

**SUBURBAN ESSEX JOINT INSURANCE FUND
OCTOBER 17, 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	Present
City of Garfield	Absent
Passaic Manchester Regional HS	Absent
Borough of Prospect Park	Present
Fairfield Township	Absent
Hudson Reg'l Health Commission	Present
Borough of Haledon	Present
Nutley Board of Education	Absent
Essex Reg'l Health Commission	Present
Town of Secaucus	Absent
Little Falls Township	Present

2017 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	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
Underwriter	Conner Strong & Buckelew Edward Cooney
Managed Care	FMCO Mary Bresadola

The POL/EPL line item 11 has increased by 0.66%; overall QBE's increase is 3.5% for all MEL members, then each JIF is rated separately by the recommended range of 1-7%, this Fund will renew at an increase of 1%, flat cyber and vdo renewals offset that increase.

Line 19-36 outline the professional fees and miscellaneous contingency. 2018 will be the last year of the three year term for professionals. Executive Director noted the difference in the miscellaneous and contingency line item, due to Belleville, adjustments would be made for some professionals as their workload would change based on membership. The MEL Safety Institute indicates a slight increase due to changes in head count at the MEL level.

In 2017, QBE modified its coverage for land use. There is no coverage when demand is solely injunctive relief, but there is a limit of \$150,000 where there is a demand for monetary damage. Underwriting Manager recently issued a bulletin with the QBE offer for a member to select \$850,000 optional limit above the \$150,000, subject to an application and individual member underwriting. The MEL's Underwriting Manager continues to work with QBE and local JIF Executive Directors to see if more favorable terms can be negotiated.

MOTION TO INTRODUCE THE 2018 BUDGET IN THE AMOUNT OF \$6,048,377 AND SCHEDULE A PUBLIC HEARING ON NOVEMBER 13, 2017 AT THE NUTLEY PARKS & RECREATION CENTER, NUTLY, NJ AT 9: 30 A.M.

MOTION:	Commissioner Rovell
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

Dividend Calculation

Executive Director referred to the dividend calculation spreadsheet noting the surplus availability in the 2013 and 2014 fund years in addition to closed year accounts for a total availability of \$3,360,726. Executive Director also referred to the Financial Fast Track which indicates development in workers compensation claims; the Fund's closed years surplus can help address adverse development. Last year the Fund distributed a dividend of \$200,000. Chairman Tucci suggested that the dividend discussion be tabled until the November meeting.

Membership Renewals

Executive Director said the Fund has three members scheduled to renew their three-year membership term at year end: Hudson Regional Health Commission and the Townships of Belleville and Fairfield. Belleville provided the JIF with a letter indicating they were considering options.

Residual Claims Fund

The public hearing on the RCF budget will be held on October 18, 2017 10:30 a.m. in the Forsgate Country Club. A copy of the introduced 2017 Budget Amendments and the 2018 Proposed Budget was reviewed as distributed.

EJIF

Executive Director said the budget was introduced in September and a public hearing is scheduled for October 18, 2017. A copy of the EJIF's 2018 Proposed Budget was reviewed as distributed.

EJIF Regulatory Compliance Training

The EJIF has extended the enclosed invitation to members of the Fund for an upcoming workshop – “Keeping Up with Changing Regulations” to discuss staying in compliance with new, changing problematic rules.

MEL

Executive Director said the MEL’s 2018 budget introduction is scheduled for October 18, 2017 at the Forsgate Country Club in Jamesburg NJ. A copy of the proposed budget was reviewed as distributed.

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 update will be provided at the November meeting.

Pro Forma Financial Reports

Executive Director reviewed the due diligence reports for the month of August, 2017. As discussed earlier the financial fast track indicates a current year to date surplus at a deficit of (\$445,847); there is a negative change in reserves for the 2015 in the amount of (\$53,961). The EPL/POL compliance report provides the current status of each member within the program; we have not received any indication thus far to any changes for members for the 2018 Fund year from QBE; 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 September 2017 and reviewed the bill lists for October.

Fund Treasurer also reviewed the Investment Portfolio for the month of September which reflect an interest rate of 1.350%

RESOLUTION #20-17 OCTOBER PAYMENT VOUCHERS:

FUND YEAR	AMOUNT
Closed Year	\$ 525,149.29
2016	\$ 1,980.45
2017	\$ 82,351.49
Total	\$ 609,481.23

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

2014:	\$ 86,239.32
2015:	\$ 26,757.57
2016:	\$ 26,514.17
2017:	\$ 132,673.74

MOTION TO CONFIRM AND APPROVE THE CERTIFICATION AND RECONCILLATION OF CLAIM PAYMENTS AND RECOVERIES AS SUBMITTED FOR THE MONTH OF SEPTEMBER 2017 AND ADOPT RESOLUTION 20-17 APPROVING THE OCTOBER BILL LIST.

