

**SUBURBAN ESSEX JOINT INSURANCE FUND
NOVEMBER 20, 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	Present
Passaic Manchester Regional HS	Absent
Borough of Prospect Park	Absent
Fairfield Township	Present
Hudson Reg'l Health Commission	Present
Borough of Haledon	Absent
Nutley Board of Education	Absent
Essex Reg'l Health Commission	Present
Town of Secaucus	Absent
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	Absent
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

Mary Bresadola

OTHERS PRESENT:

Joe Rude, RMC
Lawrence Calabro, Claimant
Jack Zisa, RMC
Robert Searle, RMC
Frank DeMaio, Nutley
Caty Lambe, Qual-Lynx
Dawn Makowski, RMC
Zach Edelman, RMC
Frank Covelli, RMC
Tracy Lopez, Perma

APPROVAL OF MINUTES: October 16, 2018 – Open Minutes
October 16, 2018 – Closed Minutes

MOTION TO APPROVE OPEN AND CLOSED MINUTES AS NOTED ABOVE WITH CORRECTION TO CLOSED SESSION

MOTION: Commissioner Catenaro
SECOND: Commissioner Duch
VOTE: Unanimous

Correspondence

None

2019 Budget and Assessments

Executive Director referred to the 2019 Budget as introduced last month on behalf of the Fund. The loss funds have increase by an approximate total of 1%. Of note, the Safety Directors line item has increase based upon their RFQ response and the addition of retired police chief Vincent Quatrone. Last year the southern JIFs implemented the services of retired police Chief Keith Hummel and while the northern JIFs hired the services of Vincent Quatrone, Suburban Essex JIF was already mid-year in their contract for Safety Director services. As agreed last month, the cost for the additional services is included within the budget as recommended by the Finance Committee.

MOTON TO OPEN THE PUBLIC HEARING ON THE 2019 BUDGET FOR DISCUSSION OF BUDGET AND ASSESSMENTS

MOTION: Commissioner Duch
SECOND: Commissioner Catenaro
VOTE: Unanimous

The overall budget has increased by 2%, however, the Suburban Essex JIF implemented the Retrospective Rating Program; should a member exceed their individual loss fund, they will be charged the maximum amount as outlined within the 2019 Assessments as distributed, a member will billed 18 months after the transfer of the closed year to the RCF. Members are notified prior to the billing which allows thee member the opportunity to review their individual budgets and adjust for the possibility of the maximum assessment.

Chairman Tucci asked if there were any questions on the Budget. Hearing none;

MOTION TO CLOSE THE PUBLIC HEARING

MOTION: Commissioner Cuccia
SECOND: Commissioner Nawrocki
VOTE: Unanimous

MOTION TO APPROVE THE 2019 BUDGET AND CERTIFY THE ASSESSMENTS.

MOTION: Commissioner Marmora
SECOND: Commissioner Cuccia
VOTE: Unanimous

Dividend Distribution

Executive Director said during the October meeting, the Board of Commissioners approved the release of a return dividend from the Closed Year Accounts of the Fund. Resolution #21- 18 authorizing the release of the \$250,000 dividend was reviewed as distributed.

MOTION TO ADOPT RESOLUTION #21-18 AUTHORIZING THE RELEASE OF DIVIDEND FROM CLOSED YEAR ACCOUNTS IN THE AMOUNT OF \$250,000.

MOTION: Commissioner Cuccia
SECOND: Commissioner Duch
VOTE: Unanimous

Residual Claims Fund

Executive Director said the RCF met on October 17, 2018 at the Forsgate Country Club as a public hearing and adopted the 2019 budget. A copy of Commissioner Catenaro's report was reviewed as distributed.

Executive Director said the Fund should nominate its 2019 representative to the RCF. Currently, Commissioner Catenaro is the RCF representative and Chairman Tucci is the alternate representative.

MOTION TO NOMINATE CATENARO TO SERVE AS THE FUND'S REPRESENTATIVE TO THE RCF AND CHAIRMAN TUCCI AS THE ALTERNATIVE REPRESENTATIVE.

