

**SUBURBAN ESSEX JOINT INSURANCE FUND
SEPTEMBER 18, 2018
NUTLEY PARKS & RECREATION BUILDING
9:30 AM**

The meeting was called to order by Chairman Mauro Tucci. Open Public Meeting Notice read into record.

Salute to American Flag

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	Present
Belleville Township	Present
City of Garfield	Absent
Passaic Manchester Regional HS	Absent
Borough of Prospect Park	Absent
Fairfield Township	Present
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	Present
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	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator

Perma Risk Management Services
Cathleen Kiernan

Attorney

Piro, Zinna, Cifelli, Paris & Genitempo
James Piro

Claim Services

Qual-Lynx
Claudia Acosta

Treasurer

William Homa

Safety

J.A. Montgomery Risk Control
Brian Maitland

Underwriter

Conner Strong & Buckelew
Edward Cooney

Managed Care

FMCO
Kelly Royce

OTHERS PRESENT:

Frank Covelli, PIA
Robert Searle, C. Walter Searle Agency
Danny Cavnice, C. Walter Searle Agency
Karen Waters, IMAC
Frank DeMaio, Nutley
Ken Schulz, JA Montgomery
Jack Zisa, RMC
Danielle Voda, Fairview Ins.
Lucille Anderson
Lawrence Calabro
Cathy Lambe, Qual-Lynx
Mary Bresadola, FMCO
Leslie Haug, FMCO
Kenneth Schulz, JA Montgomery
Mary Fenui, Nutley
Dawn Makowski, RMC
Joseph Hrubash, Perma
Tracy Lopez, Perma

APPROVAL OF MINUTES:

July 17, 2018 – Open Minutes
July 17, 2018 – Closed Minutes

MOTION TO APPROVE OPEN AND CLOSED MINUTES AS NOTED ABOVE

MOTION:

Commissioner Rovell

SECOND:

Commissioner Cuccia

VOTE:

Unanimous

Correspondence

Executive Director referred to correspondence noting the Underwriting Manager filing of the 2018 Excess and Reinsurance Policies with the state of New Jersey Dept. of Banking and Insurance and the Department of Community Affairs.

Executive Director said as outlined in correspondence from the Town of Secaucus notifying the Fund that they will seek alternative quotes for their upcoming membership renewal including a quote from the Fund.

Executive Director referred to correspondence from the Township of South Orange requesting a waiver from the Fund in order to receive a quote from the Morris County Joint Insurance Fund. The Township was one of the original charter members of the Fund. Fund Attorney recommended this discussion take place in closed session.

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. The Fund Attorneys office has been in contact with each member entity to schedule the required Managers & Supervisors training. Attached is a copy of the remaining Police Command Staff Training dates. Deadline to complete program compliance is October 1, 2018.

Since the Model Personnel Manual was finalized, there has been a decision concerning the Open Public Meetings Act regarding notification to employees that they or their position might be discussed at council meeting. Executive Director reviewed the finalized bulletin from the MEL Fund Attorney advising members to adopt amended language arising out of a recent Supreme Court decision regarding the Open Public Meetings Act and procedures concerning personnel matters.

Additionally, members should closely review their Sick Leave policies, since the law changed effective October 29th concerning sick leave.

Land Use Liability

Executive Director said a letter detailing this optional policy was sent to Fund Commissioners and Risk Managers via email on June 18th. Included was the script for the Land Use Liability training as well as a member-specific policy document.

As a reminder, the training script corresponds to a PowerPoint presentation (download from www.njmel.org) to be conducted by your land use or municipal attorney. Training attendance sheets should be returned to the Fund office to track compliance in the event of a claim. Coverage limit is available for \$1,000,000. Executive Director noted that personal lawsuits against land use board members are rare. Under the new policy, when a board member is sued personally for their official actions and is not otherwise indemnified, the MEL will reimburse up to \$50,000 (annual aggregate) for defense subject to the terms of the policy. This coverage will also contribute towards a defense in criminal court, but only if the public official is subsequently acquitted. Training must be completed in order to obtain this coverage.

Fund Attorney added that this is very unique coverage provided by the MEL and not normally found in the public market.

