

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
SEPTEMBER 12, 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
James Damato	Borough of Watchung	Present
<i>To be appointed</i>	Borough of Mountainside	Absent

ALTERNATE FUND COMMISSIONERS:

Margaret Heisey	Township of Scotch Plains	Absent
Sheila Tweedie	Borough of Far Hills	Absent
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 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 Risk Control	J.A. Montgomery Brian Maitland, Matt Gemma, Scott Thompson
Managed Care Provider	FMCO Mary Bresdola
Underwriting Manager	Conner Strong & Buckelew Ed Cooney

ALSO PRESENT:

Amy Pieroni, Acrisure
Lindsay Travali, Acrisure
Rich Duthie, Pinnacle Risk Solutions
Hallee Cramer, Meeker, Sharkey & Hurley
Craig Sutherland, Meeker, Sharkey & Hurley

INTRODUCTION NEW COMMISSIONER: Chairman McCarthy introduced Mr. James Damato, Watchung Administrator as the new Fund Commissioner. Fund Attorney administered the oath of office to Commissioner Damato.

MINUTES: Open and Closed Minutes of July 11, 2019.

MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR JULY 11, 2019 AS PRESENTED:

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Vote: Unanimous – 2 Abstentions (Commissioners McCarthy and Damato)

CORRESPONDENCE:

STAR LEDGER OPRA REQUEST: Included in the agenda was a copy of a cover letter to the Star Ledger outlining JIF operations in response to their OPRA request for MEL and local JIF information. Executive Director said this is the 2nd OPRA request which requested a significant amount of information; the 1st was from ProPublica and a copy of that correspondence was distributed to members via email during the summer.

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 July 31, 2019 and said the Financial Fast Track reflected a statutory surplus is \$3.1 million. Executive Director reviewed the Loss Ratio report and said all 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 1.40; the overall MEL/JIF rate is 1.32.

CONTRACTS REVIEW COMMITTEE: Executive Director said at the July meeting, the Board authorized the Fund office to release an Underwriting Manager and/or Marketing Consultant Competitive Contract Request for Proposal (CCRFP). The CCRFP provided the option to submit a proposal for Underwriting Manager services, Marketing services or both.

Executive Director said only one response was received from Conner Strong and Buckelew for Underwriting Manager services. The Contracts Review committee met on September 11th to review and rate the response. Executive Director said a recommendation and any appropriate action will be taken at the September meeting.

STATUTORY BONDS: Executive Director reported the MEL Underwriting Manager's office has contacted municipal clerks of towns that are renewing their JIF membership to secure updated bond applications for statutory positions.

RCF REPORT: Executive Director reported the RCF met on September 4th at the Forsgate Country Club; a copy of Commissioner Champney's report was enclosed in the agenda. In addition, enclosed was Resolution 17-19 authorizing the transfer of the Suburban Municipal JIF's Fund Year 2015 liabilities to the Residual Claims Fund as of December 31, 2019 valuation.

MOTION TO ADOPT RESOLUTION 17-19 AUTHORIZING THE TRANSFER OF FUND YEAR 2015 LIABILITIES TO THE RESIDUAL CLAIMS FUND:

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Vote: 6 Ayes – 0 Nays

EJIF REPORT: Executive Director reported the EJIF met on September 4th at the Forsgate Country Club; a copy of Commissioner Champney's report was enclosed in the agenda.

Executive Director said the EJIF introduced their 2020 budget, which reflected an overall 2% reduction. The report indicated that the EJIF property on 38 Lagoon Drive recently accepted an offer of purchase. Executive Director said the property was privately owned and experienced a loss where a MEL affiliated member was held liable for the damage; the resulting resolution was for the EJIF to remediate the damage and purchase the property in order to eventually sell it.

MEL REPORT: The MEL met on September 4, 2019 at the Forsgate Country Club; a copy of Commissioner Champney's report was enclosed. Executive Director said the MEL reviewed a preliminary 2020 budget and rates; the budget – to be introduced in October - will likely reflect a 2% increase. Executive Director said the increases to property rates will be offset by reduction in the workers' compensation claims fund.

The MEL also discussed the Employment Practices Liability (EPL) program where members are asked to update their model policies every two years; the next cycle for updates is scheduled for 2020. Executive Director said the MEL accepted a recommendation of the MEL Fund Attorney and MEL Executive Director to engage the services of a law firm to conduct a complete review and rewrite of the MEL's Model Personnel Manual. Executive Director said the model manual has changed from its original purpose by becoming too specific when responding to updated legislation.

Executive Director said the MEL is forming a task force to implement procedures to manage claims arising out of the sexual molestation legislation. The MEL approved a recommendation on the creation of an ad-hoc advisory committee under the direction of the MEL Claims Review Committee and approved the production of a training video to be launched November 2019.

2019 COVERAGE DOCUMENTS: Executive Director said the fund office distributed the 2019 coverage documents to all Fund Commissioners and Risk Managers via email in the first weeks of July.

