

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
SEPTEMBER 10, 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:

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

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 July 9, 2020.

MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR July 9, 2020:

Moved: Commissioner Mirabella
Second: Commissioner Damato
Vote: 4 Ayes – 0 Nays – Chairwoman Champney, Commissioner Tweedie, Commissioner Mortimer, and Commissioner McCarthy abstained.

CORRESPONDENCE:

NONE

EXECUTIVE DIRECTOR:

2020 COVERAGE DOCUMENTS: The fund office has uploaded member policies to the Fund’s Risk Management Information System (Origami). Fund Commissioners and Risk Management Consultants received an email announcing that documents were posted. Executive Director encouraged the members to download the 2020 Member Manuals for their record because they will be removed from Origami three years from their upload date; however, noted the Fund office keeps copies on file if ever requested.

CONTRACTS REVIEW COMMITTEE: Executive Director said the responses to the Competitive Contract Request for Proposals for all positions except Underwriting Manager were due on September 9th at 9:00AM. A meeting of the Contracts Review Committee will be scheduled in the coming weeks to review responses.

Executive Director said there were multiple responses received for the Managed Care and Claims Administration position. Executive Director emphasized that Managed Care fees are considered and reviewed along with their networks and potential savings. Executive Director said to accurately reflect the network and fees a “market basket” re-pricing exercise will be conducted. Executive Director said the re-pricing involves giving the respondents sample bills to reprice within their network and provide a more accurate picture of the fees to expect... Executive Director said the Committee will also review a draft 2021 budget before it is presented at the October meeting.

MEMBERSHIP RENEWALS: Executive Director said Bernards Township and Bernardsville Borough are scheduled to renew Fund membership by January 1, 2021. Membership documents were mailed out following the July meeting. To date we have received membership documents from Bernards Township confirming membership.

RISK MANAGEMENT INFORMATION/OPERATING SYSTEM (RMIS): Members and Risk Managers received an email with a link to renewal worksheets – to begin the 2021 underwriting renewal during the month of July; members need to complete the process in early September. Executive Director said the renewal worksheets are due September 15, 2020. The Fund Office will be following up with any members who have not completed the renewal worksheet.

EPL COMPLIANCE PROGRAM: Included in the agenda was a copy of the notice emailed to members announcing the posting of updated Model Personnel Manual and Employee Handbook. Executive Director said the MEL contracted with an attorney to re-write the model policies and remove redundant or outdated information; included in the agenda was a synopsis of the changes made. Executive Director said the most notable difference from prior years is the recommendation to not use the employee handbook as a personnel policy; updates made over time to both the manual and handbook resulted in similar documents, which was not the original intent.

The training for Elected Officials would typically have been conducted in-person, but due to the health crisis, these will be transitioned to webinars and will be launched later on this year. Executive Director said members have until June 1, 2021 to update their compliance program. Executive Director said the

MEL Fund Attorney will be scheduling a webinar for Municipal Attorneys to review the updated Manual and Handbook and answer any questions.

Executive Director said the EPL Compliance program 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”. Executive Director said this course also addresses employment practices & meets this annual 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.

Lastly, Executive Director said non-supervisory training program has been completed and is in the process of being added to the MSI’s Learning Management System.

LEAGUE MAGAZINE AD: Included in the agenda was the latest in the series of “Power of Collaboration” ad that will appear in the League of Municipalities magazine. Executive Director said the ad highlights savings to NJ taxpayers through issuance of dividends since the MEL’s inception, as well as, MEL purchases of \$100 million of member debt securities and a rate freeze for 2021 budget.

FACING AND EMBRACING CRISIS FOR YOUR MUNICIPALITY: Included in the agenda was a notice on another installment of the previously held Webinar on 6/30 & 8/4. The Webinar focuses on the response to a crisis, and will be held on September 15, 2020 from 10:30AM until 12:30PM. Executive Director said CEU credits are available for attending this webinar.

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 process is done for the positions of Treasurer, Tax Collector, and Utilities Collector are underwritten separately every three years to coincide with Member renewals. Members who are renewing January 1, 2021 will be receiving information about providing updated applications.

