

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
MARCH 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 | Absent |
| Tom Atkins | Borough of Watchung | Present |
| Lorene K. Wright | Township of Harding | Present |
| James Gildea | Borough of Westfield | Present |
| Judy Sullivan | Township of Bedminster | Present |

EXECUTIVE COMMITTEE ALTERNATES:

| | | |
|-----------------|--------------------------|--------|
| Joseph Carty | Borough of Far Hills | Absent |
| James Debbie | Borough of Mountainside | Absent |
| Anthony Suriano | Borough of Bernardsville | Absent |

ALTERNATE FUND COMMISSIONERS:

| | | |
|-----------------|---------------------------|---------|
| Margaret Heisey | Township of Scotch Plains | Present |
| 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, Joseph Hrubash, Nancy A.

Ghani

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

Treasurer **Ralph Maresca**

Claims Service Qual-Lynx
Claudia Acosta

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

JIF Underwriting Manager Gallagher Bollinger
Lauren Potts

MEL Underwriting Manager Conner Strong & Buckelew
Ed Cooney

Managed Care Provider

FMCO

Allyson Cronk

ALSO PRESENT:

Rich Duthie, Pinnacle

Juanita Perez, Brown & Brown

Craig Sutherland, Meeker, Sharkey & Hurley

Hallee Cramer, Meeker, Sharkey & Hurley

Lindsey Travali, Acrisure

MINUTES: Open and Closed Minutes of February 14, 2019.

MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR FEBRUARY 14, 2019 AS PRESENTED:

| | |
|---------|---------------------|
| Moved: | Commissioner Atkins |
| Second: | Commissioner Gildea |
| 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 and the Monthly and Annual Regulatory Checklist.

Executive Director said the Financial Fast Track as of January 30, 2019 will be included in the next agenda as PERMA's Accounting department is currently working to submit documentation to the JIF's Auditors related to the 12/31/18 Audit. Executive Director reviewed the Lost Time Accident Frequency (LTAF) as of January 30, 2019 and said the JIF's rate is 0.70; the overall MEL/JIF rate is 0.57. Executive Director noted the impact a mild winter has on the LTAF recalling that a few years back when ice conditions caused a lot of slip-and-fall claims.

SHARED AGGREGATE LIMITS: Executive Director reported that following last month's meeting, the Fund office issued emailed notices to each member indicating the additional cost by member to participate in the shared aggregate limits. To date, only one member has submitted a response to select the limit.

Executive Director said following the notice, Ms. Cramer contacted the fund office and inquired if the JIF would consider funding the additional costs for all members, which was an option presented at the November 2018 meeting. Executive Director said at that time the MEL Underwriting Manager was still negotiating options with the carrier, who would only offer shared aggregate limits provided a JIF's membership fully participated. Executive Director said the carrier has subsequently agreed that each individual member could opt to participate and purchase additional limits.

Executive Director said it would be approximately \$27,000 to cover the increased limits for all members; additional costs for the limits are calculated at 30% of a member's current optional excess limit and range from \$500 to 6,000 for this JIF. Executive Director said if funded by the JIF for this year for all members then the additional costs for 2020 will be included in a member's assessment.

Executive Director said it would be appropriate for the Board to discuss and determine whether the JIF will cover the additional costs for all members to participate or each member will decide to participate in the shared aggregate limits.

Executive Director said there is no deadline to participate, but noted coverage will not be retroactive and will be effective based on a member's request to purchase. Executive Director said the additional premiums in the emailed notice were annual figures.

Mr. Duthie inquired if \$10 million is the highest additional limit. In response MEL Underwriting Manager said this aggregate layer was quoted based on membership interest; he will continue to work with members and market to see if enough members would be prepared to purchase additional limits. Executive Director said the opportunity to purchase additional layers may depend on how many members purchase this layer. Executive Director said other local JIFs have decided to fund the aggregate layer or leave it to each member to decide.

Mr. Duthie said it is generous of the JIF to consider funding the coverage, but expressed concern if other members opt not to purchase and will now have increased costs for next year.

Deputy Executive Director noted the option to purchase coverage as a shared aggregate was less costly than providing options on an individual basis. Executive Director said a local JIF decided to review the level of membership participation first before making a decision on how to fund.

