

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND  
OPEN MINUTES  
JUNE 10, 2021  
VIA TELECONFERENCE  
8:00AM**

Meeting of the Fund Commissioners called to order by Chairwoman Champney. Open Public Meetings notice read into record. Mr. Tracy noted for the record no questions were submitted from members of the public.

**ROLL CALL OF 2021 FUND COMMISSIONERS:**

Megan Champney, Chairwoman	City of Summit	Present
Alexander Mirabella, Secretary	Township of Scotch Plains	Present
James Gildea	Borough of Westfield	Present
Robin Ray	Township of Bedminster	Absent
James Damato	Borough of Watchung	Present
Sean McCarthy	Township of Bernards	Present
Lorene K. 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	Township of Bernards	Absent

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Administrator	PERMA Risk Management Services <b>Cathleen Kiernan, Nancy A. Ghani, Brandon Tracy</b>
Auditor	Suplee, Clooney & Company <b>Robert Butvilla</b>
Attorney	DiFrancesco, Bateman, Coley, Yospin, Kunzman, Davis & Leher <b>Stephen Davis, Esq.</b>
Treasurer	<b>Ralph Maresca</b>
Claims Service	Qual-Lynx <b>Claudia Acosta</b> PERMA <b>Jennifer Conicella</b>
Safety Director/Law Enforcement Risk Consulting	J.A. Montgomery <b>Brian Maitland, John Schwartz, Eleanor Moss</b>
Managed Care Provider	FMCO <b>Alyssa Hrubash</b>

**ALSO PRESENT:**

Amy Pieroni, **Acrisure**  
Lindsay Travali, **Acrisure**  
Dominic Cinelli, **Brown & Brown**  
Rich Duthie, **Pinnacle Risk Solutions**  
Hallee Cramer, **Meeker, Sharkey & Hurley**

**MINUTES:** Open and Closed Minutes of May 13, 2021.

**MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR MAY 13, 2021 AS PRESENTED:**

Moved: Commissioner Mirabella  
Second: Commissioner Gildea  
Vote: 8 Ayes – 0 Nays

**CORRESPONDENCE:**

Executive Director said our office was notified that QualCare Alliance Networks, Inc. (QANI) will be acquired by Mitchell | Genex | Coventry, or M|G|C, a leader in cost containment technology, provider networks, clinical services, pharmacy benefit management (PBM) and disability management. Executive Director said she expects no changes.

**AUDITOR**

**AUDIT REPORT AND ACTUARY VALUATION REPORT AS OF DECEMBER 31, 2020:**

Included with the agenda packet was the Audit Report and Actuary's Valuation Report as of December 31, 2020, as well as, the Group Affidavit to be signed indicating that each member of the Board has read the General Comments Section of the Audit Report.

Fund Auditor, Mr. Robert Butvilla from Suplee, Clooney and Company, provided an overview of the Audit Report as of December 31, 2020. Fund Auditor said the audit is an unmodified opinion and did not contain any findings or comments. Fund Auditor said the financial records are well maintained by PERMA and Fund Treasurer. Executive Director said the Actuary's Valuation Reserve report as of December 31, 2020 reflects the Incurred But Not Reserved figures, which are provided to the Fund Auditor for the audit. Executive Director said both reports will be filed with the State, as well as the Actuary's certification that the reserves are accurately reflected in the audited financial statements. Executive Director said the Fund office will distribute individual affidavits for Commissioners to sign and submit for the State filing.

**MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION NO. 17-21 AND EXECUTE AFFIDAVITS INDICATING THAT THE FUND COMMISSIONERS HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT:**

Moved: Commissioner Gildea  
Second: Commissioner Mirabella  
Roll Call Vote: 8 Ayes – 0 Nays

**EXECUTIVE DIRECTOR:**

**DUE DILLIGENCE REPORTS:** 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 April 30, 2021. Executive Director said the April 30<sup>th</sup> Financial Fast Track had a surplus of \$4 million. Executive Director highlighted line 9, *RCF Surplus Trigger Assessment* and said it stands at \$198,269. Executive Director said we are anticipating a partial recovery from Safety National regarding 2020 Covid-19 claims, which will be treated as one occurrence where local JIFs will share one \$300,000 retention.