RESIDUAL CLAIMS FUND (RCF) REPORT: The RCF met on September 2, 2020 via Zoom; a copy of Chairwoman Champney’s report was enclosed in the agenda. The RCF’s 2019 budget amendment was adopted, reflecting the transfer of local JIFs’ Fund year 2021. The RCF’s 2021 Budget was introduced and a public hearing will be held on October 21, 2020 at 10:50 a.m.

EJIF REPORT: The EJIF met on September 2, 2020 via Zoom; enclosed in the agenda was a copy of Chairwoman Champney’s report. The EJIF’s 2021 Budget was introduced and a public hearing will be held on October 21, 2020 at 10:50 a.m. Executive Director highlighted EJIF’s \$1M recovery from the Aggregate Excess Insurer for Claim Year 2016. Executive Director said the EJIF buys an aggregate excess policy similar to the Suburban Municipal Joint Insurance Fund in case the loss funds are pierced, and if it is large enough the aggregate excess insurer will pay recoveries. Executive Director said the reason for the delay in receiving the recoveries is because all claims have to be closed and settled for a year before recovery funds are paid out.

MEL REPORT: The MEL met on September 2, 2020 via Zoom; enclosed in the agenda was a copy of Chairwoman Champney’s report.

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 2018, and 2019 claims year, including reserves and incurred but not reported reserves (IBNR). Fund year 2015 has now been transferred to the RCF so this will be the final calculation for 2015. Executive

Director said any member that triggered the retrospective premium will appear on the 2021 assessment billing. Executive Director said the member has 12 months to pay the retrospective premium.

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 June 30th, and July 31, 2020 because the Fund did not meet last month; Executive Director only referred to the July reports. Executive Director reviewed the Financial Fast Track (FFT) and said the Fund's current statutory surplus stands at \$4 million.

Executive Director said the Fund office is awaiting confirmation of recoveries from the Excess Workers' Compensation carrier that COVID-19 claims will be adjusted as one occurrence on a MEL-wide basis under the policy. Executive Director said all JIFs will share in one \$300,000 retention, the MEL will pay the next \$1.7 million, and anything that goes above the MEL limit will be paid by Safety National. Executive Director reviewed the Lost Time Accident Frequency (LTAF) and said the JIF's rate is 1.06; the overall MEL/JIF rate is 0.87. Executive Director said the LTAF report does not include COVID-19 related claims adding that this report is not intended to measure this type of exposure. Executive Director said the Loss Ratio Report includes COVID-19 claims so the actuarial targets vs. budgeted loss funds will be higher for Fund Year 2020.

Executive Director referred to the Employment Practices Liability Compliance chart, which notes each members co-pay and deductible. Executive Director said QBE, the Fund's EPL/POL carrier, is reviewing claims experience by member and notifies the Fund office of any potential premium or rate changes in late Fall.

NEW MEMBER APPLICATION: Executive Director said the Fund Office received a letter from Rahway stating their interest in joining a Fund operated through the MEL. Executive Director said Rahway is located in Union County they felt the Central Jersey Joint Insurance Fund would be a better fit. Executive Director said a waiver request must be submitted if a prospective member does want to join the Joint Insurance Fund in their geographic area.

Executive Director noted the request to be waiver can be denied, but there is an appeal process that the prospective new member can go through. Executive Director asked the Executive Committee for their input on this matter. Commissioner Mirabella said he would prefer if Rahway joined the Suburban Municipal JIF, but would not deny them entrance to another JIF in the MEL. Chairwoman Champney asked if Rahway would bring any significant risk exposures with them. Executive Director said that will not be known until the paperwork is submitted, but the premium would be based on their exposure and risk profile. Executive Director said the town is more urban than the current Suburban Municipal JIF members, but from experience there is not a significant increase in exposure from a more urban town. Commissioner McCarthy asked if there was a precedent set on towns asking for this waiver. Executive Director said there has been instances of towns that requested a waiver from the Suburban Municipal JIF, which have been granted.

