

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

Joseph Hrubash

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
Kelly Royce

OTHERS PRESENT:

Kathy Kissane, Qual-Lynx
Frank Covelli, PIA
Robert Searle, C. Walter Searle Agency
Frank DeMaio, Nutley
Alyson Cronk, FMCO
Ken Schulz, JA Montgomery
Jack Zisa, RMC
Danielle Voda, Fairview Ins.
Tracy Lopez, Perma

APPROVAL OF MINUTES:

June 19, 2018 – Open Minutes
June 19, 2018 – Closed Minutes

MOTION TO APPROVE OPEN AND CLOSED MINUTES AS NOTED ABOVE

MOTION:	Commissioner Rovell
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

Correspondence

None

Audit Report and Actuary Valuation Report as of December 31, 2017

Deputy Executive Director said the 2017 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.

Legislative Alert

Deputy Executive Director said last month a Legislative Alert was distributed on three bills pending action, the bills will cause major increases in municipal insurance costs. Each member of the MEL has been asked to adopted resolutions in support of the amendments to those bills. A copy of the Alert along with Resolution #14-18 is enclosed for the Fund to adopt.

Chairman Tucci questioned the amendments noting that we are not denying additional coverage for firefighters but the coverage should be limited. Deputy Executive Director said the way the bill is currently pending allows for payments for coverage which is too broad.

Commissioner Cuccia said he and Dave Grubb testified in the Senate, noting that the bill being presented is a bill based on workers compensation for which we calculate \$40M worth of cost. If action is taken based on what was done in some other states with similar coverage and take out of workers compensation the cost would then become \$5M. That is the difference.

MOTION TO ADOPTED RESOLUTION #14-18 URGING THE LEGISLATURE TO AMEND S-716; S-477 AND S-1766

MOTION:	Commissioner Rovell
SECOND:	Commissioner Cuccia
VOTE:	Unanimous

Deputy Executive Director recommended that member towns also adopt the respective resolutions as outlined as a sample resolution.

Membership Renewals

Ms. Lopez referred to the listing of members scheduled to renew their three-year membership term at year end. Renewal documents will be mailed accordingly.

Nutley, Secaucus, Haledon, Prospect Park, Garfield and Essex Regional Health Commission. Nutley Board of Education is scheduled to renew on July 1, 2019 to coincide with the SPELL Fund renewal term.

2018 Coverage Documents

Ms. Lopez said the Fund office has distributed the 2018 coverage documents to all Fund Commissioners and Risk Managers via email in the last two weeks of June. If the documents have not been received, junk mail should be checked but the Fund office will redistribute to members if they so request.

2019/2020 Employment Practices Program

Ms. Lopez 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 is October 1, 2018.

As a reminder, the training components are:

Managers & Supervisors – The Fund Attorney’s office is in contact with each member to arrange training dates for respective personnel.

Police Chief/Command Staff – Sessions are scheduled around the state; a copy of the training sessions to date and a registration form were reviewed as distributed. A training session conducted by Chief Vincent Quatrone is scheduled for this Friday, July 20th at the Nutley Township Annex Building, 65 Bloomfield Avenue, Nutley, NJ.

All other/”non-supervisory” employees - the video “We must respect each other in local government” has been added to the MEL Safety Institute to meet this training requirement.

Land Use Liability

Deputy Executive Director said a letter detailing this optional policy was sent to Fund Commissioners and Risk Managers via email on June 18th detailing the additional coverage. Included was the script for the Land Use Liability training as well as a member-specific policy document.

As a reminder, the training script corresponds to a PowerPoint presentation (download from www.njmel.org) to be conducted by your land use or municipal attorney. Training attendance sheets should be returned to this office to track compliance in the event of a claim.

Risk Management Information/Operating System (RMIS)

Deputy Executive Director said members and risk managers will receive an email with a link to renewal worksheets – was scheduled to begin the 2019 underwriting renewal during the month of July however there is a slight delay due to the download of information from the Southern JIFs. Once completed the renewal process will be underway, you may continue to make updates until the link is distributed.