Risk Management Information/Operating System (RMIS)

Executive Director said members and risk management consultants received an email on August 13th with a link to the renewal worksheets to begin the 2019 underwriting renewal. Members had

until September 15th to complete the worksheets. The Fund office is currently reviewing data for the 2019 budget process.

Membership Renewals

Executive Director said there are six members scheduled to renew their three-year membership term at year end. Renewal documents have been mailed to each renewing member. The status listing of documents received to date was reviewed as distributed.

RCF, EJIF & MEL Reports

Executive Director said the RCF, EJIF & the MEL each met on September 5, 2018 for which Chairman Tucci and Commissioner Catenaro's reports are included.

EJIF

Commissioner Catenaro said the board agreed to release a dividend in the amount of \$1,250,000. Amount is conservative, in view of available surplus, but sustainable.

Executive Director added that the "tail" for pollution liability can be long. In fact, the regulations, in recognition of this, included a provision that the EJIF can issue bonds, if necessary.

Commissioner Catenaro also reported that EJIF is conducting training on new UST regulations. Notification was distributed to Commissioners.

RCF

Executive Director said the RCF has requested that Resolution #16-18 authorizing the transfer of the Suburban Essex JIF's Fund Year 2014 liabilities to the Residual Claims Fund as of December 31, 2018 valuation be adopted by the Fund. The change in the resolution is authorizing the transfer as of December 31, 2018 in lieu of June 30, 2018 to allow for increased maturity; if transferred as of 6/30/18 there would be an availability of \$405,000. A copy of the 2018 amended budget and 2019 proposed budget were also reviewed as distributed and are each scheduled for adoption during the October 17, 2018 meeting.

Motion to adopt Resolution #16-18 authorizing the transfer of Fund Year 2014 Liabilities to the Residual Claims Fund as of December 31, 2018.

MOTION:

Commissioner Rovell

SECOND:

Commissioner Catenaro

VOTE:

Unanimous

RCF Membership Renewal

Executive Director said the Suburban Essex JIF's three-year membership in the Residual Claims Fund is scheduled to expire on December 31, 2018. Enclosed is Resolution # 17-18 renewing the membership term effective January 1, 2019 through December 31, 2021.

Motion adopt Resolution #17-18 renewing the Suburban Essex JIF's membership in the Residual Claims Fund for a three-year term effective January 1, 2019.

MOTION:	Commissioner Catenaro
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

EJIF

Executive Director added that the 2019 EJIF Budget was introduced at the September 5th meeting and is scheduled for adoption at the October 17, 2018 meeting.

EJIF Membership Renewal

Executive Director said the Suburban Essex JIF's three-year membership in the New Jersey Municipal Environmental Risk Management Fund is scheduled to expire on December 31, 2018. Enclosed is Resolution #18-18 renewing the membership term effective January 1, 2019 through December 31, 2021.

Motion to adopt Resolution #18-18 renewing the Suburban Essex JIF's Membership in the New Jersey Municipal Environmental Risk Management Fund For a Three-Year Term Effective January 1, 2019.

MOTION:	Commissioner Catenaro
SECOND:	Commissioner Rovell
VOTE:	Unanimous

MEL Report

Chairman Tucci touched upon the MEL report by first recognizing and congratulating Joseph Hrubash for his 30 years of service beginning as the Assistant Underwriting Manager to the MEL to now the Deputy Executive Director. Chairman Tucci added that Mr. Hrubash does an outstanding job.

Chairman Tucci referred to the 2019 Rate table as distributed noting the projected increase of 2%. Which is very modest and is scheduled for adoption at the October 17, 2018 meeting.

Chairman Tucci congratulated and thanked Chuck Cuccia for helping to sheppard through our investment legislation which was not easy. Legislation will be expanded to the local JIFs and signed into law.

Lastly, Chairman Tucci said the MEL Fund Attorney is preparing a bulletin concerning the use of facebook and elected officials; which is quite timely given some current uses of the social media outlet.