MOTION TO GRANT RAHWAY'S REQUEST TO SEEK MEMBERSHIP OUTSIDE OF THE SUBURBAN MUNICIPAL JOINT INSURANCE FUND.

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

**TREASURER:
VOUCHER LIST:**

AUGUST 2020 CONFIRMATION OF PAYMENTS

Fund Year 2019: \$15,078.84
Fund Year 2019: \$74,136.52
Total: \$89,215.36

SEPTEMBER 2020 VOUCHER PAYMENTS, RESOLUTION 22-20

Fund Year 2020: \$53,736.84
Total: \$53,736.84

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

Fund Year 2020	271,926.08
Fund Year 2019	4,449.45
Fund Year 2018	26,950.85
Fund Year 2017	5,887.57
Fund Year 2016	8,175.87
Closed	0.00
TOTAL	\$317,389.82

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

Fund Year 2020	35,671.62
Fund Year 2019	769.00
Fund Year 2018	0.00
Fund Year 2017	3,407.40
Fund Year 2016	1,138.12
Closed	0.00
TOTAL	\$40,986.14

MOTION TO CONFIRM AUGUST 2020 PAYMENTS, ADOPT RESOLUTION 22-20 APPROVING SEPTEMBER BILLS LIST AND APPROVE CONFIRMATION & CERTIFICATION OF JUNE AND JULY 2020 CLAIM TRANSFERS AS SUBMITTED:

Moved: Commissioner Mirabella
Second: Commissioner Suriano
Roll Call Vote: 9 Ayes-0 Nays
Voucher List and Treasurer’s Report Made Part of Minutes.

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 6/22/20 – 8/22/2020, and included in the Agenda.

STATUTORY BONDS: Underwriting Manager expanded on the Executive Directors report regarding the Statutory Bonds. Mr. Cooney said notices have already been sent out and if there are any questions do not hesitate to reach out to the Underwriting team. The underwriting team is working closely with the Executives Directors of the MEL JIFs to come up with solutions to keep the budgets low despite the current environment of the insurance market and pandemic.

CYBER RISK MANAGEMENT COMPLIANCE REPORT: Included in the agenda was a Cyber Risk Management Compliance Report as of 7/2/2020. The report notes which members have submitted a completed checklist to achieve Tier 1 or Tier 2 status in the event a cyber-claim occurs. The Incomplete status in the compliance report indicates that a member either did not submit a questionnaire in Origami and/or submitted but requires additional documentation. This does not mean a member cannot follow up and provide the updated information to be approved. Underwriting Manager added that they typically see a high number of cyber claims from the Police Departments. This year in particular cyber claims from Police Departments have risen across the State. Underwriting Manager stated the importance of including any cyber claims from the Police Departments when completing the cyber compliance process.

Monthly Report Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Sent as a separate attachment during the meeting was the August 2020 report submitted by FMCO. Managed Care Provider reported the total provider billed amount was \$239,771 was re-priced to \$26,730 for a total savings of 106% and a PPO penetration of 97%.

Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Safety Director said J.A. Montgomery is on track to complete its contracted visits for the Year. Safety Director reviewed the report noting the activities/trainings and MSI classes. Safety Director said a new section has been added to the report that displays the MSI Now class schedule, which is their new streaming service. To date, J.A. Montgomery has uploaded 170 titles to MSI Now in addition to the 560 DVDs available at request in the MEL media library. J.A. Montgomery hired a new Law Enforcement Consultant, Chief John Schwartz (ret.), for the northern JIFs. Chief Schwartz will be conducting visits and police trainings that J.A. Montgomery has been offering. These trainings can be taken as a group or individually. Currently live instructor led webinars are being held in place of in person trainings. Paul Shives will be conducting the Protecting Children from Abuse for Managers and supervisors and elected officials. Safety Director introduced two Law enforcement trainings being offered on September 15th and September 29th. The course being offered on September 15th is Building Trust and Constitutional Sound Police Agencies through training for elected officials and Administrators. The second training on September 29th is titled Preparing for the First Amendment Audit for Administrative personnel, Public Employees, and Police. Descriptions of each training can be found on the MEL website. Chairwoman Champney welcomed Chief Schwartz.