Mr. Duthie inquired if there is a reset option on the aggregate limit in the event one member pierces and exhausts the coverage layer. In response, MEL Underwriting Manager said there is an Aggregate Limits Reinstatement policy clause and specific details would be reviewed by the carrier. Deputy Executive Director said the limit review that began last year was a good exercise as many JIF members did not have adequate limits. Executive Director noted that Chan Coddington, former JIF Underwriting Manager and a key individual responsible for this JIF's formation, ensured that members of this JIF had the highest limits possible through the MEL.

Commissioner Sullivan said at this point municipalities are finalizing their budgets noting it may be difficult to introduce additional costs and would be in favor of the JIF funding this layer of coverage. Chairman McCarthy agreed and said he would also be in favor of the JIF funding this coverage for this year.

Commissioner Gildea also agreed, but noted if the Board decides to fund this coverage out of this year's budget then discussion should be held during 2020 budget development on

funding. In response, Executive Director suggested the JIF agree to purchase the limits for all members at no additional charge for 2019 but to write to all members now and offer the opportunity to “opt out”. If town opts out, the JIF can return that amount from their 2019 assessment.

MOTION TO AUTHORIZE THE FUNDING OF THE ADDITIONAL PREMIUM ASSOCIATED WITH THE SHARED AGGREGATE LIMIT FOR ALL MEMBERS TO BE APPLIED TO THE 2019 BUDGET - MISCELLANEOUS CONTINGENCY LINE ITEM - AND TO OFFER THE OPPORTUNITY FOR MEMBERS TO OPT-OUT OF THIS COVERAGE IN 2019:

Moved: Commissioner Gildea
Second: Commissioner Sullivan
Roll Call Vote: 7 Ayes-0 Nays

2019 MEL/RCF/EJIF MARCH 29TH MEETING AND ANNUAL RETREAT: Executive Director said the MEL, RCF and EJIF will be holding their March meetings in conjunction with the MEL Annual Retreat at the Princeton Marriott on March 29, 2019 from 9:00am to 12:30pm.

Executive Director said the purpose of the retreat is for the MEL sub-committees to provide their activity report updating on accomplishments, goals and initiatives, as well as, annual activity reports for EJIF and RCF JIFs. In prior years this was held for Fund Commissioners of MEL. At the request of MEL Commissioners for the 2018 retreat the invitation was expanded to include member JIF Chairpersons to give them an opportunity to discuss member JIF initiatives. For 2019, Executive Director said the invitation was extended to include Executive Committees of affiliated local Joint Insurance Funds. The ultimate goal is give key representatives from member JIFs the opportunity to know more about their membership in the MEL, as well as, the opportunity to involve more Commissioners to address MEL succession.

Fund Commissioners and Fund Professionals received an emailed initiation with agenda on February 27th, please contact the Fund office if you have any questions.

2019 MEL, MRHIF AND NJCE EDUCATIONAL SEMINAR: Executive Director said the 9th annual seminar is scheduled for Friday, May 3, 2019, beginning at 9:00 AM at the National Conference Center in East Windsor, NJ. The seminar qualifies for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with MEL and Municipal Reinsurance Health Insurance Fund (MRHIF) members as well as personnel who work for service companies that are engaged by MEL member JIFs and MRHIF member HIFs. Enclosed in the agenda was the enrollment form and an electronic fillable form was distributed via email to fund commissioners and risk managers.

ONLINE ELECTED OFFICIALS TRAINING COURSE: Executive Director said every year, the MEL holds training seminars for elected officials and reduces a member’s assessment by \$250 for each municipal elected official completing the course by May 1st. Instructor-led sessions locations and dates will be posted on the MEL website at njmel.org.

Enclosed in the agenda were the instructions on how to access the online course, which covers ways to prevent employment practices lawsuits.

NEW JERSEY SUSTAINABLE ENERGY MEETING (NJSEM): NJSEM is a DCA approved Joint Meeting of NJ public entities with the desire to control energy costs and reduce greenhouse gases. Formed in 2009, the NJSEM was established by members of the MEL to procure electric and gas as a large buying group. NJSEM has saved the tax payers of its 200+ governmental entities approx. 34.5 million in gas and electric costs.