Executive Director added comments regarding the MEL budget referring to the bill working its way through the senate and assembly concerning fire fighters cancer presumption. David Grubb the Executive Director of the MEL feels certain, this time around, it will pass in some form as he has been writing papers and attending hearings and is expected, at the very, least encourage some form of amendments with the position that there are some cancers that can be tied to fire fighters but not all. The excess workers compensation claims fund of the 2019 MEL budget could have been reduced based on the actuary's projection, however, it was decided to keep the rate flat in the event the bill passes in 2019, this will allow for some money to respond to claims as it will more than likely be treated as an occupational claim. The MEL would then bill back to the local JIFs should the need arise. In the recent past, members were asked to adopt resolutions supporting the bill; if another copy is need by members you may request it from the Fund office.

Statutory Bonds

Executive Director said the Underwriting Manager's office has contacted municipal clerks of towns that are renewing their JIF membership to secure updated bond applications for statutory positions. This process was put in place to ensure that respective bonded positons are being renewed.

Retrospective Premium

Executive Director said in accordance with the Retrospective Premium program adopted by the Fund in 2010, we are in the process of reviewing claims experience for the 2014, 2015 2016, and 2017 claims year, including reserves and incurred but not reported reserves (IBNR). The Fund will notify the members that trigger the retrospective premium.

Request for Qualifications

Executive Director said the Fund advertised Requests for Qualifications for all Fund Professional positions; responses were due August 22, 2018. The summary of the responses and fee proposals were reviewed as distributed. Board of Commissioners recommended that the Finance Committee meet to review the multiple submissions for Actuary, Claims Administrator, Managed Care Provider and CDL Drug & Alcohol Testing providers and report back to the Board of Commissioners during the October 16, 2018 meeting.

November 12, 2018 Meeting Date

Executive Director said that typically, the Suburban Essex meeting date of "the third Tuesday" conflicts with the League of Municipalities Conference so the Fund sets the November meeting to be the Monday of the week of the League. However, this year, the third Tuesday does not conflict with the League while the Monday of the League week is Veterans Day. As a result, we recommend rescheduling the November meeting from Monday, November 12th to Tuesday, November 20, 2018.

Motion to reschedule the November meeting from Monday, November 12, 2018 to Tuesday, November 20, 2018.

MOTION: Commissioner Rovell
SECOND: Commissioner Catenaro
VOTE: Unanimous

ProForma Financial Reports

Executive Director reviewed July reports which included monthly Financial Fast-track, Interest Rate Summary Comparison, Loss Ratio Analysis by fund year and line of coverage, Claim Activity Report, Lost Time Accident Frequency, Lost Days Report and MSI Usage report. In addition, the Regulatory Checklist, EPL/POL status report and the current list of Risk Management Consultant agreements were reviewed.

TREASURER REPORT

Fund Treasurer referred to the report as distributed for the months of July and August 2018.

Confirmation of payment made in August was also reviewed as distributed.

CONFIRMATION OF AUGUST PAYMENTS:

FUND YEAR	AMOUNT
2017	\$ 6,280.00
2018	\$ 230,145.34
Total	\$ 236,425.34

RESOLUTION 19-18 PAYMENT OF SEPTEMBER VOUCHERS:

FUND YEAR	AMOUNT
2018	\$ 98,667.55
Total	\$ 98,667.55

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

2014: \$ 122,097.79
2015: \$ 23,898.14
2016: \$ 19,971.71
2017: \$ 52,200.62
2018: \$ 82,763.31

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

2014:	\$	8,078.70
2015:	\$	9,923.20
2016:	\$	27,364.43
2017:	\$	69,821.26
2018:	\$	167,049.01

Fund Treasurer reviewed the July and August investment portfolio noting the total of \$5,108,423.76 for August and \$5,101,236.31 July yielding 1.600% in interest.

MOTION TO ADOPT RESOLUTION 19-18 APPROVING THE SEPTEMBER BILL LIST AND APPROVE CONFIRMATION & CERTIFICATION OF THE AUGUST CLAIM PAYMENTS AND RECOVERIES AS SUBMITTED.

MOTION:	Commissioner Rovell
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

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

ATTORNEY

Fund Attorney referred the agenda report as distributed and will hold two items for closed session.

Attorney Report made part of the minutes.