2019-2021 RFQ Process

Ms. Lopez said as authorized by the Board of Fund Commissioners, the advertisement for the Requests for Qualifications for the 2019-2021 term has been placed in the Fund’s designated newspaper and posted on the Fund’s website. The deadline date for RFQ responses is noted as August 22, 2018 at 10:00 AM.

August Meeting Cancellation

Ms. Lopez said historically, the Fund has voted to cancel the August meeting, and to process any necessary claim payments and professional fees for the month. The Board of Fund Commissioners may want to consider cancelling next month’s regular meeting.

MOTION TO CANCEL THE AUGUST 21, 2018 MEETING OF THE FUND AND AUTHORIZE THE FUND TREASURER TO MAKE PAYMENTS FOR CONTRACTED EXPENSES AND CLAIM RELATED PAYMENTS.

MOTION: Commissioner Pavlica
SECOND: Commissioner Cuccia
VOTE: Unanimous

TREASURER REPORT

Fund Treasurer referred to the report as distributed for the month of June 2018.

The July bill lists was also reviewed as distributed.

RESOLUTION 15-18 PAYMENT OF JULY VOUCHERS:

FUND YEAR	AMOUNT
2017	\$ 8,000.00
2018	\$ 450,940.12
Total	\$ 458,940.12

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

2014:	\$ 4,028.60
2015:	\$ 49,139.37
2016:	\$ 42,954.58
2017:	\$ 207,474.39
2018:	\$ 140,746.14

Fund Treasurer reviewed the June investment portfolio noting the total of \$5,098,415.18 in investments yielding 1.600% in interest. There are investments that have a maturity dates approaching in August, September, October and December of this year.

MOTION TO ADOPT RESOLUTION 15-18 APPROVING THE JULY BILL LIST AND APPROVE CONFIRMATION & CERTIFICATION OF THE JUNE CLAIM PAYMENTS AND RECOVERIES AS SUBMITTED.

MOTION: Commissioner Rovell
SECOND: Commissioner Cuccia
VOTE: Unanimous

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

ATTORNEY

Fund Attorney referred the agenda report as distributed and noted one item for closed session.

Attorney Report made part of the minutes.

UNDERWRITING MANAGER

Underwriting Manager said there are two items to address based on the outcome of a MEL Coverage Committee meeting which outlined increase liability limits and increased limits for drone coverage.

Underwriting Manager said due to the recent school bus tragedy coming out of Paramus, the Coverage Committee questioned the limits retained by members of the MEL should a member be involved in multiple suits based on one occurrence, exceeding the current aggregate limits provided to members of the MEL. Members currently receive automatic limits of \$5M with an option to increase those limits by \$15M for a total of \$20M. Risk Management Consultants and members of the MEL have inquired with the MEL on offering limits above the current \$20M. Following the recommendation of the MEL Coverage Committee, the most effective way to purchase additional limits is for all members of a JIF to purchase the current \$20,000,000 available and decide on the limits it wishes to purchase above the \$20M. Not all members of each Fund purchase the full optional excess limits available.

Deputy Executive Director said this is an item for which the Fund can consider and take action on now or review the information further and make a decision during the 2019 budget process.

Underwriting Manager said currently MEL members can receive liability coverage for their owned and non-owned drones via more recent enhancements in the MEL's programs; however, as previously discussed, the MEL does not offer first party physical damage coverage for the drones. The MEL Coverage Committee has recommended all of the member JIFs provide a \$100,000 sublimit for this coverage. Should the Fund wish to provide this coverage to their members, confirmation must be sent to the Underwriting Manager.

Underwriting Manager indicated that decisions on the above topics must be confirmed by October 1, 2018.

Lastly, the listing of certificates of insurance issued during the prior month were reviewed as distributed.

MANAGED CARE

Managed Care provider reviewed the agenda report as distributed for the month of June 2018 which indicates \$839,139 in provider bills, repriced at \$284,321 resulting in a savings of \$554,818 or 66%.

Managed Care provider also introduced Ms. Alyson Cronk as a new account manager working on the Suburban Essex JIF.

Managed Care Report made part of the minutes.

