

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND  
OPEN MINUTES  
October 8, 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, Chairman	City of Summit	Present
Al 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	Present
Lorene Wright	Township of Harding	Absent

**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	Present
Pat Monaco	Borough of Bernards	Absent
Trina Lindsey	Township of Bedminster	Absent

**APPOINTED OFFICIALS PRESENT:**

<b>Executive Director/Administrator</b>	PERMA Risk Management Services <b>Cathleen Kiernan, Nancy A. Ghani, Brandon Tracy, Robyn Walcoff, Jennifer Conicella</b>
<b>Attorney</b>	DiFrancesco, Bateman, Coley, Yospin, Kunzman, Davis & Leher <b>Stephen Davis, Esq.</b>
<b>Treasurer</b>	<b>Ralph Maresca</b>
<b>Claims Service</b>	Qual-Lynx <b>Claudia Acosta</b>
<b>Underwriting Manager</b>	Conner Strong and Buckelew <b>Edward Cooney</b>
<b>Safety Director/Law Enforcement</b>	J.A. Montgomery <b>Brian Maitland</b>
<b>Risk Control</b>	
<b>Managed Care Provider</b>	FMCO <b>Suzanne Rajsteter</b>

**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 September 10, 2020.

**MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR SEPTEMBER 10, 2020:**

Moved: Commissioner Mirabella  
Second: Commissioner Gildea  
Vote: 9 Ayes – 0 Nays

**CORRESPONDENCE:**

NONE

**EXECUTIVE DIRECTOR:**

**CONTRACTS REVIEW COMMITTEE:** Executive Director said the committee met on September 29<sup>th</sup> to review responses to the 2021 Competitive Contract Request for Proposals (CCRF), the proposed 2021 Budget, and available dividend options. Enclosed in the agenda was the budget workshop and underwriting data comparison as of 9/17/20.

Executive Director said contracts for all positions were advertised (except Underwriting Manager) and with the exception of Managed Care and Claims Administrator, all other positions received one (1) response from incumbent vendors with a term of three years and options to renew for a fourth and fifth year. Executive Director said the CCRFP did not require fees to be submitted as part of a vendor's proposal; the CCRFP did include language that annual compensation would be established by the Board of Fund Commissioners at annual reorganization.

Managed Care and Claims Administrator vendors have been asked to complete a re-pricing exercise to provide a comparison of fees and network. Executive Director said the Committee would meet again in coming weeks to review the re-pricing exercise and score responses. In addition, the Contracts Review Committee recommended defense panel appointments made as a professional service at Reorganization.

Executive Director provided a summary review of the budget that reflected the changes recommended by the Committee. The committee reduced the Contingency: S 477 and FFCP on *line 5* by 77.97% or \$10,000. This item was added last year in anticipation of the changes caused by the Fireman's and Cancer Presumption Law, and the Sexual Molestation Bill. Executive Director said to date only a small number of claims have been filed in regards to the Fireman's and Cancer Presumption Law. Executive Director said in the event more claims are submitted, the surplus will be able to cover the cost of the claim. The Committee also reduced the miscellaneous items by 75.44% or \$15,000, which consists of printing, postage etc.

Executive Director said in 2016 the MEL implemented a Retrospective Rating Program which bills the local JIF 85% of its claims fund rated assessment. If the member JIF's loss experience does not exceed this deposit, it will not have any additional billings. Executive Director said based on Suburban Municipal JIF's 10-year loss experience, its exposure for additional billing caps at 100% of its base claims fund assessment. Executive Director said *line 6* represents the *MEL Aggregate Loss Fund Contingency* added to the budget, which on an annual basis is transferred from the budget and monitored by the Fund office, as well as, tracked in the Financial Fast Track.

Executive Director reviewed the various premiums noting a 9.35% increase on *line 13* for the POL EPL premium for the Suburban Municipal JIF. This is a result of less than favorable loss experience. Executive Director said the Cyber premium on *line 14* increased due to significant loss experience.

Commissioner Gildea thanked the Executive Director for working with the Committee to reduce the budget to reflect a decrease of -0.19%.

**MOTION TO INTRODUCE THE 2021 BUDGET AND SCHEDULE A PUBLIC HEARING ON NOVEMBER 12, 2020 AT 8:00AM VIA ZOOM NUMBER 1-929-205-6099 ENTER MEETING ID 92650544832# AND PASSCODE: 2444617962.**

Motion: Commissioner Gildea  
Second: Commissioner McCarthy  
Vote: Unanimous

Executive Director said the Committee reviewed the dividend calculation worksheet, which was included in the agenda and recommended the release of \$75,000 from Closed Years. Enclosed in the agenda was Resolution 23-20 authorizing the release of a dividend.

