

SUBURBAN ESSEX JOINT INSURANCE FUND

July 18, 2017

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 2017

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 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 Present
Little Falls Township Absent

2017 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 Absent
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
Caty Lambe

Treasurer

William Homa

Safety

J.A. Montgomery Risk Control
Ken Schulz

Underwriter

Conner Strong & Buckelew
Edward Cooney

Managed Care

FMCO
Karen Workman

OTHERS PRESENT:

Barry Maurillo, IMAC Insurance
Frank DeMaio, Nutley
Javier Esparra, Qual-Lynx
Robert Searle, C. Walter Searle
Marie Vicchiariello, C. Walter Searle
Frank DeMaio, Nutley
Mary Fenui, Nutley
Joe Rude, EBCSG
Dawn Makowski, Al Alexander
Camilo Pedraza, Qual-Lynx
Zach Edlemen, Fairview Insurance

APPROVAL OF MINUTES: June 20, 2017– Open Minutes
June 20, 2017 – Closed Minutes

MOTION TO APPROVE OPEN AND CLOSED MINUTES AS NOTED ABOVE

MOTION: Commissioner Marmora
SECOND: Commissioner Pavlica
VOTE: Unanimous

Correspondence

Executive Director referred to correspondence from Ann Noble, President and CEO of Qual-Lynx announcing her decision to leave her role as President and CEO effective July 10, 2017 to pursue her personal interests outside of the insurance business. Executive Director also said correspondence outlines leadership changes; all of whom have been with Qual-Lynx for a number of years and are favorably known to the JIFs.

Caty Lambe introduced Camilo Pedraza, Claims Adjuster in the dedicated unit for the Fund.

EXECUTIVE DIRECTORS REPORT

Audit Report and Actuary Valuation Report as of December 31, 2016

Executive Director said the 2016 Year End Audit Report, Actuarial Certification & Statement of Actuarial Opinion have been filed with the State. The Synopsis of the Audit has also been advertised in the Fund’s newspaper.

Membership Renewals

Executive Director said there are three members scheduled to renew their three-year membership term at year end: Township of Belleville and Fairfield and Hudson Regional Health Commission. Renewal documents will be mailed accordingly.

MEL 30TH Anniversary Article

Executive Director said a recent edition of the New Jersey League of Municipalities magazine highlighted the 30th Anniversary of the MEL which was also announced during the League of Municipalities. The article pointed out the long history of the Fund and how much member municipalities have saved over the years.

2018 Renewal Online Underwriting Database

Executive Director said members should have received emails from Riskworks (Exigis) beginning the 2018 underwriting renewal. The deadline to submit schedules is August 15th. Executive Director reminded members that QBE has reserved the right to increase deductibles based on member experience for EPL/POL. QBE has not done so within this JIF as of yet and we have not received any indication thus far of the possibility; however we must remind members in the event there is a change during the 2018 Budget.

Safety Expo

For the eleventh year, the MEL is working 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 24th at the Middlesex County Fire Academy and September 30th at the Camden County Emergency Services Training Center. Registration is through the MEL Safety Institute. A notice was emailed to all members.

Cybersecurity Awareness Training

The Fund issued an RFQ for Cybersecurity Awareness Training with a return date of May 19, 2017 at 10:00 am; responses received from D2 Cybersecurity & Kean University, KnowBe4 and Pivot Point. A sub-committee was appointed and met on Thursday, July 13th to review the responses. Commissioner Rovell noted the following:

KnowBe4 – Although the pricing was very low, they would require that each member have their IT Dept administer testing for which not all members have an IT Dept. and the implementation of testing would not be possible.

Pivot Point – Sub-Committee felt that the company has not fully developed a training product and the pricing was very high.

D2 & Kean University – Commissioner Rovell said, through his job with the federal government, he had experience with D2 & Kean University and recommended D2 since they would provide the training as well as the implementation of phishing testing for employees which would be reported back to the member. Executive Director and Underwriting Manager also sat on the sub-committee and agreed with Commissioner Rovell's recommendation.

MOTION TO ENTER INTO A CONTRACT AGREEMENT WITH D2 & KEAN UNIVERSITY BASED ON THEIR RFQ SUBMISSION OF MAY 19, 2017.

MOTION:	Commissioner Catenaro
SECOND:	Commissioner Marmora
VOTE:	Unanimous

August Meeting

As a reminder the August meeting was cancelled and has been advertised in the Funds news paper. The next scheduled meeting will take place on Tuesday, September 19, 2017.

