

**SUBURBAN ESSEX JOINT INSURANCE FUND  
 JUNE 19, 2018  
 NUTLEY PARKS & RECREATION BUILDING  
 9:30 AM**

The meeting was called to order by Secretary Steve Rovell. Open Public Meeting Notice read into record.

**ROLL CALL OF 2018**

Mauro Tucci, Chair  
 Steve Rovell, Sec  
 Thomas Duch  
 John Serapiglia, Jr.  
 Danielle Ireland  
 Joseph Catenaro  
 Carrie Nawrocki  
 Allan Susen  
 Karen Yeamans  
 Richard Budris  
 Keri Eglentowicz  
 Charles Cuccia

**FUND COMMISSIONERS:**

Township of Nutley Absent  
 Belleville Township Present  
 City of Garfield Absent  
 Passaic Manchester Regional HS Absent  
 Borough of Prospect Park Absent  
 Fairfield Township Absent  
 Hudson Reg'l Health Commission Absent  
 Borough of Haledon Present  
 Nutley Board of Education Absent  
 Essex Reg'l Health Commission Absent  
 Town of Secaucus Present  
 Little Falls Township Present

**2018 FUND COMMISSIONER ALTERNATES:**

Charles Voorhees Town of Secaucus Absent  
 Vincent Cozzarelli Belleville Township Absent  
 Andrew J. Pavlica City of Garfield Present  
 Brian Zinn Manchester Regional HS Absent  
 John Marmora Nutley Bd. Of Ed. Present  
 Regina Goham Hudson Reg'l Health Commission Present  
 Leena Abaza Borough of Haledon Absent  
 Marisol Leguizamon Essex Reg'l Health Commission Present

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Administrator	Perma Risk Management Services <b>Cathleen Kiernan</b>
Attorney	Piro, Zinna, Cifelli, Paris & Genitempo <b>James Piro</b>
Claim Services	Qual-Lynx <b>Claudia Acosta</b>
Treasurer	<b>William Homa</b>
Safety	J.A. Montgomery Risk Control <b>Brian Maitland</b>
Underwriter	Conner Strong & Buckelew

**Edward Cooney**

Managed Care

FMCO

**Mary Bresadola**

**OTHERS PRESENT:**

Gary Vinci, Lerch, Vinci & Higgins  
Ken Schulz, JA Montgomery  
Karen Waters, IMAC  
Caty Lambe, Qual-Lynx  
Joe Rude, EBCSG  
Mary Fenui, Nutley Twp  
Jack Zisa, RMC  
Sharon Fallon, PIA  
Danielle Voda, Fairview Ins.  
Tracy Lopez, Perma

**APPROVAL OF MINUTES:**

May 15, 2018 – Open Minutes  
May 15, 2018 – Closed Minutes

**MOTION TO APPROVE OPEN AND CLOSED MINUTES AS NOTED ABOVE**

**MOTION:** Commissioner Cuccia  
**SECOND:** Commissioner Pavlica  
**VOTE:** Unanimous

**Correspondence**

None

**Audit Report and Actuary Valuation Report as of December 31, 2017**

Fund Auditor reviewed the 2017 year-end audit as distributed, noting that the Fund is in excellent financial condition. The audit indicates an increase in revenue totaling \$152,000 from the 2016 fund year and a loss reserve of \$6.3M. The 2015 and 2017 fund years are currently in a deficit; we will continue to monitor those years as this years' indication should prove to be positive. The actuary has also provided the year-end actuarial valuation for which the IBNRs (incurred but not reported) are also included in the audit. Fund Auditor said the audit was reviewed with the Finance Committee of the Fund wherein among the audit, discussion of IBNR factors vs. claim reserves in relation to the surplus of the fund were also reviewed.

**MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION # 12 -18 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT THE FUND COMMISSIONERS HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT.**

**MOTION:** Commissioner Cuccia

**SECOND:  
VOTE:**

Commissioner Pavlica  
Unanimous

The Fund office will file the financial reports with the state by the June 30<sup>th</sup> deadline.

### **EXECUTIVE DIRECTORS REPORT**

#### **RCF, EJIF & MEL**

Executive Director said the RCF, EJIF and the MEL each met on June 7, 2018. Executive Director said one item of note with regard to the RCF is that the Actuary was asked to review this timetable and evaluate the impact if the transfer were to occur at 60 and 66 months respectively. The MEL Management Committee recommended moving the transfer at 60 months starting with Fund Year 2014. Extending the transfer of open liabilities from 54 months to 60 months will allow claims to develop longer and provide greater certainty on reserves. The Board approved the recommendation to transfer the liability at 60 months beginning with Fund Year 2014. The RCF will take formal action at their September meeting and provide the local JIFs with the resolution initiating the transfer at that time.