**MOTION TO ADOPT RESOLUTION 23-20 AUTHORIZING THE RELEASE OF A DIVIDEND IN THE AMOUNT OF \$75,000 FROM THE CLOSED YEARS ACCOUNT, SUBJECT TO STATE APPROVAL**

Moved: Commissioner Mirabella  
Second: Commissioner McCarthy  
Roll Call Vote: 9 Ayes - 0 Nays

**MEMBERSHIP RENEWALS:** Executive Director said the Fund office has received documents from Bernards Township and Borough of Bernardsville confirming membership for a 3-year period effective January 1, 2021.

**RESIDUAL CLAIMS FUND (RCF):** The public hearing on the RCF 2021 budget will be held on October 21, 2020 at 10:30AM at via Zoom audio/video. Included in the agenda was a copy of the RCF's 2021 Proposed Operating Budget, as introduced.

**ENVIRONMENTAL JIF:** The public hearing on the EJIF 2021 budget will be held on October 21, 2020 at 10:50AM via Zoom audio/video. Included in the agenda was a copy of the EJIF's 2021 Proposed Budget, as introduced.

**MEL JIF:** The MEL adopted their 2021 budget and flat rate table at the June 3<sup>rd</sup> meeting; copies of the budget were previously distributed. Executive Director said the MEL would be meeting on October 21, 2020 at 11:15AM via Zoom audio/video.

**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 renewed ever three years in conjunction with a member's renewal.

**EPL COMPLIANCE PROGRAM:** Executive Director said the MEL approved the revised Personnel Manuals and Employee Handbooks at their June 3<sup>rd</sup> meeting. We have uploaded the revised documents to the MEL's webpage [www.njmel.org](http://www.njmel.org). The notice included in the agenda was mailed to members in June. Deadline for members to update their EPL Compliance Program is June 1, 2021. MEL Fund Attorney will schedule an information webinar for municipal attorneys.

EPL Compliance includes training requirements for Managers & Supervisors, Police Command Staff and non-supervisory employees.

- J.A. Montgomery has already begun holding webinars titled: "Protecting Children from Abuse - For Managers/Supervisors/Elected Officials" This course also addresses employment practices & meets this training requirement. Stephen Davis' office will also be available to conduct in person, if permissible, or as an instructor led webinar.

- Police Command training is expected to be 3 hours. At this time, J.A. Montgomery will wait to see if course can be “in-person” or whether it too needs to be instructor led webinar.
- Non-supervisory training program has been completed and is in the process of being added to the MSI’s Learning Management System.

Executive Director said a memo would be distributed to provide clarification on the revised Personnel Manual and Employee Handbooks. Matt Giacobbe and Fred Semrau will conduct a webinar on October 29, 2020. Town Attorneys, Managers, and Administrators are invited with the opportunity to ask questions about the new model.

**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 August 31<sup>st</sup>. Executive Director reviewed the Financial Fast Track (FFT) and said the Fund’s current statutory surplus stands at \$3.9 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 1.35 compared to 1.75 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.

**VIRTUAL MEETINGS:** Executive Director said the State has issued guidelines on public access requirements for virtual meetings. The MEL Fund Attorney is drafting a model policy for review and said it would be appropriate for the Fund to have policy in place. Executive Director said this would be an item for the November agenda if available.

**TREASURER:**

**VOUCHER LIST:**

**OCTOBER 2020 VOUCHER PAYMENTS, RESOLUTION 24-20**

Fund Year 2019:	\$13,005.00
Fund Year 2019:	\$128,358.58
<b>Total:</b>	<b>\$141,363.58</b>

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

Fund Year 2020	\$48,352.37
Fund Year 2019	\$5,215.27
Fund Year 2018	\$21,117.07
Fund Year 2017	\$13,289.02
Fund Year 2016	\$1,887.62
Closed	0.00
<b>TOTAL</b>	<b>\$89,861.35</b>

**MOTION TO CONFIRM OCTOBER 2020 PAYMENTS, ADOPT RESOLUTION 24-20 AND APPROVE CONFIRMATION & CERTIFICATION OF AUGUST 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 8/22/20 – 9/22/2020, and included in the Agenda.

