

**SUBURBAN ESSEX JOINT INSURANCE FUND**

**June 20, 2017**

**NUTLEY PARKS & RECREATION BUILDING**

**9:30 AM**

The meeting was called to order by Chairman Mauro Tucci. 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 Present  
Belleville Township Absent  
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 Absent  
Nutley Board of Education Absent  
Essex Reg'l Health Commission Absent  
Town of Secaucus Present  
Little Falls Township Present

**2017 FUND COMMISSIONER ALTERNATES:**

Charles Voorhees Town of Secaucus Absent  
Vincent Cozzarelli Belleville Township Present  
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  
**Caty Lambe**

Treasurer **William Homa**

Safety J.A. Montgomery Risk Control  
**Ken Schulz**

Underwriter Conner Strong & Buckelew  
**Edward Cooney**

Managed Care FMCO  
**Mary Bresadola**

**OTHERS PRESENT:**

Karen Waters, IMAC Insurance  
Barry Maurillo, IMAC Insurance  
Frank DeMaio, Nutley  
Frank Covelli, PIA  
Bruce Nash, First Managed Care Option (FMCO)  
Javier Esparra, Qual-Lynx  
Gary Vinci, Lerch, Vinci & Higgins  
Danielle Voda, Fairview Insurance  
Robert Searle, C. Walter Searle

**APPROVAL OF MINUTES:** May 21, 2017– Open Minutes  
May 21, 2017 – Closed Minutes

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

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

**Correspondence**

Executive Director noted three pieces of correspondence beginning with the Underwriting Managers filing of the Excess Reinsurance Policies with the State. Executive Director noted that as of May Insurance Examiner Lisa Frawley has retired after many years of service.

Executive Director referred to correspondence from FMCO advising that Mr. Tom Mooney is no longer employed by FMCO, his replacement Bruce Nash was introduced by Mary Bresadola.

Executive Director reviewed correspondence from Qual-Lynx notifying members that they have just about completed their modernization to upgrade their computer systems and have also implemented a direct dial phone system. We continue to work with Qual-Lynx to resolve minor issues such as mapping our computer systems to their new software, IVOS.

**EXECUTIVE DIRECTORS REPORT**

**December 31, 2016 Audit**

Fund Auditor reviewed the audit as of December 31, 2016 and said the Fund was given a modified clean opinion - which is the highest opinion that an auditor can provide.

The financials of the Fund continue to improve; the statutory surplus has increased from \$5,351,510 to \$5,353,810 which is an increase of \$2,305 compared to 2015. Fund Auditor said there is one area of concern which is the 2015 Fund year, currently showing a deficit, however as reserves mature, that deficit may change. Fund Auditor said the Fund is in excellent financial condition and further acknowledged that all audit testing was positive and his office had no comments or recommendations.

Executive Director noted that the management response addressing the 2015 fund year indicated that the year will continue to be monitored. When we transfer the year to the RCF and reserves

have remained the same, the amount will be taken from closed year accounts. The Fund has kept the closed years account in a healthy position to address the possibility of a negative year.

### **Actuarial Report**

Executive Director said the Actuary's Valuation Report was also distributed. The Actuary generates the Incurred But Not Reported/Reserved (IBNR) figures that are provided to the auditor and reflected in this audit report.

**MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION #15-17 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT THE FUND COMMISSIONERS HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT.**

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

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

### **RCF, EJIF and MEL Reports**

Executive Director said the RCF, EJIF and MEL each met on June 1, 2017, the reports for each meeting was reviewed as distributed with one action item from the RCF transferring the Funds liabilities of the 2013 fund year to the RCF.

**MOTION TO ADOPT RESOLUTION #16-17 AUTHORIZING THE TRANSFER OF FUND YEAR 2013 LIABILITIES TO THE RESIDUAL CLAIMS FUND.**

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

### **MEL Risk Management Consultant Accreditation Program**

Executive Director said the MEL instituted a program to recognize the MEL's numerous experienced RMCs and train new staff. Producers who complete this program may use the designation "MEL Accredited Risk Management Consultant". To achieve accreditation, a RMC must complete the four all day sessions that will be conducted over a six month period. The registration form and agenda was reviewed as distributed however, you would have already needed to register and attend the first session to obtain the appropriate credits if needed.. Each session will be held twice – once in Jamesburg at the Forsgate County Club (Exit 8A) and once at the Conner Strong and Buckelew Headquarters facility in Marlton (Exit 4). The program is also eligible for producer continuing education credits. The fee is a nominal \$500 payable to the Municipal Excess Liability Joint Insurance Fund.