Executive Director reviewed the Claims Analysis Section of the Financial Fast Track and noted the high-incurred claims in 2020 were a result from ten claims each reserved over \$100,000; two of which were COVID related. Executive Director said the Fund is anticipating a recovery from the MEL due to the fund's Annual Aggregate Stop Loss provision, which was triggered when the total incurred pierced 125% of the actuarial loss projections. The anticipated recovery for 2020 is approximately \$400,000.

Executive Director reviewed the Lost Time Accident Frequency (LTAF) as of April 30<sup>th</sup> and said the JIF rate is 1.51; the overall MEL/JIF rate is 0.86.

**MEL YEAR END RESULTS:** Included in the agenda was the MEL's financial fast track as of 12/31/2020. Executive Director said instead of the local JIFs, the MEL is paying for the approximately \$20 million in COVID claims that have been incurred over the last year. The strategy is to be especially conservative considering all of the current uncertainty concerning COVID claims, the recent changes in WC/pension offsets, firefighter's cancer WC presumption, and the extension of the statute of limitations for sexual molestation claims. The statutory surplus declined to \$8.3 million and is now at the floor established by the MEL Commissioners, which is the 12.5% of the IBNR and reserve figures. The overall JIF/MEL combined surplus remains in excess of \$200 million.

COVID: The most significant charge is the projected \$20 million that COVID related workers' compensation claims will eventually cost the MEL. The MEL is strengthening its claim and IBNR reserves (by \$7.5 million) because of the uncertainty over the recovery from Safety National. Hopefully, the MEL will be successful in making a full recovery from Safety National so that it can reverse this accrual.

General Claim Reserves: The MEL is also strengthening general claim reserves by \$2.6 million to cover non-COVID related claims.

RCF: The fast tract also records a \$3 million additional assessment payable to the RCF.

Executive Director said under the plan of risk management, the MEL will adopt an additional assessment of \$3 million, payable in ten annual installments to maintain the surplus at the \$8.3 million surplus floor. Because this additional assessment is over ten years, the impact on each individual JIF will not be significant. Executive Director reported the financials were reviewed by the Audit Committee on May 24th and were approved by the MEL Commissioners at its meeting on June 2nd.

**RCF REPORT:** The RCF met on June 2, 2021 via teleconference; included in the agenda was Chairwoman Champney's report.

**EJIF REPORT:** The EJIF met on June 2, 2021 via teleconference; included in the agenda was Chairwoman Champney's report. Executive Director said the EJIF had voted to approve a revision to the periodic testing for underground piping testing allowing for an annual reimbursement.

**MEL REPORT:** The MEL met on June 2, 2021 via teleconference; included in the agenda was Chairwoman Champney's report. Executive Director noted the MEL has changed its excess property carrier from York to Qual Lynx.

**2021 COVERAGE DOCUMENTS:** Executive Director said the fund office anticipates generating and posting the 2021 coverage documents to Origami during the month of June. Going forward Origami will contain up to three years' of coverage documents.

**JULY MEETING:** The Fund had rescheduled its "in person" meetings from June to July at the Scotch Plains Municipal Building during last month's meeting. The Board discussed and agreed to return to "in-person" meetings in September – effectively moving the July meeting to "in person". Executive Director said the MEL has already made the decision to delay at least until September.

**POWER OF COLLABORATION:** Included in the agenda was the latest in the series of “Power of Collaboration ad that appeared in the League of Municipalities magazine highlighting the MEL’s response to addressing the Public Health Crisis.

**EMPLOYMENT PRACTICES COMPLIANCE PROGRAM:** Please visit the MEL webpage to review all the elements of the MEL’s EPL Compliance Program. Executive Director said the **deadline for updates and training has been extended to November 1, 2021**. Link to the outline of the program, model documents and two webinars held by Fred Semrau and Matthew Giacobbe: <https://njmel.org/insurance/public-officials/risk-management-program/>

This year, the Managers & Supervisors Training can be met by attending the Instructor-led webinar “Protecting Children From Abuse – Managers/Supervisors”. This course for Managers includes an Employment Practices component. Included in the agenda was a copy of a notice distributed to members from J.A. Montgomery on classes scheduled through September.