UNDERWRITING MANAGER

Executive Director referred to the listing of certificates of insurance as previously issued. Executive Director said one issue coming out of the MEL Coverage Committee is following the accident in Paramus involving the school bus crash and the severity of same; several risk management consultants questioned the optional excess limits that members are able to purchase. Right now members can purchase up to \$20M however due to the severity of one accident and the number of injuries associated with this type of claim, \$20M may not be sufficient; therefore the Underwriting Manager is marketing coverage for shared catastrophic limits for the 2019 fund year to offer to fund members. However, we believe each member would have to first participate in purchasing the maximum limit of \$20M to participate. We will keep the Funds informed as the results from the Underwriting Manager are received.

MANAGED CARE

Ms. Kelly Royce of FMCO introduced Ms. Mary Bresadola, Account Manager of FMCO and Ms. Leslie Haug, Dedicated Case Manager working on the Suburban Essex JIF.

Ms. Royce reviewed the agenda report as re-distributed for the month of August 2018 which indicates \$176,259 in provider bills, repriced at \$78,981 resulting in a savings of \$97,277 or 55%.
Managed Care Report made part of the minutes.

SAFETY DIRECTOR

Safety Director referred to the safety report as distributed outlining July and August activities, upcoming training sessions by the MEL Safety Institute and the latest safety bulletins that were distributed to members. A Safety Committee Meeting will follow this meeting at 10:30 AM for which a Q & A session with our Managed Care, Claims and Administrative professionals will be present.

Fund Attorney said there have been several situations where PSEG “mark-outs” appear to have been incorrect, leading to damage to underground piping by member town(s). Defense Panel attorney recommends members take pictures of mark-outs prior to performing work, noting that will be helpful if a problem arises. Fund Attorney suggested a bulletin be issued to members on this topic. Commissioner Catenaro said Fairfield has had similar issues with Comcast.

Commissioners suggested an instructor-led class on this topic be scheduled. Safety Director said he would follow-up on bulletin & class.

Closed Session

RESOLUTION - EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES: LITIGATION AND/OR CLAIMS, CONTRACT NEGOTIATIONS, PERSONNEL OR OTHER.

MOVED:	Commissioner Pavlica
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

MOTION TO RETURN TO OPEN SESSION:

MOVED:	Commissioner Catenaro
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

MOTION TO APPROVE WAIVER TO THE TOWNSHIP OF SOUTH ORANGE FROM THE SUBURBAN ESSEX JOINT INSURANCE FUND FOR SUBMISSION OF APPLICATION TO THE MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND

MOVED:	Commissioner Catenaro
SECOND:	Commissioner Rovell
VOTE:	Unanimous

MOTION TO APPROVE PAYMENT AUTHORITY REQUESTS FOR FILE NUMBERS AS SUBMITTED BY THE CLAIMS ADMINISTRATOR

MOVED: Commissioner Rovell
SECOND: Commissioner Catenaro
VOTE: Unanimous

MOTION TO HEAR THE APPEAL OF THE CALABRO VS. NUTLEY CASE DURING CLOSED SESSION ON OCTOBER 16, 2018. THE APPEAL WILL BE PRESENTED ON PAPER ONLY AND CLAIMANT WILL BE FORMALLY ADVISED.

MOVED: Commissioner Catenaro
SECOND: Commissioner Cuccia
VOTE: Unanimous – (Steve Rovell Abstained due to conflict of interest)

OLD BUSINESS:
None

NEW BUSINESS:
None

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

MOVED: Commissioner Cuccia
SECOND: Commissioner Marmora
VOTE: Unanimous

MEETING ADJOURNED: 11:06 AM

**SUBURBAN ESSEX JOINT INSURANCE FUND
BILLS LIST**

CONFIRMATION OF PAYMENTS

AUGUST 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>
001457			
001457	LERCH, VINCI & HIGGINS LLP	2017 FINAL BILLNG-PREP STAT ANNUAL AUDIT	6,280.00
			6,280.00
		Total Payments FY 2017	6,280.00