MOTION: Commissioner Rovell
SECOND: Commissioner Cuccia
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 reports were reviewed as distributed which included MEL Bulletin 17-3 addressing changes in EPLPOL policy language for the 2018 renewal, Executive Director said XL (and then QBE) agreed to continue with the MEL's POLEPL manuscript policy form when we transferred this coverage to the commercial market. Claims experience challenged our understanding of that language. As a result, QBE suggested the JIFs use their policy form. Coverage will not change, just the policy language

MEL Bulletin 17-32 addressing fire truck valuations and the SPELL Fund renewal of coverage for the 2017-2018 term and the prior month certificate of insurance listing.

MANAGED CARE

Managed Care provider reviewed the agenda report as distributed for the months of September advising that there were \$137,050 in provider bills, repriced at \$65,031 resulting in a savings of \$72,018 or 53%

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 referred to a message from Chief Keith F. Hummel (Ret.) which outlines the importance of proper storage for firearms.

CLAIMS SERVICE

Closed Session

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

MOVED: Commissioner Cuccia
SECOND: Commissioner Marmora
VOTE: Unanimous

MOTION TO RETURN TO OPEN SESSION:

MOVED: Commissioner Cuccia
SECOND: Commissioner Rovell
VOTE: Unanimous

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

MOVED: Commissioner Rovell
SECOND: Commissioner Cuccia
VOTE: Unanimous

OLD BUSINESS:

None

NEW BUSINESS:

None

PUBLIC COMMENT:

None.

MOTION TO ADJOURN:

MOVED: Commissioner Marmora
SECOND: Commissioner Nawrocki
VOTE: Unanimous

MEETING ADJOURNED: 10:10 AM

SUBURBAN ESSEX JOINT INSURANCE FUND BILLS LIST

Resolution No. 20-17

OCTOBER 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 CLOSED

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001278			
001278	MUNICIPAL EXCESS LIABILITY RCF	2017 RCF ASSESSMENT	525,149.29
			525,149.29
		Total Payments Closed Year	525,149.29

FUND YEAR 2016

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001279			
001279	EMPLOYEE BENEFITS CONSULTING	RMC FEE 4TH QTR'16 - MANCHESTER REGL HS	1,980.45
			1,980.45
		Total Payments FY 2016	1,980.45

FUND YEAR 2017

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001280			
001280	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES - 10/2017	11,340.34
			11,340.34
001281			
001281	QUAL-LYNX	CLAIMS ADJUSTING SERVICES 10/2017	26,265.23
			26,265.23
001282			
001282	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SRVS 10/17-ADJ LITTLE FALL	4,610.17
001282	J.A. MONTGOMERY RISK CONTROL	FOCUS CLAIMS - 07/2017	480.00
001282	J.A. MONTGOMERY RISK CONTROL	FOCUS CLAIMS - 08/2017	1,440.00
			6,530.17
001283			
001283	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 9/18/17 - BELLEVILLE	212.16
001283	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 9/18/17 - BELLEVILLE	42.84
001283	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING -09/18/2017 - NUTLEY BOE	85.68
001283	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 9/18/2017 - NUTLEY TWP	42.84
001283	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 9/18/17 - NUTLEY TWP	212.16
001283	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 9/15/17 - PROSPECT PARK	106.08
001283	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 9/15/17 - PROSPECT PAR	85.68
001283	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 09/15/2017 - HALEDON	212.16
001283	DYNAMIC TESTING SERVICES LLC	DRUG TESTING - 09/18/2017 - NUTLEY BOE	159.12
001283	DYNAMIC TESTING SERVICES LLC	ALCOHOL TESTING - 9/15/17 - HALEDON	85.68
			1,244.40
001284			
001284	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 09/2017	20.80
001284	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 10/2017	20,369.50
			20,390.30

001285			
001285	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES 10/2017	2,624.00
			2,624.00
001286			
001286	PIRO, ZINNA, CIFELLI, PARIS &	ATTORNEY FEE 09/2017	6,857.66
			6,857.66
001287			
001287	WILLIAM M. HOMA, CPA	TREASURER FEE 10/2017	1,260.58
			1,260.58
001288			
001288	NEWTECH SERVICES, INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 10/17	75.00
			75.00
001289			
001289	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGEMENT - 10/2017	703.91
			703.91
001290			
001290	ALLSTATE INFORMATION MANAGEMNT	ACCT: 415 - ACT & STOR - 8/31/2017	39.82
			39.82
001291			
001291	FAIRVIEW INSURANCE AGENCY	RMC FEE 10/2017 - SECAUCUS TOWN	3,000.00
			3,000.00
001292			
001292	EMPLOYEE BENEFITS CONSULTING	RMC FEE 4TH QTR 2017 - MANCHESTER REG HS	2,020.08
			2,020.08
		Total Payments FY 2017	82,351.49

TOTAL PAYMENTS ALL FUND YEARS \$ 609,481.23