handbook. Lastly, an existing handbook can be updated to reflect the new additions, but this method could become difficult as the models are updated.

Another frequently asked question focused on the protecting children from abuse clause. Executive Director said the clause is included in the Model Personnel Policies Manual as a recommendation, but not mandatory to adopt. It is a recommendation because member municipalities may already have policies in place regarding this matter. Executive Director said the deadline to make these changes is June 1, 2021.

Executive Director added J. A. Montgomery has updated the Managers & Supervisors webinar course to include training on Protecting Our Children from Abuse. The Fund Attorney's office is prepared to host classroom-training sessions in the middle of 2021.

CYBER SECURITY CHALLENGES AND COVID 19: Included in the agenda was a copy of an article published in the League of Municipalities Magazine, written by Ed Cooney, MEL's Underwriting Manager and Michael Geraghty, CISO for the State of New Jersey and Director of NJCCIC. The article focuses on the impact of COVID-19 and Cybersecurity. Executive Director said this is especially relevant, as the MEL's members have been experiencing notable losses.

Underwriting Manager said this has been his focal point for the past several years, and most of the items in the article are included in the Cyber Risk Management Program, such as employee training. At least 75% of the events in the MEL are due to employee error. Executive Director asked if the two-factor authentication would be included in the Cyber Risk Management Plan. Underwriting Manager said the task force is reviewing remote access policies that includes two-factor authentication.

CYBER TASK FORCE: The MEL's Cyber Task Force has been working on modifications to the MEL's Cyber Risk Management Program and is expecting to complete it soon. Executive Director said the revised Cyber Risk Management Program will be rolled out next year. Members who are approved in the current Cyber Program will be grandfathered into the new plan with an extension to meet the new requirements.

2020/2021 ELECTED OFFICIALS SEMINAR: The MEL's Annual Elected Officials Seminar will be included in the League of Municipalities Virtual Conference and will be added to the MEL Safety Institute following the conference. Executive Director said notices were distributed to the members on Wednesday, November 11, 2020. Given the current circumstances, the recording will be uploaded to the Learning Management System after the league session. Typically, the session is not uploaded until March as Members hold in class sessions. The \$250 credit will still be applied.

NJSEM WEBSITE: The New Jersey Sustainable Energy Joint Meeting (NJSEM) recently launched their updated website. A copy of the announcement was included in the agenda packet. Executive Director said the NJSEM is open to members outside of the MEL.

STATUTORY BONDS: Underwriting Manager's office has contacted municipal clerks of towns that are renewing their JIF membership to secure updated bond applications for statutory positions. Executive Director said this is done every membership renewal cycle, which is three years.

SUB-COMMITTEES: The Fund Office is scheduling an additional Contracts Review Committee and Membership Committee meeting this month. Contracts Review Committee previously met to score all vendors except Claims Administrator and Managed Care positions. The additional meeting is to review the market basket repricing exercise submitted by the four vendors. The repricing exercise highlights the savings of a vendor's network. The Membership Committee previously met on November 10th to discuss, and recommend the Fund Office to offer new membership to Bridgewater, Peapack & Gladstone, and Warren. Executive Director said since the last meeting, there have been new member applications from Fanwood and Garwood. Executive Director said an additional committee meeting will be scheduled to review the new member applications.

Executive Director recommended the Board of Fund Commissioners to authorize the Contracts Review Committee to elect the vendors unless a change is going to be made, and authorize the membership committee to offer quotes to Bridgewater, Peapack & Gladstone, and Warren. If any of the towns wanted to pursue membership a December meeting would need to be scheduled.

MOTION TO AUTHORIZE THE CONTRACTS REVIEW COMMITTEE TO MAKE A RECOMMENDATION AT THE JANUARY RE-ORGANIZATION MEETING UNLESS

THEY RECOMMEND A CHANGE AND MEMBERSHIP COMMITTEE TO PROVIDE QUOTES TO POTENTIAL MEMBERS AND SCHEDULE A DECEMBER MEETING IF NECESSARY.