With regard to the EJIF, Executive Director said the Fund issued an RFQ for the position of Environmental Engineer with a return date of May 15, 2018. There were two responses received. The responding firms were First Environment and PS&S. The Executive Director said a sub-committee will meet during the summer to review the responses and the potential contract(s) going forward.

Executive Director referred to the MEL report which outlined the Management Committee meeting topics of Planning and Zoning Boards and Legislation on two firefighter bills and investments.

Executive Director said board accepted the Committee's recommendation and approved the distribution of a letter, along with training material and policy form for Planning and Zoning Boards. To be eligible for the policy, board members would be required to attend a training program designed to prevent land use liability claims. Training can be met by attending a regional training or municipal attorney or planning board attorney using prepared materials at the planning board meeting. This training is critical to address a significant increase in suits against planning and zoning board members.

With regard to the current legislation concerning the firefighter bills, Executive Director said the Senate Labor Committee recently held hearings on two firefighter bills impacting workers' compensation. One bill, the Firefighter Presumption Bill S-716 is now expected to advance from the Budget Committee on June 4 and passed by the full Senate on June 7. MEL Representatives also attended the June 4<sup>th</sup> Budget Committee; Fund Attorney said committee was addressing a few bills and did not focus as much as the Labor Committee did on the Firefighters' cancer presumption

bill (which includes first aid and police). It was also noted that the League of Municipalities took a position to oppose the bill and just released an alert. Commissioner Cuccia said the MEL was hoping to work with sponsors to modify bill to include some qualifications and shared with the committee statistics from California showing the dramatic impact. Commissioner Cuccia also noted a second bill that would expand workers' compensation coverage for firefighters suffering a heart attack and said if bills goes forward, an amendment to conduct annual physicals should be considered. Board referred the firefighters' cancer presumption bill matter to the Coverage Committee to consider options if the bill is passed into law as introduced. Each member of the MEL will be asked to pass resolution supporting this bill.

Lastly, regarding the investment legislation, this bill would expand the JIF and MEL's investment was conditionally vetoed by the Governor. Bill, with his recommended amendments, is expected to be adopted shortly. The law will authorize certain joint insurance funds to invest in certain bonds, notes, and other obligations of State and Federal agencies and to form joint cash management and investment programs as a means to broaden the types of securities joint insurance funds may invest in and to reduce the amount of assets that must be held in short-term investments to cover the cash flow needs of the funds.

### **2018 Coverage Documents**

Executive Director said the fund office will begin distributing the 2018 coverage documents to all Fund Commissioners and Risk Managers via email by the end of June.

### **2018/2019 Employment Practices Program**

Executive Director said correspondence was mailed to Fund Commissioners and Risk Management Consultants concerning updates to member Employment Practices Programs. Updated Model Personnel Manuals have been posted to the MEL's webpage [www.njmel.org](http://www.njmel.org). Deadline to complete program compliance is October 1, 2018. We are working with the Fund Attorney to schedule Managers & Supervisory Training Seminars. Members were emailed a schedule of Police Command Staff Training sessions; Chief Quatrone will conduct a session July 20<sup>th</sup> at the Nutley Township Annex Building. "We must respect each other in local government" video has been added to the MEL Safety Institute to meet training for "non-supervisory" employees.

### **Risk Management Information/Operating System (RMIS)**

Executive Director said the online underwriting database through Origami was launched mid-March; Fund Commissioners and Risk Management Consultants were provided login information, as well as, links to short training videos.

Origami is hosting training webinars on how to utilize the online platform. Origami conducted 2 training webinars in May and 1 webinar on June 6<sup>th</sup>. Over 150 people attended and the response was positive. Full recordings of the webinars are available online.

Members and Risk Managers will receive an email with a link to renewal worksheets - to begin the 2019 underwriting renewal during the month of July.

### **Finance Committee**

Executive Director said the Finance Committee met on Monday June 11, 2018 to review the 2017 Year End Audit and marketing strategies. The minutes from that meeting were reviewed as distributed. In addition, a listing of potential members was reviewed and request was made for any suggestions on which of those non-members the Board of Commissioners would be interested in approaching.