Pro Forma Financial Reports

Executive Director referred the due diligence reports for the month of May, 2017 and also referenced the 2015 Fund year in the Financial Fast Track, advising that once the authorized transfer of 2015 Fund year liabilities moves to the RCF the surplus amounts in the closed year will offset the deficit amount (if deficit remains at time of transfer). In review of the Expected Loss Ratio report, the 2015 year exceeds the actuarial target projection; same is true for the 2017 year, however those numbers may change based on development. Executive Director continued review of the Lost Time Accident Frequency Report for all JIFs in the MEL program; Suburban Essex is shown as having 2.45 LTAF rate; while being compared to all 15 JIFs, Suburban Essex is 14th; however it should be noted that in comparison to prior early years, most JIFs were over 5 as a lost time accident frequency.

TREASURER REPORT

Fund Treasurer referred to the report as distributed for the month of June 2017 and reviewed the bill lists for July.

Fund Treasurer confirmed that in working with Joe Sette of Investors Bank, \$3,000,000 in U.S. Treasury Notes was purchased for investment purposes with scatter maturity dates effective June 28, 2017. The fund is currently yielding 1.35% of the \$5,041,209.88 investment portfolio.

Commissioner Catenaro asked if the Fund can invest in tax credit municipal programs. Fund Treasurer responded advising that although these programs may seem very inviting there are pros and cons to participating. Commissioner Rovell questioned the status of the investment legislation previously discussed; Executive Director responded advising that it was passed in the Senate; however it was not been posted for a vote in the Assembly, we are hopeful it will be considered in the next session. If the investment legislation is passed, the JIFs would form a joint cash management and investment program and appoint a sub-committee that would develop an investment policy. That committee could consider permissibility of investing in tax credits.

RESOLUTION #18-17 JULY PAYMENT OF VOUCHERS:

FUND YEAR	AMOUNT
2016	\$ 6,000.00
2017	\$ 523,732.92
Total	\$ 529,723.92

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF TRANSFERS FOR THE MONTH OF JUNE 2017:

2013: \$ 280,011.88

2014:	\$	37,711.72
2015:	\$	24,006.70
2016:	\$	66,569.72
2017:	\$	81,272.63

Fund Treasurer noted differences in the 2015 year for workers compensation in the amount of \$25; the check was incorrectly deposited into the Suburban Municipal JIF and it is expected to be returned to the Fund. In addition, the check for \$19,600 for the 2001 fund year was received and will be deposited.

MOTION TO CONFIRM AND APPROVE THE CERTIFICATION AND RECONCILLATION OF CLAIM PAYMENTS AND RECOVERIES AS SUBMITTED FOR THE MONTH OF JUNE 2017 AND ADOPT RESOLUTION 18-17 APPROVING THE JULY BILL LIST.

MOTION: Commissioner Catenaro
SECOND: Commissioner Marmora
VOTE: Unanimous

MOTION TO AUTHORIZE THE TREASURER TO PROCESS THE AUGUST BILL LIST AND PAY EXPSNESES (CONTRACTED/OTHER) OF THE FUND

MOTION: Commissioner Marmora
SECOND: Commissioner Pavlica
VOTE: Unanimous

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

ATTORNEY

Fund Attorney referred to his report as distributed and further outlined a case wherein pepper spray is now not deemed as excessive force when used by a police officer.

Attorney Report made part of the minutes.

UNDERWRITING MANAGER

Underwriting Manager said the renewal process is now underway as we continue to collect renewal data in the database, as stated by the Executive Director, the deadline is August 15, 2017.

Underwriting Manager said, the National Flood Insurance Program (NFIP) is scheduled to renew in September; although he believes there will be a renewal of the program he encouraged all members to submit their resolution in support of same. Underwriting Manager also noted that coverage may be scaled back and the expense and burden will be place more so on insurance carriers and insureds, we do not know what the changes in the program may be or how much it may affect members at this time.. Underwriting Manager said it is very important that members and Risk Management Consultants re-check flood maps as the maps have been updated; where areas may not have been affected by prior flood maps, they may now be deemed as a flood area. In addition, NFIP is now demanding replacement cost valuations for properties in need of

replacement cost consideration. Executive Director added that updates in the Exigis Database should reflect updated flood designations and reviewed on an annual basis.

Underwriting Manager said the MEL Cyber Task Force will have an update to members which will outline guidelines and information with respects to cyber liability, the minimum standards will also be released when finalized. The Cyber Liability webinars titled “Understand Your Cyber Liability Policy” and “What To Do In The Event of a Breach” are now available on the MEL website at www.njmcl.org and recommended that all members review. The webinars were as previously provided was well received.