FUND YEAR 2018

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001458			
001458	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 8/18	11,567.14
			11,567.14
001459			
001459	N.J. MUNICIPAL ENVIRONMENTAL	EJIF 2ND INSTALLMENT 2018	74,930.64
			74,930.64
001460			
001460	QUAL-LYNX	CLAIM ADJUSTING SERVICES 8/18	26,790.54
			26,790.54
001461			
001461	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 8/18	4,702.37
			4,702.37
001462			
001462	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING	480.70
001462	DYNAMIC TESTING SERVICES LLC	DRUG TESTING	1,190.20
			1,670.90
001463			
001463	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 7/18	17.39
001463	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 8/18	22,150.33
001463	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 6/18	116.22
			22,283.94
001464			
001464	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES 8/18	2,677.00
			2,677.00
001465			
001465	WILLIAM M. HOMA, CPA	TREASURER FEE 8/18	1,285.75
			1,285.75
001466			
001466	NEWTECH SERVICES, INC.	MONTHLY WEBSITE MAINTENANCE/HOSTING 8/18	75.00
			75.00

001467				
001467	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 8/18	718.00	718.00
001468				
001468	ALLSTATE INFORMATION MANAGEMNT	MONTHLY ARCH SERV & STOR 6.30.18	97.19	97.19
001469				
001469	FAIRVIEW INSURANCE AGENCY	RMC FEE 8/18 - SECAUCUS TOWN	3,000.00	3,000.00
001470				
001470	RUSSO & ASSOCIATES LLC	INTERNAL AUDITOR - JULY REVIEWS	4,255.28	4,255.28
001471				
001471	IMAC INSURANCE AGENCY, LLC	RMC FEE 2ND 2018 - FAIRFIELD TWP	16,438.22	
001471	IMAC INSURANCE AGENCY, LLC	RMC FEE 2ND 2018 - BELLEVILLE TWP	59,079.10	75,517.32
001472				
001472	NJ ADVANCE MEDIA	ACCT: XSUBU0555066 - 7/6/18 - SYNOPSIS	552.57	
001472	NJ ADVANCE MEDIA	ACCT: XSUBU0555066 - 7/12/18 - JULY MTG	21.70	574.27
		Total Payments FY 2018		230,145.34

TOTAL PAYMENTS ALL FUND YEARS \$236,425.34

**SUBURBAN ESSEX JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 19-18

SEPTEMBER 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 2018

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001473			
001473	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 9/18	11,567.14
			11,567.14
001474			
001474	QUAL-LYNX	CLAIM ADJUSTING SERVICES 9/18	26,790.54
			26,790.54
001475			
001475	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 9/18	4,702.37
			4,702.37
001476			
001476	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING	218.50
001476	DYNAMIC TESTING SERVICES LLC	DRUG TESTING	703.30
			921.80
001477			
001477	PERMA RISK MANAGEMENT SERVICES	AUGUST POSTAGE	9.52
001477	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 9/18	22,150.33
			22,159.85
001478			
001478	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES 9/18	2,677.00
			2,677.00
001479			
001479	PIRO, ZINNA, CIFELLI, PARIS &	RETAINER PER RESOLUTION 8/18	6,966.08
001479	PIRO, ZINNA, CIFELLI, PARIS &	RETAINER PER RESOLUTION 7/18	6,958.08
			13,924.16
001480			
001480	WILLIAM M. HOMA, CPA	TREASURER FEE 9/18	1,285.75
			1,285.75
001481			
001481	LERCH, VINCI & HIGGINS LLP	OUT OF POCKETS COSTS 9/18	46.00
			46.00
001482			
001482	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 9/18	718.00
			718.00
001483			
001483	ALLSTATE INFORMATION MANAGEMNT	MONTHLY ARCH SERV & STOR 7.31.18	237.57
			237.57
001484			
001484	FAIRVIEW INSURANCE AGENCY	RMC FEE 9/18 - SECAUCUS TOWN	3,000.00

			3,000.00
001485			
001485	AL ALEXANDER AGENCY INC.	RMC FEE 2ND 2018 - HALEDON	10,637.37
			10,637.37
		Total Payments FY 2018	98,667.55

TOTAL PAYMENTS ALL FUND YEARS \$98,667.55