MOTION: Commissioner Budris
SECOND: Commissioner Duch
VOTE: Unanimous

EJIF

Executive Director said the 2019 budget was introduced in September and a public hearing was held on October 17, 2018. A copy of Commissioner Catenaro's report was reviewed as distributed. Commissioner Catenaro noted the approval of a \$1.2 M release of a dividend and one item of note it is the removal of the deductible on the policy and the deductible has and will never be applied to a member; to remove confusion it was recommended to have the deductible removed from policies.

Executive Director further noted that in the past certificates of insurance for underground storage tanks was issued at the beginning of each year; the State has advised that the policy should also be attached. The policy and certificate of insurance will be released beginning in 2019 and will continue in the future based on this requirement.

Executive Director said the Fund should nominate its 2019 representative to the E-JIF. Currently, Commissioner Catenaro is the E-JIF representative and Chairman Tucci is the alternate representative.

MOTION TO NOMINATE CATENARO TO SERVE AS THE FUND'S REPRESENTATIVE TO THE E-JIF AND CHAIRMAN TUCCI AS THE ALTERNATE REPRESENTATIVE.

MOTION:	Commissioner Duch
SECOND:	Commissioner Marmora
VOTE:	Unanimous

MEL Report

Executive Director said the MEL met on October 17, 2018 at 11:15 AM at the Forsgate Country Club to introduce the 2019 Budget; Chairman Tucci's report on the meeting was reviewed as distributed. The public hearing on the MEL 2019 budget will be held on November 14, 2018 at 5:00 PM in the Convention Center in Atlantic City - Room 306; a report of that meeting will be included within the next agenda.

Executive Director said the Fund should nominate its 2019 representatives to the MEL. Currently, Chairman Tucci is the Fund's MEL representative and Commissioner Catenaro is the alternate representative.

MOTION TO NOMINATE CHAIRMAN TUCCI TO SERVE AS THE FUND'S REPRESENTATIVE TO THE MEL AND JOSEPH CATENARO AS THE ALTERNATE REPRESENTATIVE.

MOTION:	Commissioner Duch
SECOND:	Commissioner Budris
VOTE:	Unanimous

Elected Officials Training

Executive Director said this year's elected officials training program will focus on "Employment Practices for Governmental Officials". Sessions are scheduled at the League of Municipalities Conference for Tuesday, November 13th at 3:45 pm at Caesars and on Wednesday, November 14th at 3:45 pm at the Convention Center. Notice was emailed to Fund Commissioners and Risk Management Consultants.

The MEL will provide a credit of \$250 against each member's assessment for each municipal elected official and authority commissioner who completes the course by May 1, 2019. The credit will continue to be extended to the member's CEO (i.e. municipal manager/administrator or authority executive director). The maximum credit is 5% of the member's assessment.

2019/2020 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. Deadline to complete program compliance was October 1, 2018. All Suburban Essex JIF members are now in compliance.

The City of Bayonne

Executive Director said we have received the application for The City of Bayonne and will have a New Member Review for consideration during the closed session of the meeting.

Catastrophic Limits

Executive Director said the MEL Underwriting Manager has provided an indication of costs to purchase a shared aggregate limit above the \$15,000,000 excess of the MEL standard limit of \$5,000,000 (\$20,000,000 total). Reinsurers has offered the limit at below pricing:

Option 1 \$10m Shared Aggregate limit for each local JIF = 20%-40% Rate-on-Line (ROL) of the reinsurance layer

Option 2 \$20m Shared Aggregate limit for each local JIF = 35%-\$50% Rate-on-Line (ROL) of the reinsurance layer

JIFs that elect to purchase for all members would likely be at 30% for option 1 and 45% for Option 2.

Executive Director referred to the illustration noted below, of these costs (health commissions will have to be rated separately). Note, not every member of the JIF purchases \$15,000,000 excess of \$5,000,000.