MANAGED CARE

Managed Care provider reviewed the agenda report as distributed for the months of June advising that there were \$298,222 in provider bills, repriced at \$97,801 resulting in a savings of \$200,421 or 67%

Managed Care Report made part of the minutes.

SAFETY DIRECTOR

Safety Director reviewed the agenda reports as distributed outlining loss control surveys, MSI classes which are available on the MSI Learning Management System. In addition, Safety Director referred to a bulletin outlining Short-Term Stationary Work Zones. Safety Director recommended training for all DPW employees which outlines “Crush Zone” hazards and is available on the MEL Safety Institute.

Lastly, Safety Director referred to a message which was distributed to Police Chiefs and Public Safety Directors addressing policy recommendations for – Excited Delirium – a person that may be out of control as a result of possible illicit drugs or mental illness or both.

CLAIMS SERVICE

Closed Session

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

MOVED:	Commissioner Catenaro
SECOND:	Commissioner Pavlica
VOTE:	Unanimous

MOTION TO RETURN TO OPEN SESSION:

MOVED:	Commissioner Catenaro
SECOND:	Commissioner Marmora
VOTE:	Unanimous

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

MOVED: Commissioner Marmora
SECOND: Commissioner Pavlica
VOTE: Unanimous

OLD BUSINESS:

None

NEW BUSINESS:

None

PUBLIC COMMENT:

None.

MOTION TO ADJOURN:

MOVED: Commissioner Pavlica
SECOND: Commissioner Eglentowicz
VOTE: Unanimous

MEETING ADJOURNED: 10:35AM

SUBURBAN ESSEX JOINT INSURANCE FUND BILLS LIST

Resolution No. **18-17**

JUNE 2017

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>
001210			
001210	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 06/2017	11,340.34
			11,340.34
001211			
001211	QUAL-LYNX	CLAIM ADJUSTING SERVICES 06/2017	26,265.23
			26,265.23
001212			
001212	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 06/2017	4,226.00
			4,226.00
001213			
001213	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 5/9/2017 - BELLEVILLE	42.84
001213	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 5/9/2017 - BELLEVILLE	159.12
			201.96
001214			
001214	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 05/2017	70.08
001214	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 06/2017	20,369.50
			20,439.58
001215			
001215	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 06/2017	2,624.00
			2,624.00
001216			
001216	PIRO, ZINNA, CIFELLI, PARIS &	ATTORNEY FEE 05/2017	6,847.66
			6,847.66
001217			
001217	WILLIAM M. HOMA, CPA	TREASURER FEE 06/2017	1,260.58
			1,260.58
001218			
001218	NEWTECH SERVICES, INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 6/17	75.00
			75.00
001219			
001219	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGERS - 06/2017	703.92
001219	CONNER STRONG & BUCKELEW	POSITION BOND - 05/01/2017	2,434.00
			3,137.92
001220			
001220	ALLSTATE INFORMATION MANAGEMNT	ACCT: 415 - ACT & STOR - 04/30/2017	37.29
			37.29

001221			
001221	FAIRVIEW INSURANCE AGENCY	RMC FEE 06/2017 - SECAUCUS TOWN	3,000.00
001221	FAIRVIEW INSURANCE AGENCY	RMC FEE 05/2017 - SECAUCUS TOWN	3,000.00
			6,000.00
001222			
001222	IMAC INSURANCE AGENCY, LLC	RMC FEE 2ND 2017 - FAIRFIELD TWP	16,073.34
001222	IMAC INSURANCE AGENCY, LLC	RMC FEE 2ND 2017 - BELLEVILLE TWP	60,046.40
			76,119.74
001223			
001223	AL ALEXANDER AGENCY INC.	RMC FEE 1ST 2017 - PROSPECT PARK	5,443.51
001223	AL ALEXANDER AGENCY INC.	RMC FEE 1ST 2017 - HALEDON	10,358.55
			15,802.06
001224			
001224	EMPLOYEE BENEFITS CONSULTING	RMC FEE 1ST 2017 - MANACHESTER REG'L HS	4,040.16
			4,040.16
001225			
001225	NJ ADVANCE MEDIA	ACCT: XSUBU0555066 - 5/5/2017 - TRNG	27.90
			27.90
		Total Payments FY 2017	178,445.42

TOTAL PAYMENTS ALL FUND YEARS \$ 178,445.42