SAFETY DIRECTOR

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

Closed Session

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

MOVED: Commissioner Rovell
SECOND: Commissioner Catenaro
VOTE: Unanimous

MOTION TO RETURN TO OPEN SESSION:

MOVED: Commissioner Rovell
SECOND: Commissioner Cuccia
VOTE: Unanimous

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

MOVED: Commissioner Cuccia
SECOND: Commissioner Catenaro
VOTE: Unanimous

**MOTION TO APPOINT AS THE FUND'S INDEPENDENT ANNUAL
ARBITRATORS, RETIRED SUPERIOR COURT JUDGES PETER DOYNE AND
PAUL VICHNESS.**

MOVED: Commissioner Rovell
SECOND: Commissioner Cuccia
VOTE: Unanimous

OLD BUSINESS:
None

NEW BUSINESS:
None

PUBLIC COMMENT:

None

MOTION TO ADJOURN:

MOVED:
SECOND:
VOTE:

Commissioner Cuccia
Commissioner Marmora
Unanimous

MEETING ADJOURNED: 10:08 AM

SUBURBAN ESSEX JOINT INSURANCE FUND BILLS LIST

RESOLUTION #15-18

JULY 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 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001438			
001438	LERCH, VINCI & HIGGINS LLP	2017 AUDITOR	8,000.00
			8,000.00
		Total Payments FY 2017	8,000.00

FUND YEAR 2018

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001439			
001439	MUNICIPAL EXCESS LIABILITY JIF	FAITH PERF	1,757.90
001439	MUNICIPAL EXCESS LIABILITY JIF	PROPERTY	77,028.88
			78,786.78
001440			
001440	FIRST MANAGED CARE OPTION	SERVICES 7/18	11,567.14
			11,567.14
001441			
001441	MUNICIPAL EXCESS LIABILITY JIF	MEL	261,764.18
			261,764.18
001442			
001442	QUAL-LYNX	CLAIM ADJ SERV	26,790.54
			26,790.54
001443			
001443	J.A. MONTGOMERY RISK CONTROL	LOSS CONT SERV	4,702.37
			4,702.37
001444			
001444	PERMA RISK MANAGEMENT SERVICES	EXEC DIR FEE 7/18	22,150.33
			22,150.33
001445			
001445	THE ACTUARIAL ADVANTAGE	2018 ACTUARY	2,677.00
			2,677.00
001446			
001446	PIRO, ZINNA, CIFELLI, PARIS &	RETAINER	6,958.08
001446	PIRO, ZINNA, CIFELLI, PARIS &	TELEFAX	18.00
			6,976.08
001447			
001447	WILLIAM M. HOMA, CPA	TREASURER 7/18	1,285.75

			1,285.75
001448			
001448	MUNICIPAL EXCESS LIABILITY JIF	MSI	8,226.01
			8,226.01
001449			
001449	NEWTECH SERVICES, INC.	MONTHLY WEB MAINT	75.00
			75.00
001450			
001450	CONNER STRONG & BUCKELEW	INSTALLMENT	718.00
			718.00
001451			
001451	ALLSTATE INFORMATION MANAGEMNT	MONTHLY SERV & STOR	40.31
			40.31
001452			
001452	PROFESSIONAL INSURANCE ASSOC.	RMC LITTLE FALLS	14,145.88
			14,145.88
001453			
001453	FAIRVIEW INSURANCE AGENCY	RMC 7/18	3,000.00
			3,000.00
001454			
001454	RUSSO & ASSOCIATES LLC	FOUR REVIEWS	2,937.28
			2,937.28
001455			
001455	BROWN & BROWN METRO, INC.	RMC FEE-HUD REG 8/18	990.99
001455	BROWN & BROWN METRO, INC.	RMC FEE-HUD REG 6/18	990.99
001455	BROWN & BROWN METRO, INC.	RMC FEE-ESSEX REG 8/18	520.52
001455	BROWN & BROWN METRO, INC.	RMC FEE-ESSEX REG 6/18	520.52
			3,023.02
001456			
001456	EMPLOYEE BENEFITS CONSULTING SRVC GRP LLC	RMC FEE MRHS	2,074.45
			2,074.45
		Total Payments FY 2018	450,940.12

TOTAL PAYMENTS ALL FUND YEARS \$458,940.12