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 McCarthy
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 Suriano

Second: Commissioner Gildea
Roll Call Vote: Unanimous

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

Moved: Commissioner Suriano
Second: Commissioner Gildea
Roll Call Vote: 8 Ayes – 0 Nays Commissioner Sullivan did not return to open session.

OLD BUSINESS:

JOINT CASH MANAGEMENT & INVESTMENT PROGRAM (JCMI): Executive Director said the Fund’s current banking manager is Investors Bank who advised the Fund Office that over the last three years the interest rate has been .65 basis points and effective September 1st it will be reduced to .50 basis points. In the spring the Suburban Municipal JIF adopted a resolution to join the MEL JCMI Program, which was accepting local JIFs on a staggered basis. The Treasurer said the investments of the Suburban Municipal JIF will be transferred into the JCMI program at the target date of November 1, 2020. Mr. Sutherland asked if the rates in the JCMI will be higher than the current program. Executive Director said JCMI was able to take advantage of favorable rates in the market and said the program has been very successful since its inception.

NEW BUSINESS:

NONE

PUBLIC COMMENT:

MOUNTAINSIDE COMMISSIONER: Rich Duthie, Risk Manager of Mountainside, thanked Commissioner Atkins for his service to the Suburban Municipal Joint Insurance Fund and the MEL. Commissioner Mirabella said it would be appropriate to have a resolution to honor Commissioner Atkins and gather to honor his service to the Suburban Municipal JIF. Chairwoman Champney and others agreed; the Fund office would schedule something once restrictions on gatherings are changed

Chairwoman welcomed Glenn Mortimer, the new Fund Commissioner for Mountainside, to the group.

MOTION TO ADJOURN:

Moved: Commissioner Gildea
Second: Commissioner McCarthy
Vote: Unanimous

MEETING ADJOURNED: 8:54AM

Brandon Tracy, Account Analyst

for

Al Mirabella, SECRETARY

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 22 - 20

SEPTEMBER 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>
001792			
001792	FIRST MANAGED CARE OPTION	MANAGED CARE 9/20	6,856.84
			6,856.84
001793			
001793	QUAL-LYNX	CLAIM ADJ SERVICES 9/20	17,724.83
			17,724.83
001794			
001794	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR 9/20	5,531.80
			5,531.80
001795			
001795	PERMA RISK MANAGEMENT SERVICES	POSTAGE 8/20	6.50
001795	PERMA RISK MANAGEMENT SERVICES	EXEC/ADMIN FEE 9/20	15,315.15
			15,321.65
001796			
001796	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 9/20	2,735.39
			2,735.39
001797			
001797	RALPH A MARESCA, JR	TREASURER FEE 9/20	1,596.44
			1,596.44
001798			
001798	NJ ADVANCE MEDIA	ACCT#XSUBU0555780 - AD - 7.16.20	117.80
			117.80
001799			
001799	NEWTECH SERVICES INC.	WEBSITE HOSTING 9/20	175.00
			175.00
001800			
001800	ALLSTATE INFORMATION MANAGEMNT	ACCT#416 - ARC & STOR - 3.31.20	32.16
			32.16
001801			
001801	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 9/20	1,667.00
			1,667.00
001802			
001802	D:FRANCESCO,BATEMAN,COLEY,YOSP (DO NOT USE)	VOID	0.00
001802	D:FRANCESCO,BATEMAN,COLEY,YOSP (DO NOT USE)	VOID	0.00
			0.00

001803			
001803	DIFRANCESCO BATEMAN, P.C.	LEGAL SERVICES THRU 7.31.20	2,052.10
001803	DIFRANCESCO BATEMAN, P.C.	ADJ FROM LAST BILL IN ERR 8.31.20	-74.17
			1,977.93
		Total Payments FY 2020	53,736.84
		TOTAL PAYMENTS ALL FUND YEARS	\$53,736.84

Chairperson

Attest:

Dated: _____

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

Treasurer