Underwriting Manager is providing a range since it will vary based on the level of participation, both for JIF-wide participation or individual member selection. Executive Director noted, that that the below illustration is not final based on marketing negotiations.

Member	Current	2019 Cost	2019 Cost to	Additional Cost to	Option 1	Option 2
	Optional Limit	At Current Limit	Purchase up	For Full Limits	30% ROL	45% ROL
BELLEVILLE	15	\$ 21,320.90	\$21,320.90	\$ -	\$ 6,396.27	\$ 9,594.41
FAIRFIELD	10	\$ 3,988.70	\$ 4,719.77	\$ 731.07	\$ 1,415.93	\$ 2,123.90
GARFIELD	15	\$ 18,245.20	\$18,245.20	\$ -	\$ 5,473.56	\$ 8,210.34
HALEDON	0	\$ -	\$ 5,535.59	\$ 5,535.59	\$ 1,660.68	\$ 2,491.02
LITTLE FALLS	15	\$ 9,604.52	\$ 9,604.52	\$ -	\$ 2,881.36	\$ 4,322.03
NUTLEY	0	\$ -	\$17,047.46	\$ 17,047.46	\$ 5,114.24	\$ 7,671.36
PROSPECT PARK	5	\$ 2,204.52	\$ 3,902.82	\$ 1,698.31	\$ 1,170.85	\$ 1,756.27
SECAUCUS	15	\$ 10,198.87	\$10,198.87	\$ -	\$ 3,059.66	\$ 4,589.49
				\$ 25,012.43	\$27,172.54	\$40,758.81

Commissioner Catenaro suggested the fund should consider having all members purchase maximum limits to avoid a member experiencing a catastrophic loss without the maximum limits and the ability to access the shared catastrophic limit. The Board of Fund Commissioners agreed.

After some discussion, Executive Director said the Fund office will advise the underwriting manager of the interest of the Fund purchasing additional excess limits as a Fund in lieu of individually by member.

January Reorganization Meeting

Executive Director said that although the Fund is scheduled to meet on December 18th, it might be appropriate to authorize the Treasurer to process contracted expenses in the event we do not have any pressing business to conduct thereby cancelling the public meeting. The Fund's Reorganization meeting is scheduled for Tuesday, January 15, 2019 at 9:30 at the Nutley Parks & Recreation Building.

MOTION TO AUTHORIZE THE TREASURER TO PROCESS CONTRACTED EXPENSES DURING THE MONTH OF DECEMBER.

MOTION: Commissioner Catenaro
SECOND: Commissioner Cuccia
VOTE: Unanimous

Executive Director said the Fund agreed to participate in Opioid Litigation with a law firm and in preparation of the litigation the firm was requesting additional information on behalf of the Fund as well as FMCO for which we could not provide and was not pertinent to the litigation itself.

Executive Director said the firm was really seeking information beyond pain medication prescribed during a workers compensation claim; for example, they were looking for information on communities emergency responses for overdose; essentially they were looking for the overall impact to municipalities in responding to this crisis, not workers compensation. As a result, Executive Director suggested the fund abandon its participation.

Due Diligence Reports

Executive Director reviewed September 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 month of November 2018.

RESOLUTION 22-18 PAYMENT OF NOVEMBER VOUCHERS:

FUND YEAR	AMOUNT
2018	\$ 118,513.41
Total	\$ 118,513.41

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

2014:	\$	6,041.84
2015:	\$	7,209.09
2016:	\$	118,974.24
2017:	\$	90,082.03
2018:	\$	237,855.63

Fund Treasurer reviewed the October investment portfolio noting the purchase of a U.S. Treasury bill in the amount of \$516,000 yielding 2.160%. Currently the investment portfolio totals \$5,123,581.97 investments yielding 1.61% in interest.

MOTION TO ADOPT RESOLUTION 22-18 APPROVING THE NOVEMBER BILL LIST AND APPROVE CONFIRMATION & CERTIFICATION OF THE OCTOBER CLAIM PAYMENTS AND RECOVERIES AS SUBMITTED.