**POLICE CHIEF & COMMAND STAFF:** J.A. Montgomery secured a **date of June 9, 2021** at the County College of Morris for this training. A notice was emailed to members on Tuesday, May 18<sup>th</sup> with instructions to register. To date 126 of the 200 spots have been filled. Executive Director said there will be at least one more training in Lyndhurst with a date to be determined.

**2021 MEL/MR HIF & NJCE JIF EDUCATIONAL SEMINAR:** The 10th annual seminar was conducted virtually on 2 half-day sessions: Friday, May 14th and Friday, May 21<sup>st</sup> from 9 am to 12pm. There were 224 participants in the 1st session and 217 participants in the 2nd session. Executive Director said we are in the process of uploading seminar materials to the MEL webpage.

**2021 FINANCIAL DISCLOSURES:** The Local Finance Board, at its meeting of April 14, 2021 voted to extend the date upon which the Board would take enforcement action against non-filers of the 2021 FDS until June 30, 2021 from the statutory deadline of April 30, 2021. To date, 7 Fund Commissioners have completed their filing. Executive Director said we are following up with Commissioners that have not completed their filing.

**TREASURER:**

**VOUCHER LIST:**

**JUNE 2021 VOUCHER PAYMENTS, RESOLUTION 18-21**

Fund Year 2021:	\$58,814.67
Total:	\$58,814.67

**CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS FOR THE MONTH OF APRIL 2021:**

Fund Year 2021:	\$79,480.12
Fund Year 2020:	\$25,313.70
Fund Year 2019:	\$0.00
Fund Year 2018:	\$0.00
Fund Year 2017:	\$418.62
Closed:	\$0.00
<b>Total:</b>	<b>\$105,212.44</b>

**MOTION TO ADOPT RESOLUTION 18-21 APPROVING JUNE 2021 BILLS LIST, AND APPROVE CONFIRMATION & CERTIFICATION OF APRIL 2021 CLAIM TRANSFERS AS SUBMITTED:**

Moved:	Commissioner McCarthy
Second:	Commissioner Gildea
Roll Call:	8 Ayes – 0 Nays
	<u>Voucher List and Treasurer’s Report Made Part of Minutes.</u>

**ATTORNEY:**

**REPORT:** Included in the agenda was a report of appellate decisions affecting municipalities.  
Monthly Report Made Part of Minutes.

**UNDERWRITING MANAGER:**

**CERTIFICATE REPORT:** Included in the agenda was the certificate report for the period 4/22/21 to 5/22/21.

**CYBER COMPLIANCE REPORT:** Included in the agenda was the cyber compliance report as of 5/31/21. Executive Director reviewed the two reports; one detailing members who are in compliance with the new cyber program and the second report listing the grandfathered members who were in compliance with version 1 of the cyber risk management program. Grandfathered status will last until January 1, 2022. Any member who is not grandfathered will have to comply with version 2 immediately. Executive Director added the cyber risk management program can be found on njmel.org.

Monthly Report Made Part of Minutes.

**MANAGED CARE:**

**MONTHLY REPORT:** Included in the agenda was the May 2021 report submitted by FMCO. Managed Care Provider said the total provider billed amount to date was \$35,215 and was re-priced to \$12,464 for a total savings of 65% and a PPO penetration of 96%.

Monthly Activity Report Made Part of Minutes.

**SAFETY DIRECTOR:**

**MONTHLY REPORT:** Included in the agenda was the June 2021 report noting the activities/trainings, MSI classes and bulletin(s) distributed in May. Safety Director said the Executive Safety Committee would be held at 9am following the Fund meeting. Chairwoman Champney asked if the class schedule would no longer be included in the agenda. In response, Mr. Maitland said due to the number of classes scheduled only a link to the MEL Safety Institute would be provided.

Monthly Report Made Part of the Minutes.

**CLAIMS:**

**REPORT:** Claims Administrator said there are 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 Mortimer  
Vote: Unanimous

**PAYMENT AUTHORIZATION REQUESTS & CONTRACT MATTERS:** Executive Committee reviewed payment authorization requests presented by Claims Service in Executive Session.