Moved: Commissioner Mirabella
 Second: Commissioner Gildea
 Vote: Unanimous

JANUARY REORGANIZATION MEETING: The Fund is not scheduled to meet in December. Executive Director said it would be appropriate to authorize the Treasurer to process contracted expenses. The January reorganization meeting has already been scheduled for Thursday January 14, 2021 at 8:00AM.

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

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

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.

Included in the agenda were tracking reports as of September 30th. Executive Director reviewed the Financial Fast Track (FFT) and said the Fund’s current statutory surplus stands at \$4.04 million.

Executive Director said the Fund is awaiting confirmation from Safety National, the Excess Worker’s Compensation carrier, that COVID-19 related claims will be adjusted as one occurrence for local JIFs to share one retention.

Executive Director reviewed the Lost Time Accident Frequency (LTAF) report, which stood at 1.50 compared to 1.23 last year. Executive Director added the reduction in the lost time accident frequency over the summer was a result of reduced activity due in part to COVID-19. Executive Director noted COVID-19 claims are excluded from this report.

TREASURER:

VOUCHER LIST:

NOVEMBER 2020 VOUCHER PAYMENTS, RESOLUTION 27-20

Fund Year 2020: \$58,884.54
Total: \$58,884.54

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS FOR MONTHS OF SEPTEMBER 2020:

Fund Year 2020	\$247,093.63
Fund Year 2019	\$7,606.26
Fund Year 2018	\$21,765.32
Fund Year 2017	\$5,131.26
Fund Year 2016	\$87,100.30
Closed	0.00
TOTAL	\$368,696.77

MOTION TO CONFIRM NOVEMBER 2020 PAYMENTS, ADOPT RESOLUTION 27-20 AND APPROVE CONFIRMATION & CERTIFICATION OF SEPTEMBER 2020 CLAIM TRANSFERS AS SUBMITTED:

Moved: Commissioner Gildea
 Second: Commissioner Mirabella

ATTORNEY:

REPORT: Included in the agenda were reports of appellate decisions impacting municipalities.
Monthly Report Made Part of Minutes.

UNDERWRITING MANAGER:

REPORT: Certificates were requested/issued for the period 9/22/20 – 10/22/2020, and included in the Agenda.

CYBER RISK MANAGEMENT COMPLIANCE REPORT: Included in the agenda was a Cyber Risk Management Compliance Report as of 9/30/2020. The report indicates members who submitted a completed checklist to achieve Tier 1 or Tier 2 status in the event a cyber-claim occurs. In order to meet compliance with Tier 1 or Tier 2, all questions must be "Yes". If any questions are answered "No" or are blank, this is grounds for being Incomplete. In addition, Tier 2 cannot be in compliance without Tier 1 being in compliance. If any members believe any questions that are blank or answered "No" should be granted an exception, the member must submit the details as to why the exception should be granted in the Additional Comments section.

CYBER RISK MANAGEMENT PROGRAM: Underwriting Manager added the revised version of the Cyber Risk Management Program would be announced at the next MEL meeting.
Monthly Report Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda was the October 2020 report submitted by FMCO. Managed Care Provider reported the total provider billed amount was \$232,368 was re-priced to \$58,722 for a total savings of 75% and a PPO penetration of 92%.
Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Safety Director reviewed the report for November noting the Loss Control Activities for the Month, bulletins released, and usage for MSI now and the MEL media library. The report concludes with the Webinar schedule for the remainder of the Year.

Executive Director said the MEL is looking to add a revised protocol regarding the Governor's Executive Order on managing the workplace. This will be included on the next bulletin issued.

NEW BUSINESS: Executive Director asked to discuss new business prior to entering into closed session. Executive Director said Summit added by resolution a group called Giving and Receiving Assistance for our Community's Essentials (GRACE), and recommended to extend the quasi-municipal non-owned and liability coverage to GRACE. Crime coverage was not extended as the entities fundraising efforts are not audited, and the member does not have control of the quasi-entity. Chairwoman Champney asked if GRACE fits within the parameters of the quasi-municipality definition. Executive Director said GRACE fits within the parameters because it is a nonprofit, provides a community service, and the town wants to extend coverage.