MOTION:	Commissioner Duch
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

Executive Director said the investment bill did pass last year and the MEL has started discussions of the formation of a joint cash management program and will approach each member JIF to participate in the program in the near future.

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

Executive Director referred to the listing of certificates of insurance as previously issued.

MANAGED CARE

Managed Care provider reviewed the agenda report as distributed for the month of October 2018 which indicates \$309,355 in provider bills, repriced at \$132,185 resulting in a savings of \$177,170 or 67%.

Managed Care Report made part of the minutes.

SAFETY DIRECTOR

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

Closed Session

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

MOVED: Commissioner Catenaro
SECOND: Commissioner Cuccia
VOTE: Unanimous

MOTION TO RETURN TO OPEN SESSION:

MOVED: Commissioner Cuccia
SECOND: Commissioner Marmora
VOTE: Unanimous

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

MOVED: Commissioner Catenaro
SECOND: Commissioner Cuccia
VOTE: Unanimous

OLD BUSINESS:

None

NEW BUSINESS:

None

PUBLIC COMMENT:

Mr. Calabro said his wife Karen and himself want nothing more than to bring closure to their claim today; we lost approximately \$30,000, it is recognized that the Fund offered a significant lessor amount. There were 182 documents provided to each of the twelve members; 3,640 in all.

Fund Attorney advised Mr. Calabro that his appeal is closed as it was agreed to be submitted in writing which was reviewed by each of the Commissioners.

Mr. Calabro continued in closing with hopes to resolve his claim today.

Hearing nothing further,

**MOTION TO APPROVE RESOLUTION 23-18 DENYING COMPLAINT/APPEAL
OF LAWRENCE CALABRO.**

MOVED: Commissioner Catenaro
SECOND: Commissioner Cuccia
VOTE: Unanimous

MOTION TO ADJOURN:

MOVED:	Commissioner Duch
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

MEETING ADJOURNED: 10:40 AM

**SUBURBAN ESSEX JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 22-18

NOVEMBER 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>
001503			
001503	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 11/18	11,567.14
			11,567.14
001504			
001504	QUAL-LYNX	CLAIM ADJUSTING SERVICES 11/18	26,790.54
			26,790.54
001505			
001505	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 11/18	4,702.37
			4,702.37
001506			
001506	DYNAMIC TESTING SERVICES LLC	DRUG TESTING 11/18	703.30
001506	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING 11/18	262.20
			965.50
001507			
001507	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 11/18	22,150.33
			22,150.33
001508			
001508	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES 11/18	2,677.00
			2,677.00
001509			
001509	PIRO, ZINNA, CIFELLI, PARIS &	2018 MANAGERS TRAINING	5,000.00
001509	PIRO, ZINNA, CIFELLI, PARIS &	RETAINER & TELEFAX CHARGES 11/18	6,962.08
			11,962.08
001510			
001510	WILLIAM M. HOMA, CPA	TREASURER FEE 11/18	1,285.75
			1,285.75
001511			
001511	NEWTECH SERVICES, INC.	WEBSITE SERVICES 11/18	100.54
001511	NEWTECH SERVICES, INC.	MNTHLY WEBSITE MAINTENANCE/HOSTING 11/18	75.00
			175.54
001512			
001512	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 11/18	718.00
			718.00
001513			
001513	ALLSTATE INFORMATION MANAGEMNT	ACCT#415 - ARC & STOR - 9.30.18	43.42
			43.42
001514			
001514	FAIRVIEW INSURANCE AGENCY	RMC FEE 11/18- SECAUCUS TOWN	3,000.00
			3,000.00

001515			
001515	C. WALTER SEARLE INS AGENCY LLC	RMC FEE 2ND 2018 - NUTLEY TWP	17,250.00
001515	C. WALTER SEARLE INS AGENCY LLC	RMC FEE 2ND 2018 - NUTLEY BOE	15,225.74
			32,475.74
		Total Payments FY 2018	118,513.41

TOTAL PAYMENTS ALL FUND YEARS \$118,513.41