

**10SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
NOVEMBER 14, 2019
SCOTCH PLAINS, NJ
8:00AM**

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

ROLL CALL OF 2019 FUND COMMISSIONERS:

Sean McCarthy, Chairman	Township of Bernards	Present
Megan Champney, Secretary	City of Summit	Absent
Alexander Mirabella	Township of Scotch Plains	Present
Lorene K. Wright	Township of Harding	Absent
James Gildea	Borough of Westfield	Present
Judy Sullivan	Township of Bedminster	Present
Joseph Carty	Borough of Far Hills	Absent

EXECUTIVE COMMITTEE ALTERNATES:

Anthony Suriano	Borough of Bernardsville	Present
Tom Atkins	Borough of Mountainside	Present
James Damato	Borough of Watchung	Present

ALTERNATE FUND COMMISSIONERS:

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

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services Cathleen Kiernan, Nancy Ghani
Attorney	DiFraOk ncesco, Bateman Coley, Yospin, Kunzman, Davis & Leher Stephen Davis, Esq.
Treasurer	Ralph Maresca
Claims Service	Qual-Lynx Claudia Acosta
Safety Director/Law Enforcement Risk Control	J.A. Montgomery Brian Maitland
Managed Care Provider	FMCO Suzanne Rajester, Bruce Nash

ALSO PRESENT:

Renee Bays, Meeker, Sharkey & Hurley
Hallee Cramer, Meeker, Sharkey & Hurley
Craig Sutherland, Meeker, Sharkey & Hurley
Rich Duthie, Pinnacle Risk Solutions
Dominic Cinelli, Brown & Brown
Amy Pieroni, Acrisure

MINUTES: Open and Closed Minutes of October 10, 2019.

MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR OCTOBER 10, 2019 AS

PRESENTED:

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

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 referred to the tracking reports as of September 30, 2019 and said the Financial Fast Track reflected a statutory surplus is \$3.4 million. Executive Director reviewed the Loss Ratio report and said with the exception of Fund Year 2019 all other Fund Years are at or below the actuarial targets. Executive Director reviewed the Lost Time Accident Frequency (LTAF) and said the JIF's rate is 1.56; the overall MEL/JIF rate is 1.41. Copies of a corrected Claim Activity report were distributed, which reflected correct claim counts for Fund Year 2019.

Executive Director said the agenda included a new report to track the Lost Time Accident Frequency as of September month end for a three year period for 2019, 2018 and 2017. Executive Director said this report format compares LTAF that has developed over the same time period by month in different years while the other compares month-end rate against two prior year-end rates that have had more time for claims to develop.

2020 BUDGET: Executive Director reported at last month's meeting, the 2020 proposed budget was introduced and all members were mailed a notice of the public hearing, as well as, published in the designated newspaper.

Executive Director said the Contracts Review Committee met via teleconference on November 7, 2019 to review the budget for adoption. Included in the agenda was a budget total of \$4,430,555 and reflects updates in underwriting data representing a 1% increase, as well as, the inclusion of Westfield who confirmed their 3-year membership renewal. Also included in the agenda were the proposed assessments.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2020 BUDGET:

Moved: Commissioner Atkins
Second: Commissioner Sullivan
Vote: Unanimous

DISCUSSION OF BUDGET & ASSESSMENTS

Executive Director referred to the budget and said the two notable differences between the introduced budget is the addition of Westfield and *line time 5 Contingency: \$477 and FFCP* representing funding to address the unknown potential impact of recent changes to legislation regarding sexual abuse and molestation claims and the firefighters' cancer bill. Executive Director said as of today's date, Scotch Plains has not confirmed their 3-year membership and are not considered in the budget or the assessments. Executive Director referred to the 2020 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.

Commissioner Atkins complimented the Executive Director and Contracts Review on the budget development; Chairman McCarthy shared the same sentiment and acknowledged the addition of funding to address the legislation changes as both beneficial and also adopting a fiscally conservative budget.

MOTION TO CLOSE THE PUBLIC HEARING:

Moved: Commissioner Atkins
Second: Commissioner Gildea
Vote: Unanimous

MOTION TO APPROVE THE 2020 BUDGET AND CERTIFY THE ASSESSMENTS:

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

2019 DIVIDEND: Executive Director said last month the Fund Commissioners approved the release of \$75,000 from Closed Years. Enclosed in the agenda was a copy of the distribution of the dividend by member. Executive Director said a filing with the State was done on 10/22/19 and we are awaiting their response.

RESIDUAL CLAIMS FUND (RCF): The RCF met on October 16, 2019 as a public hearing at the Forsgate Country Club and adopted their 2020 budget. Enclosed in the agenda was a copy of Commissioner Champney's report.