2020 MEMBERSHIP RENEWALS: Executive Director said Far Hills, Mountainside, Watchung, Bedminster, Scotch Plains, Summit and Westfield are scheduled to renew fund membership by January 1, 2020. Membership documents were mailed out following the July meeting. To date the Fund office has received a response from Far Hills confirming membership.

RISK MANAGEMENT INFORMATION/OPERATING SYSTEM (RMIS): Members and Risk Managers received an email with a link to renewal worksheets - to begin the 2020 underwriting renewal during the month of July with a September 15th completion date. Executive Director said the Fund office will be following up with members on the status of the renewal worksheets.

RETROSPECTIVE PREMIUM: In accordance with the Retrospective Premium program adopted by the Fund in 2010, we are in the process of reviewing claims experience for the 2015 2016, 2017 and 2018 claims year, including reserves and incurred but not reported reserves (IBNR). Executive Director said the Fund will notify members that trigger the retrospective premium.

POWER OF COLLABORATION BROCHURE: Executive Director said the MEL is distributing copies of a brochure highlighting the savings to taxpayers and significant improvement to the safety record since its inception. Executive Director said the brochure details the dividends issued back to members, as well as, the savings incurred by having loss control programs in place. Executive Director said total savings to all members over a 30-year period is \$1.7 billion.

LEAGUE MAGAZINE AD: The latest in the series of “Power of Collaboration” ad (copy was included in the agenda) will also highlight the savings to taxpayers.

NJSLOM ETHICS SEMINAR: The NJSLOM has asked the JIFs to help spread the word on its upcoming League Ethics Seminars scheduled for October (included in the agenda). Many of the State-issued certifications (i.e., Construction Officials, Subcode Officials, CMFO, etc.) require CEU’s under the Ethics category; the League seminar will help to satisfy those requirements.

TREASURER:

VOUCHER LIST:

AUGUST 2019 CONFIRMATION OF PAYMENTS

Fund Year 2019: \$ 57,593.93
Total: \$ 57,593.93

SEPTEMBER 2019 VOUCHER PAYMENTS, RESOLUTION 18-19

Fund Year 2018: \$ 1,000.00
Fund Year 2019: \$ 49,548.80
Total: \$ 50,548.80

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

Fund Year 2019: \$ 26,641.30
Fund Year 2018: \$ 31,364.92
Fund Year 2017: \$ 6,861.34
Fund Year 2016: \$ 14,849.32
Fund Year 2015: \$ 12,930.88
Closed: \$0
Total: \$92,278.76

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

Fund Year 2019: \$ 101,173.54
Fund Year 2018: \$ 15,168.36
Fund Year 2017: \$ 7,307.39
Fund Year 2016: \$ 24,685.38
Fund Year 2015: \$ 2,720.15
Closed: \$0
Total: \$151,054.82

MOTION TO CONFIRM AUGUST 2019 PAYMENTS, ADOPT RESOLUTION 18-19 APPROVING SEPTEMBER BILLS LIST AND APPROVE CONFIRMATION & CERTIFICATION OF JUNE AND JULY 2019 CLAIM TRANSFERS AS SUBMITTED:

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Roll Call Vote: 6 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:

2020 RENEWAL REPORT: MEL Underwriting Manager submitted a memorandum detailing the 2020 pre-renewal presentations made to local JIF Executive Directors and noted two key items: statutory bonds and vacant properties.

MEL Underwriting Manager said any member scheduled to renew a 3-year membership with the JIF will have to re-submit statutory bond applications.

MEL Underwriting Manager said, effective 1/1/2020, members will now have to meet the new reporting requirements for vacant property that have already been on schedule. That change had already been implemented for newly acquired vacant building in 2019. MEL Underwriting Manager said the JIF/MEL will provide “Named Perils” coverage on Actual Cash Value (ACV) on vacant buildings; Replacement Cost coverage must be approved by the Underwriting Manager.

CERTIFICATE REPORT: Included as part of the report were the List of Certificates issued for the period of 6/22/19 to 7/22/19.

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 one member has submitted their compliance report.

Monthly Report Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda was the August 2019 report submitted by FMCO. Managed Care Provider said the total provider billed amount was \$1,406,677, was re-priced to \$344,979 for a total savings of 75% and a PPO penetration of 95%.

Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Included in the agenda was the July and August 2019 report noting the activities/trainings conducted, upcoming MSI classes in the region and safety bulletins that were distributed. Safety Director introduced Scott Thompson, a retired Police Chief from Morris Plains, appointed to focus on Law Enforcement Risk Control. Safety Director reminded members there would be a quarterly Executive Safety Committee meeting at 9AM in Scotch Plains following this meeting.

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 Gilda
Second: Commissioner Mirabella
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 Mirabella
Roll Call Vote: Unanimous

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

Moved: Commissioner Gildea
Second: Commissioner Mirabella
Roll Call Vote: 6 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: 8:31 AM

NEXT MEETING: October 10, 2019 - 8:00 AM

Nancy A. Ghani, Account Manager

for

MEGAN CHAMPNEY, SECRETARY