**CYBER PREMIUM:** Underwriting Manager echoed the Executive Directors remarks regarding cyber premium. In 2018 there was a spike in Cyber claims leading to a loss ratio of 400%, which means there was four times as many claim dollars paid out as premium collected. In the past two years, the MEL's loss ratio has decreased to 200% though the premium remains relatively flat, and only represents .007% of the overall budget.

**CYBER RISK MANAGEMENT COMPLIANCE REPORT:** Included in the agenda was a Cyber Risk Management Compliance Report as of 8/31/2020. 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:** Executive Director said the MEL Cyber Taskforce has been working to draft an updated Cyber Risk Management Program focusing on Tier 1 and Tier 2, which provide a member an opportunity to recover a portion of your deductible once in compliance. Underwriting Manager said there are more clarifications to the wording than changes. Underwriting Manager highlighted the most notable change was the moving of the password requirement from Tier 2 to Tier 1, and the addition of a Tier 3 to further reduce your deductible. Tier 3 will have more advanced requirements. Members who are currently in compliance will be grandfathered in to the new program for at least six months from the time the program is released. Executive Director said some of the cyber requirements would be added in the best practices checklist.

Monthly Report Made Part of Minutes.

**MANAGED CARE:**

**MONTHLY REPORT:** Included in the agenda was the September 2020 report submitted by FMCO. Managed Care Provider reported the total provider billed amount was \$150,378 was re-priced to \$31,984 for a total savings of 79% and a PPO penetration of 92%. Executive Director asked the Managed Care Provider to explain the circumstance in last month's report when the savings exceed the billing. The Managed Care provider said FMCO received an invoice with a negative provider charge associated with a claim in September, which made the report grand total provider charge less than the grand total savings causing the 106% savings. Managed Care Provider said the credit invoice could be removed causing the savings to equal 90%. Executive Director added the credit was a result of an overpayment that was corrected with a credit in a later month. Executive Director explained the difference between the Fund's due diligence reports and FMCO's report is a result of timing. The Fund associates all expenses with the year of the claim while FMCO bases their expenses on when the claimant received treatment, and the bills came in. This causes the Fund's reports and FMCO's reports to appear different.

Monthly Activity Report Made Part of Minutes.

**SAFETY DIRECTOR:**

**MONTHLY REPORT:** Safety Director reviewed the report for October noting the Loss Control Activities for the Month, bulletins released, and uses for MSI now and the MEL media library. J.A.

Montgomery completed a Loss Control visit for Scotch Plains regarding Chipper Safety Training. Safety Director reviewed the Webinar schedule for October and highlighted the Protecting Children class, which is scheduled for October 14<sup>th</sup> and October 20<sup>th</sup> at 6PM.

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  
Roll Call 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 Tweedie and Commissioner Mortimer did not return to open session.)

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

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

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

**MEMBERSHIP SUBMISSIONS:** Executive Director said the Fund Office received a new membership application and expects to receive an additional application for the Suburban Municipal JIF.

**PUBLIC COMMENT:**

NONE

**MOTION TO ADJOURN:**

Moved: Commissioner Gildea  
Second: Commissioner Damato  
Vote: Unanimous

**MEETING ADJOURNED 9:54AM**

Brandon Tracy, Account Analyst  
for  
Al Mirabella, SECRETARY

**Resolution 25-20**

**RESOLUTION OF THE  
SUBURBAN MUNICIPAL JOINT INSURANCE FUND  
TO TRANSFER TO  
MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**

**WHEREAS**, the Municipal Excess Liability Residual Claims Fund was organized pursuant to N.J.S.A. 40A:10-36, et seq., to provide residual risk coverage to its member joint insurance funds; and,

**WHEREAS**, the Board of Fund Commissioners of the **Suburban Municipal Joint Insurance Fund** determined that membership in the Residual Claims Fund is in the best interest of the member local units and joined the Residual Claims Fund.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Fund Commissioners of the **Suburban Municipal Joint Insurance Fund** does hereby resolve and agree to transfer the following residual risks.

<u>Fund Year</u>	<u>Lines of Coverage</u>	<u>Member Fund S.I.R.</u>
2016	WC/GL/AL & PROPERTY	Varies

**BE IT FURTHER RESOLVED** that the actual transfer of claim liabilities to the Municipal Excess Liability Residual Claims Fund shall be based upon the following formula:

Case Reserves and IBNR as of 12/31/20

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND**

Adopted this 12 day of November 2020

Chairwoman Champney

Secretary Al Mirabella

**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

By: Chairwoman Champney

Attest: Secretary Al Mirabella

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

\_\_\_\_\_  
Chairperson

Attest:

Dated:

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

\_\_\_\_\_  
Treasurer