### **Safety Expo**

Executive Director said the MEL continues to work with the New Jersey Utility Authorities Joint Insurance Fund (NJUA) to conduct its Annual Safety Expo which includes MEL member town's water & sewer employees. The Safety Expos will be held on June 29th at the Middlesex County Fire Academy and September 28th at the Camden County Emergency Services Training Center. Registration is through the MEL Safety Institute. Registration information is attached.

### **2019-2021 Contracts / RFQ Process**

Executive Director said requests for qualifications for the 2019-2021 term need to be issued in July. With the RFQs issued last year for other JIFs, a review of the scope of services was conducted. The recommended changes were reviewed as distributed as the contract form will be included with the RFQ.

The forms are in "track changes" mode. When the JIFs adopted a "standard contract provisions" form, any services that were assigned to professionals through the Bylaws, Regulations or Risk Management Plan were no longer specifically listed but were done through reference to governing documents. We are now recommending restoring those services to prevent confusion. Fund Attorney has also reviewed and approved the changes.

**MOTION TO AUTHORIZE THE CHANGES TO THE PROFESSIONAL SERVICES AGREEMENT AND INCLUDE WITHIN THE RFQ PROCESS FOR THE 2019-2021 FUND YEARS AS RECOMMENDED BY THE MEL MANAGEMENT COMMITTEE AND APPROVED BY THE FUND ATTORNEY.**

<b>MOTION:</b>	Commissioner Cuccia
<b>SECOND:</b>	Commissioner Pavlica
<b>VOTE:</b>	Unanimous

### **TREASURER REPORT**

Fund Treasurer referred to the report as distributed for the months of April and May 2018.

The June bill lists was also reviewed as distributed.

**RESOLUTION 13-18 PAYMENT OF JUNE VOUCHERS:**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2017	\$ 444.66
2018	\$ 410,294.76
Total	\$ 410,739.42

**CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF TRANSFERS FOR THE MONTH OF APRIL 2018:**

2014:	\$ 5,903.45
2015:	\$ 5,843.66
2016:	\$ 23,864.47
2017:	\$ 41,615.59
2018:	\$ 67,614.26

**CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF TRANSFERS FOR THE MONTH OF MAY 2018:**

2014:	\$ 63,931.61
2015:	\$ 49,625.32
2016:	\$ 90,429.49
2017:	\$ 73,887.65
2018:	\$ 128,744.59

Fund Treasurer reviewed the May investment portfolio noting the total of \$5,089,156.37 in investments yielding 1.600% in interest. There are investments that have a maturity dates approaching in August, September, October and December of this year.

**MOTION TO ADOPT RESOLUTION 13-18 APPROVING THE JUNE BILL LIST AND APPROVE CONFIRMATION & CERTIFICATION OF THE APRIL AND MAY CLAIM PAYMENTS AND RECOVERIES AS SUBMITTED.**

**MOTION:** Commissioner Cuccia  
**SECOND:** Commissioner Pavlica  
**VOTE:** Unanimous

*Treasurer's Report & Investment Report made part of the minutes.*

**ATTORNEY**

Fund Attorney referred the agenda report as distributed.

*Attorney Report made part of the minutes.*

## **UNDERWRITING MANAGER**

Underwriting Manager said he would like to just touch upon a few reminders with respect to coverage, namely the fireworks display requirements since July 4<sup>th</sup> is upon us; Underwriting Manager asked that procedures be followed with regard to the implementation of fireworks displays. In addition, drones are very popular now, Underwriting Manager asked that the Fund be notified if members own a drone. MEL Bulletin 18-27 outlines the specifications for owning a drone and coverage restrictions for those in excess of 55 pounds.

Underwriting Manager added that predictions have been made for an active hurricane season and reminded members to prepare for any predictions that may be posted in our area especially relating to outdoor property; making all attempts to secure any movable property.

Underwriting Manager also noted that the MEL Fund Attorney recently released a legal bulletin requesting members to be aware of inquiries about your solicitation ordinances as law firms are contacting towns about their solicitation ordinances and threatening litigation. If you receive one of these inquiries, immediately seek the advice of your municipal attorney; legal problems with these ordinances can lead to significant monetary awards against towns.

And lastly, the hiring of retired police officers as school resource officers, Underwriting Manager said he has noticed that the contracts for hiring these officers are very grey and can lead to coverage issues, specifically with regard to the “scope of services”. We ask that the contracts be reviewed carefully and reference to the state statute should be reviewed if there is any questions with the scope of services.

