

**SUBURBAN ESSEX JOINT INSURANCE FUND
NOVEMBER 14, 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. Pledge of allegiance.

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 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 Frank Zinna
Claim Services	Qual-Lynx Caty Lambe
Treasurer	William Homa
Safety	J.A. Montgomery Risk Control Ken Schulz
Underwriter	Conner Strong & Buckelew Edward Cooney - Absent
Managed Care	FMCO Mary Bresadola

OTHERS PRESENT:

Karen Waters, IMAC Insurance
Javier Esparra, Qual-Lynx
Frank DeMaio, Nutley Twp.
Danielle Voda, Fairview Insurance
Dawn Makowski, Al Alexander
Frank Covelli, PIA
Tracy Lopez, Perma

APPROVAL OF MINUTES: October 17, 2017– Open Minutes
October 17, 2017 – Closed Minutes

MOTION TO APPROVE OPEN AND CLOSED MINUTES AS NOTED ABOVE

MOTION: Commissioner Pavlica
SECOND: Commissioner Marmora
VOTE: Unanimous

Correspondence

None

EXECUTIVE DIRECTORS REPORT

2018 Budget

Executive Director reviewed the 2018 budget noting the slight increase from the introduced budget of 2.67% to 2.69%’ the change is based on the increase in property value due to valuations of Fire Trucks. As a reminder, the Underwriting Manager issued a bulletin regarding fire truck valuations as the current program allows for replacement cost for fire trucks 15 years old or less; fire truck over 15 years old allows for actual cash value. Members were asked to review their fire truck schedule to determine if they would like to adjust the value for fire trucks over 15 years old to the replacement cost or another stated amount. Members were given the month of October to update these changes which is evident in the budget as presented.

2018 Assessments

MOTON TO OPEN THE PUBLIC HEARING ON THE 2018 BUDGET FOR DISCUSSION OF BUDGET AND ASSESSMENTS

MOTION: Commissioner Eglentowicz
SECOND: Commissioner Marmora
VOTE: Unanimous

Executive Director referred to the 2018 assessments as distributed which outlines an increase of 2.7%. As a reminder, 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 and 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.

MOTION TO CLOSE THE PUBLIC HEARING ON THE 2018 BUDGET/ASSESSMENTS

MOTION: Commissioner Nawrocki
SECOND: Commissioner Pavlica
VOTE: Unanimous

MOTION TO APPROVE THE 2018 BUDGET AND CERTIFY THE ASSESSMENTS

MOTION: Commissioner Pavlica
SECOND: Commissioners Eglentowicz
VOTE: Unanimous

Finance Committee

Chairman Tucci said he would like to appoint a standing Finance Committee for the purpose of reviewing financial modeling and dividend strategies. Anyone interested in participating on this sub-committee is asked to contact the Fund office. Executive Director added that having this sub-committee will provide members and hands on review of the financial status of the Fund to make a recommendation on dividend distributions and other financial strategies during a fund year. At one time, this Fund did have a few years where the financial standing of the Fund decreased substantially which resulted in an additional assessment. Last year the Fund approved a dividend release of \$200,000. Due to the increase in claims/reserves for the 2015 and 2016 Fund years, the implementation of the sub-committee is highly recommended prior to the release of another dividend.

Residual Claims Fund (RCF)

Executive Director said the public hearing on the RCF budget was held on October 18, 2017 10:30 a.m. in the Forsgate Country Club. A copy of Commissioner Catenaro's report was reviewed as distributed.

Executive Director said the Fund should nominate its 2018 representative to the RCF. Currently, Commissioner Catenaro is the RCF representative and Chairman Tucci is the alternate representative.

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

MOTION: Chairman Tucci
SECOND: Commissioner Pavlica
VOTE: Unanimous

EJIF

Executive Director said the 2018 budget was introduced in September and a public hearing was held on October 18, 2017. Commissioner Catenaro's report was reviewed as distributed.

Executive Director said the Fund should nominate its 2018 representative to the E-JIF. Currently, Commissioner Catenaro is the E-JIF representative and Chairman Tucci is the alternate representative.