### **2017 Renewal Online Underwriting Database**

Executive Director said members and risk managers should have received an email from RiskWorks advising that the database is set up to begin the 2018 underwriting renewal, we ask

that all schedules be reviewed and updated for the 2018 budget process. The deadline is August 15, 2017.

### **Safety Expo**

Executive Director said 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 and a copy was also reviewed as distributed.

### **2017 Financial Disclosures**

Executive Director said Commissioners are required to complete the online filing of Financial Disclosure forms as JIF Commissioner, as well as, any municipal related positions that require filing. While the LFB has no statutory authority to extend the filing deadline, due to the delay in opening the 2017 FDS system for filers, the LFB is expected to delay enforcement of the statutory deadline until May 30, 2017. All Commissioners and professionals have filed accordingly.

### **Cybersecurity Awareness Training**

Executive Director said as authorized by the Board of Fund Commissioners, the Fund released an RFQ for Cybersecurity Awareness Training with a return date of May 19, 2017 at 10:00 AM. We received responses from D2 Cybersecurity & Kean University, KnowBe4 and Pivot Point. A summary of the responses along with a copy of the fee proposals was reviewed as distributed noting that the training programs are similar however the pricing varies widely. Executive Director recommended a sub-committee be put in place to review the responses and make a recommendation. The Committee will consist of Commissioner Rovell and Vincent Cozzarrelli of Belleville. Complete submissions were included in Appendix II of the agenda

### **Meeting Location (July/August)**

Executive Director said Nutley Parks and Recreation will hold their summer camp during the months of July and August, therefore the Fund meeting for those months will take place at their Annex Building on Bloomfield Avenue, Nutley, NJ. Noting that we will need to advertise this change, historically the Fund has cancelled the August meeting, Executive Director requested a motion to cancel the meeting and include in the advertisement.

**MOTION TO RESCHEDULE MEETING LOCATION FOR JULY FROM THE NUTLEY PARKS AND RECREATION BUILDING TO THE ANNEX BUILDING, CANCEL THE SCHEDULED AUGUST MEETING AND AUTHORIZE THE TREASURER TO MAKE ALL CONTRACTED PAYMENTS.**

**MOTION:  
SECOND:  
VOTE:**

**Commissioner Cuccia  
Commissioner Marmora  
Unanimous**

### **Pro Forma Financial Reports**

Executive Director referred the due diligence reports for the month of April, 2017 and further referenced the 2013 Fund year in the Financial Fast Track, advising that once the authorized transfer of 2013 Fund year liabilities moves to the RCF the surplus amount of \$994,473 will be transferred to the Fund's Closed Years Account.

**TREASURER REPORT**

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

**RESOLUTION #17-17 JUNE PAYMENT OF VOUCHERS:**

FUND YEAR	AMOUNT
2017	\$ 178,445.42
Total	\$ 178,445.42

Fund Treasurer also referred to the investment report as of May 31, 2017 which outlines our current investments of \$2,028,613.37 yielding a slightly less than 1%. It was further noted that Fund Treasurer is working with our asset manager to invest approximately \$3M; at this time we can 1-1 ¾ in interest rates. A report will be provided at the July meeting.

Executive Director referred to page 50 of the agenda advising that the outstanding SPELL Fund recoveries of \$19,810.54 was in fact received, however it has not been posted to the correct account and will be rectified by the next agenda.

Fund Treasurer advised that with respects to the Summary of Cash and Investment Income report, he is currently working with Mr. Joseph Sette of Investors Bank as they also anticipate their rate of interest to increase on the demand deposit account from ¾ to 1%

**RESOLUTION CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF TRANSFERS FOR THE MONTH OF MAY 2017:**

2013:	\$ 99,695.48
2014:	\$ 52,441.36
2015:	\$ 42,851.83
2016:	\$ 25,564.96
2017:	\$ 128,570.93

Fund Treasurer noted differences in the 2015 year for workers compensation in the amount of \$25 and \$60 in workers compensation for the 2013 year, he advised that he had spoken to claims administrator prior to the meeting however, we just cant seem to get this corrected.

Lastly, Fund Treasurer commended the Fund Auditors office for doing such a professional job on the 2016 audit.

**MOTION TO CONFIRM AND APPROVE VOUCHER PAYMENTS OF MAY 2017, ADOPT RESOLUTION 17-17 APPROVING THE JUNE BILL LIST AND APPROVE CERTIFICATION AND RECONCILLIATION OF CLAIMS PAYMENTS AND RECOVERIES AS SUBMITTED FOR THE MONTH OF MAY**

**MOTION:**

Commissioner Eglentowicz

**SECOND:  
VOTE:**

Commissioner Catenaro  
Unanimous

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

**ATTORNEY**

Fund Attorney referred to his report as distributed.