## **MANAGED CARE**

Managed Care provider reviewed the agenda report as distributed for the month of May 2018 which indicates \$202,198 in provider bills, repriced at \$95,551 resulting in a savings of \$106,647 or 53%.

*Managed Care Report made part of the minutes.*

## **SAFETY DIRECTOR**

Safety Director referred to the safety report as distributed outlining May activities, upcoming training sessions by the MEL Safety Institute and the latest safety bulletins that were distributed to members.

## **Closed Session**

### **RESOLUTION - EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES: PERSONNEL - SAFETY & PROPERTY OF PUBLIC LITIGATION.**

<b>MOVED:</b>	Commissioner Pavlica
<b>SECOND:</b>	Commissioner Cuccia
<b>VOTE:</b>	Unanimous

**MOTION TO RETURN TO OPEN SESSION:**

**MOVED:** Commissioner Cuccia  
**SECOND:** Commissioner Pavlica  
**VOTE:** Unanimous

**MOTION TO APPROVE PAYMENT AUTHORITY REQUESTS FOR FILE NUMBERS AS SUBMITTED.**

**MOVED:** Commissioner Pavlica  
**SECOND:** Commissioner Marmora  
**VOTE:** Unanimous

**OLD BUSINESS:**

None

**NEW BUSINESS:**

None

**PUBLIC COMMENT:**

None

**MOTION TO ADJOURN:**

**MOVED:** Commissioner Cuccia  
**SECOND:** Commissioner Eglentowicz  
**VOTE:** Unanimous

**MEETING ADJOURNED:** 10:05 AM



**Resolution No. 12-18**

**Resolution of Certification  
Annual Audit Report for Period Ending December 31, 2017**

**WHEREAS**, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

**WHEREAS**, the Annual Report of Audit for the year 2017 has been filed by the appointed Fund Auditor with the Secretary of the Fund as per the requirements of N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36, and a copy has been received by each member of the BOARD OF FUND COMMISSIONERS of the Suburban Essex Joint Insurance Fund, and

**WHEREAS**, the Local Finance Board of the State of New Jersey is authorized to prescribe reports pertaining to the local fiscal affairs, as per R.S. 52:27BB-34, and

**WHEREAS**, the Local Finance Board has promulgated a regulation requiring that the BOARD OF FUND COMMISSIONERS of the Fund shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all members of the BOARD OF FUND COMMISSIONERS have reviewed, as a minimum, the sections of the annual audit entitled:

General Comments  
and  
Recommendations

and

**WHEREAS**, the members of the BOARD OF FUND COMMISSIONERS have personally reviewed, as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled:

General Comments  
and  
Recommendations

as evidenced by the group affidavit form of the BOARD OF FUND COMMISSIONERS.

**WHEREAS**, such resolution of certification shall be adopted by the BOARD OF FUND COMMISSIONERS no later than forty-five days after the receipt of the annual audit, as per the regulations of the Local Finance Board, and

**WHEREAS**, all members of the BOARD OF FUND COMMISSIONERS have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and

**WHEREAS**, failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the members of the BOARD OF FUND COMMISSIONERS to the penalty provisions of R.S. 52:27BB-52 - to wit:

R.S. 52:27BB-52 - "A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office."

**NOW, THEREFORE, BE IT RESOLVED**, that the BOARD OF FUND COMMISSIONERS of the Suburban Essex Joint Insurance Fund, hereby states that it has complied with the promulgation of the Local Finance Board of the State of New Jersey, dated July 30, 1968, and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

**I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE  
RESOLUTION PASSED AT THE MEETING HELD ON JUNE 19, 2018.**

**GROUP AFFIDAVIT FORM  
CERTIFICATION OF BOARD OF FUND COMMISSIONERS**

**of the**

**SUBURBAN ESSEX JOINT INSURANCE FUND**

We members of the BOARD OF FUND COMMISSIONERS of the Suburban Essex Joint Insurance Fund, of full age, being duly sworn according to law, upon our oath depose and say:

1.) We are duly elected members of the BOARD OF FUND COMMISSIONERS of the Suburban Essex Joint Insurance Fund.

2.) In the performance of our duties, and pursuant to the Local Finance Board Regulation, we have familiarized ourselves with the contents of the Annual Fund Audit filed with the Secretary of the Fund pursuant to N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36 for the year 2017.

3.) We certify that we have personally reviewed and are familiar with, as a minimum, the sections of the Annual Report of Audit entitled:

**GENERAL COMMENTS - RECOMMENDATIONS**

\_\_\_\_\_ (L.S.)

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\_\_\_\_\_ (L.S.)