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

MOTION: Commissioner Tucci
SECOND: Commissioner Marmora
VOTE: Unanimous

Executive Director added that the EJIF has authorized the sale of property located at 38 Lagoon Drive East, Toms River, NJ. The notice of auction for sale was advertised. The owner of the property could not sell this location due to contaminants in the land, the EJIF purchased the property based on the recommendation of James Kickham and remediated the location which is now for sale.

MEL Report

Executive Director said the MEL met on October 18, 2017 at 11:15 AM at the Forsgate Country Club to introduce the 2018 Budget; Chairman Tucci's report on the meeting was reviewed as distributed. The public hearing on the MEL 2018 budget will be held on November 15, 2017 at 5:00 PM in the Convention Center in Atlantic City - Room 305.

The Fund should nominate its 2018 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 COMMISSIONER CATENARO AS THE ALTERNATE REPRESENTATIVE.

MOTION: Commissioner Eglentowicz
SECOND: Commissioners Marmora
VOTE: Unanimous

Executive Director added that the MEL hired a marketing consultant and a marketing manager to review the marketing aspects of the MEL and one of the weakness found was the MEL webpage for which recommendations were made. In addition the recommendation of a MEL mobile application was taken into consideration. The MEL webpage has been updated and the mobile app is now available and will be rolled out during the League of Municipalities.

Lastly, the MEL's Risk Management system Exigis was provided to members three years ago; in 2018 Origami will provide the data system which will allow for underwriting data, updates to the system will also allow for a claims data system to be added.

Elected Officials Training

Executive Director said this year's elected officials training program will focus on "Land Use Liability and Technology Risk Management". Sessions are scheduled at the League of Municipalities Conference on November 14th and 15th. The notice and registration was reviewed as previously distributed.

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, 2018. 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.

Cyber Task Force

Executive Director said the MEL's Cyber Task Force is finalizing the Minimum Security Standards and the application (including supporting documentation) to participate in the deductible reimbursement program. Once finalized, coverage bulletins will be distributed to Fund Commissioners and Risk Management Consultants and posted to the webpage.

Township of Maplewood

Executive Director said the Fund received a request on behalf of The Township of Maplewood to quote their insurance effective January 1, 2018; an overview will be provided in closed session.

December Meeting Cancellation

Executive Director said in prior years the Fund has cancelled the December meeting; it would be the decision of the Board of Commissioners to cancel this years December meeting and authorize the treasurer to pay the contracted expenses.

MOTION TO CANCEL THE DECEMBER 19, 2017 MEETING AND AUTHORIZE THE TREASURER TO PAY THE CONTRACTED EXPENSES.

MOTION:	Commissioner Pavlica
SECOND:	Commissioner Nawrocki
VOTE:	Unanimous

Pro Forma Financial Reports

Executive Director reviewed the due diligence reports for the month of September, 2017. As discussed in the prior month and as evidenced in the September financial fast track there is year to date deficit in the surplus of (\$572,881) The EPL/POL compliance report provides the current status of each member within the program; at this time all members will renew their current programs as expiring. The balance of the reports were reviewed as distributed.

TREASURER REPORT

Fund Treasurer referred to the financial reports as distributed for the month of October 2017 and reviewed the bill lists for November.

Fund Treasurer also reviewed the Investment Portfolio for the month of October which currently reflects an interest rate of 1.350%

RESOLUTION #21-17 NOVEMBER PAYMENT VOUCHERS:

FUND YEAR	AMOUNT
2017	\$ 137,379.30
Total	\$ 137,379.30

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

2014:	\$	47,725.51
2015:	\$	239,578.40
2016:	\$	57,011.18
2017:	\$	212,477.55

MOTION TO CONFIRM AND APPROVE THE CERTIFICATION AND RECONCILLATION OF CLAIM PAYMENTS AND RECOVERIES AS SUBMITTED FOR THE MONTH OF OCTOBER 2017 AND ADOPT RESOLUTION 21-17 APPROVING THE NOVEMBER BILL LIST.

MOTION:	Commissioner Marmora
SECOND:	Commissioner Nawrocki
VOTE:	Unanimous

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

ATTORNEY

Fund Attorney referred to report as distributed.

Attorney Report made part of the minutes.