Moved: Commissioner Gildea  
Second: Commissioner Mortimer  
Vote: Unanimous

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

Moved: Commissioner McCarthy  
Second: Commissioner Wright  
Roll Call Vote: 8 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:** 8:38AM

**NEXT MEETING:** July 8, 2021 - 8:00 AM

Brandon Tracy, Account Analyst

for

ALEXANDER MIRABELLA, SECRETARY

**Resolution of Certification  
Annual Audit Report for Period Ending December 31, 2020**

**WHEREAS**, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

**WHEREAS**, the Annual Report of Audit for the year 2020 has been filed by the appointed Fund Auditor with the Secretary of the Fund as per the requirements of N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36, and a copy has been received by each member of the BOARD OF FUND COMMISSIONERS, and

**WHEREAS**, the Local Finance Board of the State of New Jersey is authorized to prescribe reports pertaining to the local fiscal affairs, as per R.S. 52:27BB-34, and

**WHEREAS**, the Local Finance Board has promulgated a regulation requiring that the BOARD OF FUND COMMISSIONERS of the Fund shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all members of the BOARD OF FUND COMMISSIONERS have reviewed, as a minimum, the sections of the annual audit entitled:

General Comments  
and  
Recommendations

and

**WHEREAS**, the members of the BOARD OF FUND COMMISSIONERS have personally reviewed, as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled:

General Comments  
and  
Recommendations

as evidenced by the group affidavit form of the BOARD OF FUND COMMISSIONERS.

**WHEREAS**, such resolution of certification shall be adopted by the BOARD OF FUND COMMISSIONERS no later than forty-five days after the receipt of the annual audit, as per the regulations of the Local Finance Board, and

**WHEREAS**, all members of the BOARD OF FUND COMMISSIONERS have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and

**WHEREAS**, failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the members of the BOARD OF FUND COMMISSIONERS to the penalty provisions of R.S. 52:27BB-52 - to wit:

R.S. 52:27BB-52 - "A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office."

**NOW, THEREFORE, BE IT RESOLVED**, that the BOARD OF FUND COMMISSIONERS of the Suburban Municipal Joint Insurance Fund, hereby states that it has complied with the promulgation of the Local Finance Board of the State of New Jersey, dated July 30, 1968, and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE

RESOLUTION PASSED AT THE MEETING HELD ON JUNE 10, 2021.



# SUBURBAN MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 18 – 21

June 2021

**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 treasure 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.

<u>FUND YEAR 2021</u>			
<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001925			
001925	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 6/21	6,993.98
			<b>6,993.98</b>
001926			
001926	QUAL-LYNX	CLAIMS ADJ. SERVICES 6/21	18,079.32
			<b>18,079.32</b>
001927			
001927	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR FEE 6/21	5,642.44
			<b>5,642.44</b>
001928			
001928	PERMA RISK MANAGEMENT SERVICES	POSTAGE 4/21	19.49
001928	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 6/21	15,621.45
			<b>15,640.94</b>
001929			
001929	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 6/21	2,790.09
			<b>2,790.09</b>
001930			
001930	RALPH A MARESCA, JR	TREASURER FEE 6/21	1,628.37
			<b>1,628.37</b>
001931			
001931	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINT & DR 6/21	175.00
			<b>175.00</b>
001932			
001932	ALLSTATE INFORMATION MANAGEMNT	ACCT #416 - ARC. AND STOR. - 4.30.21	35.42
			<b>35.42</b>
001933			
001933	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 6/21	1,701.00
			<b>1,701.00</b>
001934			
001934	RUSSO & ASSOCIATES LLC	INT. AUD REV. OF FUND MEM. WC - 5.29.21	6,120.80
			<b>6,120.80</b>
001935			
001935	COURIER NEWS	ACCT NO. 3384 - MTG - 5.19.21	7.31
			<b>7.31</b>
		<b>Total Payments FY 2021</b>	<b>58,814.67</b>
		<b>TOTAL PAYMENTS FUND YEARS</b>	<b>58,814.67</b>

\_\_\_\_\_  
Chairperson

Attest: \_\_\_\_\_

Dated: \_\_\_\_\_

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

\_\_\_\_\_  
Treasurer