In addition, the Fund should elect its 2020 representative to the Residual Claims Fund.

MOTION TO ELECT MEGAN CHAMPNEY AS THE SUBURBAN MUNICIPAL JOINT INSURANCE FUND'S 2020 REPRESENTATIVE TO THE MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND.

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

ENVIRONMENTAL JIF: The EJIF met on October 16, 2019 as a public hearing at the Forsgate Country Club and adopted their 2020 budget. Enclosed in the agenda was a copy of Chairman Champney's report.

In addition, the Fund should elect its 2020 representative to the Environmental Joint Insurance Fund.

MOTION TO ELECT MEGAN CHAMPNEY AS THE SUBURBAN MUNICIPAL JOINT INSURANCE FUND'S 2020 REPRESENTATIVE TO THE ENVIRONMENTAL JOINT INSURANCE FUND.

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

MEL: The MEL met on October 16th at the Forsgate Country Club to introduce the 2020 budget. Enclosed in the agenda was a copy of Commissioner Champney's report on the meeting – which included the proposed budget. The Public Hearing on the 2020 budget is scheduled for Wednesday, November 20, 2019 at 12:30 pm in the Steel Pier Room in the Sheraton Hotel, Atlantic City, NJ. (Note, new time and location.)

Lastly, the Fund should elect its 2020 representative to the Municipal Excess Joint Insurance Fund.

MOTION TO ELECT MEGAN CHAMPNEY AS THE SUBURBAN MUNICIPAL JOINT INSURANCE FUND'S 2020 REPRESENTATIVE TO THE MUNICIPAL EXCESS JOINT INSURANCE FUND.

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

MEL EPL HELPLINE: Enclosed in the agenda was a copy of the bulletin issued earlier in the year concerning the Fund’s EPL Hotline. Executive Director said members are encouraged to contact any of the three listed firms when they need guidance. The MEL worked with QBE to restructure the helpline so that assistance is now provided by New Jersey law firms with municipal and JIF experience.

ELECTED OFFICIALS TRAINING: Executive Director said this year’s elected officials training program will focus on “Employment Practices for Governmental Officials” and will include information on preventing child abuse and protecting public entities from liabilities imposed by new legislation concerning sexual molestation. Two sessions are scheduled as part of the League of Municipalities Conference on Tuesday, November 19, 2019 at 3:45PM in Bally’s (Bally’s Room) and Wednesday, November 20, 2019 at 3:45PM at the Atlantic City Convention Center Room (Room 302); enclosed in the agenda was the notice that was distributed to members. Executive Director said the course will eventually be offered online through the MEL Safety Institute, as well as, in-person sessions scheduled throughout the state.

MEL CYBER TASK FORCE: October is National Cyber Awareness Month and enclosed in the agenda was a bulletin on available resources and other security news.

JANUARY REORGANIZATION MEETING: Executive Director said the Fund is not scheduled to meet in December and it would be appropriate to authorize the Treasurer to process contracted expenses. The January reorganization meeting has already been scheduled for Thursday January 9, 2020 in the Scotch Plains Municipal Building at 8:00AM.

Executive Director noted that Cranford requested a quote to join the Fund and a meeting would be scheduled prior to year-end pending submission of materials from Cranford.

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

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

TREASURER:

VOUCHER LIST:

NOVEMBER 2019 VOUCHER PAYMENTS, RESOLUTION 22-19

Closed Year:	\$11,812.43
Fund Year 2015:	\$1,200.00
Fund Year 2016:	\$1,800.00
Fund Year 2017:	\$1,000.00
Fund Year 2018:	\$1,000.00
Fund Year 2019:	\$57,856.25
Total:	\$74,668.68

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS FOR MONTH OF SEPTEMBER 2019:

Fund Year 2019:	\$89,865.47
Fund Year 2018:	\$8,723.66
Fund Year 2017:	\$7,701.25

Fund Year 2016: \$7,650.72
Fund Year 2015: \$176.97
Closed: \$0.00
Total: \$114,118.07

MOTION TO ADOPT RESOLUTION 22-19 APPROVING NOVEMBER BILLS LIST AND APPROVE CONFIRMATION & CERTIFICATION OF SEPTEMBER 2019 CLAIM TRANSFERS AS SUBMITTED:

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Roll Call Vote: 8 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.
Monthly Report Made Part of Minutes.

MEL UNDERWRITING MANAGER:

CERTIFICATE REPORT: Included as part of the report were the List of Certificates issued for the period of 9/22/19 to 10/22/19.