Attorney Report made part of the minutes.

**UNDERWRITING MANAGER**

Underwriting Manager's report was reviewed as distributed.

**MANAGED CARE**

Managed Care provider reviewed the agenda report as distributed for the months of May advising that there were \$172,929 in provider bills, repriced at \$66,438 resulting in a savings of \$106,490 or 62%

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 distributed information relative to a pre-recorded webinar –Planning for a Successful Special Event, a bulletin outlining Training/Seasonal Employees as well as information on a New Employee Safety Orientation 1 & 2. Lastly it was noted that spring time is a time for chemical clean up and referred to the Safety Director message which was released to all members.

**CLAIMS SERVICE**

**Closed Session**

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

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

**MOTION TO RETURN TO OPEN SESSION:**

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

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

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

**OLD BUSINESS:**

None

**NEW BUSINESS:**

None

**PUBLIC COMMENT:**

None.

**MOTION TO ADJOURN:**

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

**MEETING ADJOURNED: 10:20AM**

**Resolution No. 15-17**

**Resolution of Certification  
Annual Audit Report for Period Ending December 31, 2016**

**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 2016 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 20, 2017.**

**RESOLUTION NO. 16-17**  
**OF THE**  
**SUBURBAN ESSEX JOINT INSURANCE FUND**  
**TO TRANSFER TO**  
**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**

**WHEREAS**, the Municipal Excess Liability Residual Claims Fund was organized pursuant to N.J.S.A. 40A:10-36, et seq., to provide residual risk coverage to its member joint insurance funds; and,

**WHEREAS**, the Board of Fund Commissioners of the **Suburban Essex Joint Insurance Fund** determined that membership in the Residual Claims Fund is in the best interest of the member local units and joined the Residual Claims Fund.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Fund Commissioners of the **Suburban Essex Joint Insurance Fund** does hereby resolve and agree to transfer the following residual risks.

<u>Fund Year</u>	<u>Lines of Coverage</u>	<u>Member Fund S.I.R.</u>
2013	WC/GL/AL & PROPERTY	Varies

**BE IT FURTHER RESOLVED** that the actual transfer of claim liabilities to the Municipal Excess Liability Residual Claims Fund shall be based upon the following formula:

Case Reserves and IBNR as of 6/30/17

**SUBURBAN ESSEX**  
**JOINT INSURANCE FUND**

**SUBURBAN ESSEX JOINT INSURANCE FUND  
BILLS LIST**

**Resolution No. 17-17**

**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>
<b>001210</b>			
001210	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 06/2017	11,340.34
			<b>11,340.34</b>
<b>001211</b>			
001211	QUAL-LYNX	CLAIM ADJUSTING SERVICES 06/2017	26,265.23
			<b>26,265.23</b>
<b>001212</b>			
001212	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 06/2017	4,226.00
			<b>4,226.00</b>
<b>001213</b>			
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
			<b>201.96</b>
<b>001214</b>			
001214	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 05/2017	70.08
001214	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 06/2017	20,369.50
			<b>20,439.58</b>
<b>001215</b>			
001215	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 06/2017	2,624.00
			<b>2,624.00</b>
<b>001216</b>			
001216	PIRO, ZINNA, CIFELLI, PARIS &	ATTORNEY FEE 05/2017	6,847.66
			<b>6,847.66</b>
<b>001217</b>			
001217	WILLIAM M. HOMA, CPA	TREASURER FEE 06/2017	1,260.58
			<b>1,260.58</b>
<b>001218</b>			
001218	NEWTECH SERVICES, INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 6/17	75.00
			<b>75.00</b>
<b>001219</b>			
001219	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGERS - 06/2017	703.92
001219	CONNER STRONG & BUCKELEW	POSITION BOND - 05/01/2017	2,434.00
			<b>3,137.92</b>
<b>001220</b>			
001220	ALLSTATE INFORMATION MANAGEMNT	ACCT: 415 - ACT & STOR - 04/30/2017	37.29
			<b>37.29</b>
<b>001221</b>			
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
			<b>6,000.00</b>

<b>001222</b>			
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
			<b>76,119.74</b>
<b>001223</b>			
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
			<b>15,802.06</b>
<b>001224</b>			
001224	EMPLOYEE BENEFITS CONSULTING	RMC FEE 1ST 2017 - MANACHESTER REG'L HS	4,040.16
			<b>4,040.16</b>
<b>001225</b>			
001225	NJ ADVANCE MEDIA	ACCT: XSUBU0555066 - 5/5/2017 - TRNG	27.90
			<b>27.90</b>
		Total Payments FY 2017	178,445.42

**TOTAL PAYMENTS ALL FUND YEARS \$ 178,445.42**