MOTION TO EXTEND NON-OWNED AND LIABILITY COVERAGE TO GRACE ORGANIZATION – AN ENTITY OF THE CITY OF SUMMIT.

Moved: Commissioner Mirabella
Second: Commissioner Gildea
Vote: Unanimous

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 AND
CONTRACT MATTERS:**

Moved: Commissioner Gildea
Second: Commissioner Mirabella
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: 7 Ayes – 0 Nays (Commissioner Wright joined during closed session, and Commissioner Mortimer did not return to open session.)

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

Moved: Commissioner Mirabella
Second: Commissioner Gildea
Roll Call Vote: 7 Ayes – 0 Nays (Commissioner Wright joined during closed session and Commissioner Mortimer did not return to open session.)

OLD BUSINESS:

NONE

NEW BUSINESS:

NO ADDITIONAL NEW BUSINESS

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved: Commissioner Mirabella
Second: Commissioner Gildea
Vote: Unanimous

MEETING ADJOURNED 9:54AM

Brandon Tracy, Account Analyst

for

Al Mirabella, SECRETARY

SUBURBAN MUNICIPAL JOINT INSURANCE FUND
(hereafter referred to as "THE FUND")
AMENDING THE FUND'S FISCAL MANAGEMENT PLAN
FOR THE 2020 FUND YEAR

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 subject to the requirements contained within the Local Fiscal Affairs Law (N.J.S.A. 40A-5, et.seq.) ; and

WHEREAS, THE FUND adopted Resolution 2-20 at Reorganization which included designating signatories; and

WHEREAS, THE FUND has determined the need to amend the signatories for the Workers' Compensation Accounts;

NOW, THEREFORE BE IT RESOLVED, THE FUND's Governing Body hereby appoints the following professionals for the 2020 Fund Year:

2. All funds for Claims payments shall be withdrawn from the Official Depository(ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution.

Ralph Maresca, Treasurer

Dave S. Ruber, Qual-Lynx

Alice H. Lihou, Qual-Lynx

Adopted by the Governing Body this 12th day of November, 2020.

Suburban Municipal Joint Insurance Fund

Megan Champney, Chairperson

Alexander Mirabella, Secretary

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 27-20

NOVEMBER 2020

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

BE IT RESOLVED that the Suburban Municipal 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 2020

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001820	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 11/20	6,856.84
			6,856.84
001821	QUAL-LYNX	CLAIM ADJ SERVICES 11/20	17,724.83
			17,724.83
001822	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR FEE 11/20	5,531.80
			5,531.80
001823	PERMA RISK MANAGEMENT SERVICES	POSTAGE 9/20	6.70
001823	PERMA RISK MANAGEMENT SERVICES	EXEC DIRECTOR/ADMIN 11/20	15,315.15
			15,321.85
001824	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 11/20	2,735.39
			2,735.39
001825	RALPH A MARESCA, JR	TREASURER FEE 11/20	1,596.44
			1,596.44
001826	NEWTECH SERVICES INC.	WEB MAIN/HOS, DIS REC & PHP 10/20	262.50
			262.50
001827	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 11/20	1,667.00
			1,667.00
001828	PERMA RISK MANAGEMENT SERVICES	POSTAGE 10/20	30.00
			30.00
001829	DIFRANCESCO BATEMAN, P.C.	LEGAL SERVICES THRU 10.31.20	6,947.47
			6,947.47
001830	NEWTECH SERVICES INC.	MO. WEBSITE MAIN.HOST./DIS. REC. 11/20	175.00
			175.00
001831	ALLSTATE INFORMATION MANAGEMNT	MO. ARCHIVE SERV. AND STORAGE 9/20	35.42
			35.42
		Total Payments FY 2020	58,884.54
		TOTAL PAYMENTS FUND YEARS	58,884.54

Adopted by the Governing Body this 12th day of November, 2020.

Suburban Municipal Joint Insurance Fund

Megan Champney, Chairperson

Alexander Mirabella, Secretary