CYBER RISK MANAGEMENT COMPLIANCE REPORT: Included as part of the report was a list of JIF members that submitted a cyber compliance program; the report indicated that to date three members have submitted their compliance report to achieve a Tier 1 or Tier 2 level.
Monthly Report Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda was the October report submitted by FMCO. Managed Care Provider said the total provider billed amount was \$1,776,448 was re-priced to \$439,850 for a total savings of 75% and a PPO penetration of 94%.
Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Included in the agenda was the October 2019 report noting the activities/trainings conducted, upcoming MSI classes in the region and safety bulletins that were distributed.
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 Atkins
Second: Commissioner Gildea
Roll Call Vote: Unanimous

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

MOTION TO RETURN TO OPEN SESSION:

Moved: Commissioner Gildea
Second: Commissioner Atkins
Roll Call Vote: Unanimous

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

Moved: Commissioner Mirabella
Second: Commissioner Atkins
Roll Call Vote: 8 Ayes - 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

EMPLOYEE VAN DRIVER: Commissioner Sullivan inquired about resources available to test vision/hearing of employees that drove municipal vans/buses. Several suggestions were provided including contacting the MEL Helpline to provide guidance on employment related issues.

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved: Commissioner Atkins
Second: Commissioner Mirabella
Vote: Unanimous

MEETING ADJOURNED: 8:35 AM

NEXT MEETING: January 9, 2020 - 8:00 AM

Nancy A. Ghani, Account Manager

for

MEGAN CHAMPNEY, SECRETARY

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 22 - 19

NOVEMBER 2019

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.

<u>FUND YEAR CLOSED</u>			
<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001628			
001628	MOUNTAINSIDE BOROUGH	SAFETY INCENTIVE - AWARDS&BALANCES	11,812.43
			11,812.43
		Total Payments FY Closed	11,812.43
<u>FUND YEAR 2015</u>			
<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001629			
001629	MOUNTAINSIDE, BOROUGH OF	SAFETY INCENTIVE - AWARDS&BALANCES	1,200.00
			1,200.00
		Total Payments FY 2015	1,200.00
<u>FUND YEAR 2016</u>			
<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001630			
001630	MOUNTAINSIDE, BOROUGH OF	SAFETY INCENTIVE - AWARDS&BALANCES	1,800.00
			1,800.00
		Total Payments FY 2016	1,800.00
<u>FUND YEAR 2017</u>			
<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001631			
001631	MOUNTAINSIDE, BOROUGH OF	SAFETY INCENTIVE - AWARDS&BALANCES	1,000.00
			1,000.00
		Total Payments FY 2017	1,000.00
<u>FUND YEAR 2018</u>			
<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001632			
001632	MOUNTAINSIDE, BOROUGH OF	SAFETY INCENTIVE - AWARDS&BALANCES	1,000.00
			1,000.00
		Total Payments FY 2018	1,000.00
<u>FUND YEAR 2019</u>			
<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001633			
001633	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 11/19	6,722.40
			6,722.40
001634			
001634	QUAL-LYNX	CLAIM ADJUSTING SERVICES 11/19	17,377.28
			17,377.28
001635			
001635	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 11/19	5,423.33
			5,423.33
001636			
001636	PERMA RISK MANAGEMENT SERVICES	POSTAGE 10/19	39.55
001636	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 11/19	15,014.85
			15,054.40
001637			
001637	THE ACTUARIAL ADVANTAGE	ACTUARIAL FEE 11/19	2,681.75
			2,681.75
001638			
001638	RALPH A MARESCA, JR	TREASURER FEE 11/19	1,565.14
			1,565.14
001639			
001639	NJ ADVANCE MEDIA	ACCT#XSUBU0555780 - BUDGETS - 10.24.19	77.28
			77.28
001640			
001640	NEWTECH SERVICES INC.	WEB SERVICES & DR 11/19	175.00
			175.00
001641			
001641	ALLSTATE INFORMATION MANAGEMNT	ACCT#416 - ARC & STOR - 9.30.19	31.61
			31.61
001642			
001642	DIFRANCESCO.BATEMAN,COLEY,YOSP	LEGAL SERVICES THRU 9.30.19	3,334.78
001642	DIFRANCESCO.BATEMAN,COLEY,YOSP	LEGAL SERVICES THRU 7.31.19	3,403.30
001642	DIFRANCESCO.BATEMAN,COLEY,YOSP	LEGAL SERVICES THRU 8.31.19	2,009.98
			8,748.06
		Total Payments FY 2019	57,856.25
		TOTAL PAYMENTS ALL FUND YEARS	\$74,668.68