Executive Director said while the NJSEM was initially formed with MEL members, it is not limited to MEL members and is free to join for any NJ governmental entity; Towns, Counties, MUA, Housing Authorities, Libraries, parking authorities, BOE, etc. Membership given the opportunity to 'opt-out' of any auction. Enclosed in the agenda were flyers with NJSEM savings as compared to PSE&G and Elizabethtown Gas Company.

LEAGUE MAGAZINE: Enclosed in the agenda was the latest in the series of "Power of Collaboration" to appear in the League magazine. Each of the MEL advertisements highlights activities of the MEL and JIFs, as well as, people who have rendered significant service. The advertisement highlighted the Bergen and South Bergen JIFs collaboration with the County of Bergen to finance a mobile driving simulator for training emergency services personnel.

ANNUAL SAFETY BREAKFAST: Executive Director reported the Safety Breakfast was held on February 26, 2019 and all 10 members qualified for an award based on participation in the 2018 Safety Incentive Program.

The 2019 Safety Incentive Program has been distributed to Safety Coordinators, Fund Commissioners and Risk Managers and is also available at www.smjif.org.

2019 FINANCIAL DISCLOSURES: Executive Director said JIF Commissioners should anticipate the online filing of the Financial Disclosure forms inclusive of any other municipal related positions that require filing. It is expected the Division of Local Government Services will distribute a notice with filing instruction after March 11th with a deadline to file by April 30th.

MEL EMPLOYMENT PRACTICES HELPLINE: Executive Director said the MEL Safety Institute launched a new MEL Employment Practices Helpline, which is a dedicated resource to guide members on employment related issues. Copies of the announcement flyer were distributed; copies were also emailed to Fund Commissioners and Risk Managers. Executive Director said two people per member will be designated as those that have access to contact the three firms noted on the flyer.

INCLEMENT WEATHER PROCEDURE: A procedure has been instituted for Commissioners to confirm whether a meeting has been cancelled. The Executive Director will talk to the Chair to determine if a meeting should be cancelled. In the case of an early morning or evening meeting, PERMA will leave a message, which can be obtained by dialing the Fund's main number (201) 881-7632. For meetings that occur during normal business hours, meeting status can also be obtained by dialing the Fund office.

TREASURER:

VOUCHER LIST:

FEBRUARY 2019 SUPPLEMENTAL VOUCHER PAYMENTS, RESOLUTION 8-19

| | |
|-----------------|-------------|
| Fund Year 2018: | \$5,945.41 |
| Fund Year 2019: | \$20,711.98 |
| Total: | \$26,657.39 |

MARCH 2019 VOUCHER PAYMENTS, RESOLUTION 9-19

| | |
|-----------------|--------------|
| Fund Year 2018: | \$1,000.00 |
| Fund Year 2019: | \$413,367.13 |
| Total: | \$414,367.13 |

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS FOR MONTHS OF JANUARY 2019:

| | |
|-----------------|--------------------|
| Fund Year 2019: | \$3,214.62 |
| Fund Year 2018: | \$57,124.49 |
| Fund Year 2017: | \$2,415.13 |
| Fund Year 2016: | \$5,123.46 |
| Fund Year 2015: | \$2,441.00 |
| Closed: | \$0.00 |
| Total: | \$70,318.70 |

MOTION TO ADOPT RESOLUTION 8-19 CONFIRMING FEBRUARY SUPPLEMENTAL BILLS LIST, APPROVING RESOLUTION 9-19 MARCH BILLS LIST AND APPROVE CONFIRMATION & CERTIFICATION OF JANUARY 2019 CLAIM TRANSFERS AS SUBMITTED:

| | |
|-----------------|---------------------|
| Moved: | Commissioner Atkins |
| Second: | Commissioner Gildea |
| Roll Call Vote: | 7 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. Included as part of the report was a summary on *Kocanowski v. Twp. of Bridgewater*, in which the plaintiff was a volunteer firefighter who was not employed at the time of her injury while responding to a fire. Fund Attorney reported the presiding workers' compensation judge ruled that temporary disability benefits were intended as a wage-replacement and plaintiff was not entitled to temporary disability wage benefits since she was not employed at the time of her accident. Fund Attorney said the appellate division agreed; however, the Supreme Court reversed the ruling. Fund Attorney said claims adjustors will need to aggressively investigate to deny workers' compensation claims based on compensability suggesting completion of a post offer medical examination. Lengthy discussion ensued on possible exposure of municipalities that have volunteer fire departments. Executive Director said there was an initiative to pursue Fire Department Accreditation similar to what is done for Police Departments; however, the initiative seemed to stall when mandatory annual physicals was an added element.

Monthly Report Made Part of Minutes.

JIF UNDERWRITING MANAGER:

REPORT: Included in the agenda was a report of certificates issued from 1/25/19 to 3/1/19. Ms. Potts said there were no certificates issued in that short time period.

Monthly Report Made Part of Minutes.

MEL UNDERWRITING MANAGER:

REPORT: Included as part of the report was a List of Certificates issued for the period of 1/22/19 to 2/22/19.

CYBER RISK MANAGEMENT COMPLIANCE REPORT: Included as part of the report was a list of JIF members that submitted a cyber compliance program – to date no JIF members have submitted a program. MEL Underwriting Manager said the MEL Cyber Task would be meeting in early April to review options on how to encourage more members to submit a compliance program, as well as, draft a resource for members on how to select a Cyber Hygiene Vendor to conduct employee training on phishing and cyber security.

Monthly Report Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda was the February 2019 report submitted by FMCO. Managed Care Provider said the total provider billed amount was \$438,298, was re-priced to \$109,351 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 February 2019 report noting the activities/trainings and MSI classes.

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 Atkins |
| Second: | Commissioner Gildea |
| Roll Call Vote: | 7 Ayes – 0 Nays |

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 Atkins
Second: Commissioner Gildea
Roll Call Vote: 7 Ayes - 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved: Commissioner Gildea
Second: Commissioner Atkins
Vote: Unanimous

MEETING ADJOURNED: 8:53AM

NEXT MEETING: April 11, 2019 - 8:00 AM

Nancy A. Ghani, Account Manager

for

MEGAN CHAMPNEY, SECRETARY

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|-------------------------|
| Resolution 10-19 |
|-------------------------|

SUBURBAN MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 10-19

APRIL 2019

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 2018

| <u>Check Number</u> | <u>Vendor Name</u> | <u>Comment</u> | <u>Invoice Amount</u> |
|---------------------|---------------------|-------------------------------------|-----------------------|
| 001527 | | | |
| 001527 | BERNARDS TOWNSHIP | SAFETY AWARDS BALANCE 3.7.19 | 2,000.00 |
| | | | 2,000.00 |
| 001528 | | | |
| 001528 | BEDMINSTER TOWNSHIP | GOLD STATUS - SAFETY INCENTIVE 2018 | 2,000.00 |
| | | | 2,000.00 |
| | | Total Payments FY 2018 | 4,000.00 |

FUND YEAR 2019

| <u>Check Number</u> | <u>Vendor Name</u> | <u>Comment</u> | <u>Invoice Amount</u> |
|---------------------|--------------------------------------|-------------------------------------|-----------------------|
| 001529 | | | |
| 001529 | FIRST MANAGED CARE OPTION | MANAGED CARE SERVICES 4/19 | 6,722.40 |
| | | | 6,722.40 |
| 001530 | | | |
| 001530 | APEX INSURANCE SVCS c/o XL INSURANCE | XL/TECH ERR & OM INS 2OF2 2019 | 6,129.50 |
| | | | 6,129.50 |
| 001531 | | | |
| 001531 | APEX INSURANCE SVCS c/o QBE INS | QBE/VOL D & O 2OF2 2019 | 2,057.00 |
| 001531 | APEX INSURANCE SVCS c/o QBE INS | QBE/POL&EPL 2OF2 2019 | 265,679.00 |
| | | | 267,736.00 |
| 001532 | | | |
| 001532 | APEX INSURANCE SVCS c/o BEAZLEY | BEAZLEY/XS CYBER 2OF2 2019 | 3,000.00 |
| | | | 3,000.00 |
| 001533 | | | |
| 001533 | QUAL-LYNX | PERFORMANCE BOND # 106451927 - 2019 | 176.00 |
| 001533 | QUAL-LYNX | CLAIM ADJUSTING SERVICES 4/19 | 17,377.28 |
| | | | 17,553.28 |
| 001534 | | | |
| 001534 | J.A. MONTGOMERY RISK CONTROL | LOSS CONTROL SERVICES 4/19 | 5,423.33 |
| | | | 5,423.33 |
| 001535 | | | |
| 001535 | PERMA RISK MANAGEMENT SERVICES | POSTAGE 3/19 | 27.35 |