# SUBURBAN ESSEX JOINT INSURANCE FUND BILLS LIST

**RESOLUTION #13-18**

**JUNE 2018**

**WHEREAS**, the Treasurer has certified that funding is available to pay the following bills:

**BE IT RESOLVED** that the Suburban Essex 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 2017**

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001321			
001321	SECAUCUS TOWN	VOIDED	-26,892.06
			<b>-26,892.06</b>
001418			
001418	J.A. MONTGOMERY RISK CONTROL	SLIDE IN PLAQUES	188.91
001418	J.A. MONTGOMERY RISK CONTROL	CERTIFICATE PAPER	2.75
			<b>191.66</b>
001419			
001419	PROFESSIONAL INSURANCE ASSOC.	2017 BUILDERS RISK	253.00
			<b>253.00</b>
001420			
001420	SECAUCUS TOWN	REURN OF RMC BALANCE DUE FY 2017	26,892.06
			<b>26,892.06</b>
	<b>Total Payments FY</b>		<b>444.66</b>

**Fund Year 2018**

001421			
001421	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 0618	11,567.14
			<b>11,567.14</b>
001422			
001422	QUAL-LYNX	PERFORMANCE BONDS 0618	271.00
001422	QUAL-LYNX	CLAIM ADJUSTING SERVICES 0618	26,790.54
			<b>27,061.54</b>
001423			
001423	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR 0618	4,702.37
001423	J.A. MONTGOMERY RISK CONTROL	FOCUS CLAIMS 0418	960.00
			<b>5,662.37</b>
001424			
001424	DYNAMIC TESTING SERVICES LLC	DRUG TESTING	216.40
001424	DYNAMIC TESTING SERVICES LLC	DRUG TESTING	541.00
001424	DYNAMIC TESTING SERVICES LLC	AFTER HOURS CALL	270.50
001424	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING	262.20
001424	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING	43.70
			<b>1,333.80</b>

001425				
001425	PERMA RISK MANAGEMENT SERVICES	POSTAGE 0518		32.10
001425	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEES 0618		22,150.33
				<b>22,182.43</b>
001426				
001426	THE ACTUARIAL ADVANTAGE	ACTUARY 0618		2,677.00
				<b>2,677.00</b>
001427				
001427	PIRO, ZINNA, CIFELLI, PARIS &	TELEFAX CHARGES		4.00
001427	PIRO, ZINNA, CIFELLI, PARIS &	RETAINER 0518		6,958.08
				<b>6,962.08</b>
001428				
001428	WILLIAM M. HOMA, CPA	TREASURER 0618		1,285.75
				<b>1,285.75</b>
001429				
001429	NEWTECH SERVICES, INC.	WEBSITE MAINTENANCE 0618		75.00
001429	NEWTECH SERVICES, INC.	WEBSITE MAINTENANCE/HOSTING 0618		75.00
				<b>150.00</b>
001430				
001430	CONNER STRONG & BUCKELEW	UNDERWRITING 0618		718.00
001430	CONNER STRONG & BUCKELEW	SELECTIVE FIRE & CASUALTY 0618		2,454.00
				<b>3,172.00</b>
001431				
001431	ALLSTATE INFORMATION MANAGEMNT	ARCHIVE 4/1 - 4/30/2018		40.31
				<b>40.31</b>
001432				
001432	PROFESSIONAL INSURANCE ASSOC.	CITY OF GARFIELD		17,266.54
				<b>17,266.54</b>
001433				
001433	SCHOOL POOL FR EXCESS LIAB LTS	NUTLEY BOE& PASSAIC MAN.REG 1ST INST.75%		299,535.00
				<b>299,535.00</b>
001434				
001434	FAIRVIEW INSURANCE AGENCY	RMC TOWN OF SECAUCUS		3,000.00
				<b>3,000.00</b>
001435				
001435	RUSSO & ASSOCIATES LLC	FUND MEMBERS W/C REPORTS 0618		734.32
				<b>734.32</b>
001436				
001436	AL ALEXANDER AGENCY INC.	RMC PROSPECT PARK 1ST HALF		5,590.03
				<b>5,590.03</b>
001437				
001437	EMPLOYEE BENEFITS CONSULTING SRVC GRP LLC	RMC MANCHESTER REG. HIGH SCH.		2,074.45
				<b>2,074.45</b>
	<b>Total Payments FY</b>		<b>410,294.76</b>	
	<b>GRAND TOTAL</b>		<b>410,739.42</b>	