UNDERWRITING MANAGER

The Underwriting Manager report was reviewed as distributed which outlined the monthly report of certificates of insurance released.

MANAGED CARE

Managed Care provider reviewed the agenda report as distributed for the months of October that outlines provider bills of \$569,918 repriced at \$161,316 resulting in a savings of \$408,602 or 72%

Managed Care Report made part of the minutes.

SAFETY DIRECTOR

Safety Director reviewed the agenda reports as distributed outlining loss control services, bulletins/safety announcements as distributed and MSI classes which are available on the MSI Learning Management System.

Safety Director also advised that David McHale has resigned from J.A. Montgomery as he has taken a safety position with the New York MTA.

CLAIMS SERVICE

Closed Session

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

MOVED: Commissioner Nawrocki
SECOND: Commissioner Marmora
VOTE: Unanimous

MOTION TO RETURN TO OPEN SESSION:

MOVED: Commissioner Marmora
SECOND: Commissioner Nawrocki
VOTE: Unanimous

MOTION TO APPROVE PAYMENT AUTHORITY REQUESTS FOR FILE NUMBERS AS SUBMITTED AND OFFER MEMBERSHIP TO THE TOWNSHIP OF MAPLEWOOD.

MOVED: Commissioner Marmora
SECOND: Commissioner Pavlica
VOTE: Unanimous

OLD BUSINESS:

Executive Director said past legislation requires each Fund website to be in compliance with N.J.S.A. 40A:10-38.14. The Fund was contacted by the Department of Banking & Insurance as they could not locate the 2016 audit report and the resolution appointing fund professionals. The Fund did respond to the request noting the location on the website to view the audit and Fund professional appointments.

NEW BUSINESS:

None

PUBLIC COMMENT:

None.

MOTION TO ADJOURN:

MOVED: Commissioner Budris
SECOND: Commissioner Nawrocki
VOTE: Unanimous

MEETING ADJOURNED: 10:07 AM

**SUBURBAN ESSEX JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 21-17

NOVEMBER 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>
001293			
001293	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 11/2017	11,340.34
			11,340.34
001294			
001294	QUAL-LYNX	CLAIM ADJUSTING SERVICES - 11/2017	26,265.23
			26,265.23
001295			
001295	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 11/2017	4,610.17
			4,610.17
001296			
001296	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 10/12/17 - SECAUCUS	128.52
001296	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 10/12/17 - SECAUCUS	262.20
001296	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 10/5/17 - FAIRFIELD	106.08
001296	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 10/5/17 - FAIRFIELD	42.84
			539.64
001297			
001297	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 10/2017	34.07
001297	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 11/2017	20,369.50
			20,403.57
001298			
001298	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 11/2017	2,624.00
			2,624.00
001299			
001299	PIRO, ZINNA, CIFELLI, PARIS &	ATTORNEY FEE 10/2017	6,845.66
			6,845.66
001300			
001300	WILLIAM M. HOMA, CPA	TREASURER FEE 11/2017	1,260.58
			1,260.58
001301			
001301	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 11/2017	703.91
			703.91
001302			
001302	APPLIEDINFO PARTNERS, INC.	CaaS Cybersecurty Course & Phishing Lic	27,648.00
			27,648.00
001303			
001303	ALLSTATE INFORMATION MANAGEMNT	ACCT: 415 - ACT & STOR 09/30/2017	39.82
			39.82
001304			

001304	FAIRVIEW INSURANCE AGENCY	RMC FEE 11/2017 - SECAUCUS TOWN	3,000.00
			3,000.00
001305			
001305	C. WALTER SEARLE INS AGENCY LLC	RMC FEE 2ND 2017 - NUTLEY TWP	17,250.00
001305	C. WALTER SEARLE INS AGENCY LLC	RMC FEE 2ND 2017 - NUTLEY BOE	14,826.68
			32,076.68
001306			
001306	NJ ADVANCE MEDIA	ACCT: XSUBU0555066 10/10/17 - MTG 10/12	21.70
			21.70
		Total Payments FY 2017	137,379.30

TOTAL PAYMENTS ALL FUND YEARS \$ 137,379.30