| | | | |
|--------|--------------------------------|---|-------------------|
| 001535 | PERMA RISK MANAGEMENT SERVICES | EXECUTIVE DIRECTOR 4/19 | 15,014.85 |
| | | | 15,042.20 |
| 001536 | | | |
| 001536 | THE ACTUARIAL ADVANTAGE | ACTUARIAL CONSULTING FEES 4/19 | 2,681.75 |
| | | | 2,681.75 |
| 001537 | | | |
| 001537 | RALPH A MARESCA, JR | TREASURER FEE 4/19 | 1,565.14 |
| | | | 1,565.14 |
| 001538 | | | |
| 001538 | MEEKER SHARKEY & HURLEY | RMC FEE 2ND QTR 2019 - HARDING TWP | 2,141.00 |
| 001538 | MEEKER SHARKEY & HURLEY | RMC FEE 2ND QTR 2019 - FAR HILLS BORO | 760.00 |
| 001538 | MEEKER SHARKEY & HURLEY | RMC FEE 2ND QTR 2019 - WATCHUNG BORO | 4,713.00 |
| 001538 | MEEKER SHARKEY & HURLEY | RMC FEE 2ND QTR 2019 - BEDMINSTER TWP | 4,766.00 |
| 001538 | MEEKER SHARKEY & HURLEY | RMC FEE 2ND QTR 2019 - BERNARDS TWP | 10,242.00 |
| 001538 | MEEKER SHARKEY & HURLEY | RMC FEE 2ND QTR 2019 - BERNARDSVILLE BORO | 5,488.00 |
| | | | 28,110.00 |
| 001539 | | | |
| 001539 | ARTHUR J. GALLAGHER | UNDERWRITING FEE 4/19 | 6,395.31 |
| | | | 6,395.31 |
| 001540 | | | |
| 001540 | NEWTECH SERVICES INC. | WEB MAINT/HOSTING 4/19 | 75.00 |
| | | | 75.00 |
| 001541 | | | |
| 001541 | ALLSTATE INFORMATION MANAGEMNT | ACCT#416 - ARC & STOR - 2.28.19 | 29.30 |
| | | | 29.30 |
| 001542 | | | |
| 001542 | DiFRANCESCO,BATEMAN,COLEY,YOSP | LEGAL SERVICES THRU 2/19 | 2,558.17 |
| | | | 2,558.17 |
| 001543 | | | |
| 001543 | ACRISURE LLC | 2ND QTR RMC 2019 FEE - SUMMIT | 15,816.00 |
| | | | 15,816.00 |
| 001544 | | | |
| 001544 | PINNACLE INSURANCE SOLUTIONS | 2ND QTR 2019 RMC FEE - MOUNTAINSIDE | 4,562.00 |
| | | | 4,562.00 |
| 001545 | | | |
| 001545 | SCOTCH PLAINS TOWNSHIP | RMC FEE 2ND QTR 2019 - SCOTCH PLAINS TWP | 8,936.00 |
| | | | 8,936.00 |
| 001546 | | | |
| 001546 | WESTFIELD TOWNSHIP | RMC FEE 2ND QTR 2019 - WESTFIELD | 17,319.75 |
| 001546 | WESTFIELD TOWNSHIP | RMC FEE 2ND QTR 2019 - WESTFIELD | 17,319.75 |
| | | | 34,639.50 |
| | | Total Payments FY | 426,974.88 |

TOTAL PAYMENTS ALL FUND YEARS \$430,974.88