

**MONMOUTH MUNICIPAL JOINT INSURANCE FUND
MINUTES
OCTOBER 10, 2019
WALL TOWNSHIP MUNICIPAL BUILDING
1:30 P.M.**

Meeting Called to Order by Acting Chairman Dempsey. Open Public Meeting Statement read into the record.

Pledge of Allegiance

ROLL CALL OF 2019 EXECUTIVE COMMITTEE:

James Rogers	Chairman	Deal	Absent
Bryan Dempsey	SECRETARY	Spring Lake	Present
EXECUTIVE	COMMITTEE	MEMBERS	
Thomas Nolan		Boro of Brielle	Present
Anthony Mercantante		Middletown	Present
Laurie Roth		Allentown	Present
Tom Rogers		Boro of Rumson	Present
Lori Cole		West Long Branch	Present

ALTERNATE EXECUTIVE COMMITTEE MEMBERS:

Jonathan Capp		Marlboro Township	Present
Jeffrey Bertrand		Wall Township	Present

APPOINTED OFFICIALS PRESENT:

Executive Director /Administrator	Perma Risk Management Services	Stephen A. Sacco	Present
Attorney	Cleary, Alfieri, & Grasso	James Cleary, Esq.	Present
Treasurer		Steven Mayer	Present
Claims Service	Qual-Lynx	Gemma Armenia	Present
Safety Director	JA Montgomery	Paul Shives	Present
Risk Management Consultants	The Danskin Agency Conner Strong & Buckelew	Charles Casagrande Mike Avalone	Present Present
Auditor	Hulsart & Company	Robert Hulsart	Absent
Actuary	Actuarial Advantage	Dennis Henry	Absent
Underwriting Manager	Conner Strong & Buckelew	Ed Cooney	Absent

ALSO PRESENT

Jason Thorpe, PERMA
Gregg Possiel, Roosevelt
Robert Fortsch, Upper Freehold
Jack Keeler, Sea Bright
Bryan Russell, Neptune City
Laura Sable, Qual-Lynx
Lisa Gallo, Qual Care
Sean Kelly, RMC
Dominick Cinelli, RMC
Peter Soreiro, RMC
Zach Edleman, RMC
Lindsay Travali, Acrisure
Alison Kelly, Danskin Agency
John Casagrande, Danskin Agency
Joe Mirarchi, JA Montgomery

APPROVAL OF MINUTES: September 12, 2019

MOTION TO APPROVE OPEN & CLOSED MINUTES FOR ABOVE REFERENCED MEETINGS

MOTION: Commissioner Capp
SECOND: Commissioner Roth
VOTE: Unanimous

CORRESPONDENCE

None.

TREASURER

Mr. Mayer referred to the Bills List contained within the Agenda Packet.

FUND YEAR	AMOUNT
October Bills List	
2019	\$ 176,917.52
TOTAL	\$ 176,917.52

MOTION TO APPROVE RESOLUTION # 22-19 APPROVAL FOR PAYMENT OF OCTOBER 2019 BILL LIST

MOTION: Commissioner Nolan
SECOND: Commissioner Bertrand
ROLL CALL VOTE: Unanimous

EXECUTIVE DIRECTOR:

2020 Budget Process - Mr. Sacco reported that the Finance Committee held a Budget workshop on October 4, 2019 in the Marlboro Township Municipal Building. He noted that the 3 main topics of discussion were the proposed budget, the amended Risk Management Plan, and the 2019 dividend. He then referred to the 2020 Budget as recommended by the Finance Committee that was distributed prior to the start of the meeting. Mr. Sacco cautioned that the budget numbers are still subject to change between introduction and adoption as Perma and the Risk Management Consultants are still confirming member data. He noted that main topic during the budget discussion portion of the meeting pertained to how to fund for the recent legislation (S-477 and FFCP). Mr. Sacco reported that the RCF will be meeting to discuss the plan moving forward on how to handle the claims arising out of the recent legislation. He advised that one plan being discussed includes the MEL/RCF having an additional assessment program due to the legislation. He explained that a surplus floor will be established and once the surplus falls below 12.5% of open case reserves an additional assessment will be triggered. Mr. Sacco noted that the additional assessment will be spread proportionately amongst all RCF members and payable over 10 years. He further noted that each year will stand on its own and subject to the surplus floor being triggered, thus compounding the amount owed to the RCF. He advised that the Finance Committee recommended adding additional funds to the Fund Contingency/Legislation budget line to avoid the large swings. He advised that the loss funds provided by the actuary are slightly decreasing. Mr. Sacco informed the Board that the E-JIF is decreasing its budget by 2% and increasing its dividend to 2 million. He continued to review the various budget line items and advised that the overall proposed budget being recommended by the Finance Committee has an increase of 1.58%. He asked if there were any comments or questions on the proposed budget. Hearing none, Mr. Sacco asked for a motion to introduce the proposed 2020 budget and schedule a public hearing.

MOTION TO INTRODUCE THE 2020 BUDGET FOR THE MONMOUTH MUNICIPAL JOINT INSURANCE FUND IN THE AMOUNT OF \$15,858,888 AND SCHEDULE A PUBLIC HEARING FOR NOVEMBER 14, 2019 IN THE WALL TOWNSHIP MUNICIPAL BUILDING AT 1:30 PM.

MOTION: Commissioner Rogers
SECOND: Commissioner Nolan
VOTE: Unanimous

2019 Dividend – Mr. Sacco reported that the Finance Committee is recommending a dividend of \$1,200,000 to help offset the overall budget increase. He then referred to Resolution # 23-19 that was distributed prior to the start if the meeting for the Board’s consideration.

MOTION TO ADOPT RESOLUTION # 23-19 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$1,200,000.

MOTION: Commissioner Rogers
SECOND: Commissioner Bertrand
VOTE: Unanimous

Risk Management Plan Amendment – Mr. Sacco reported that the MEL is recommending that all local JIFs amend their Risk Management Plans to address recent legislation that has been passed. He referred to a copy of the amended 2019 Risk Management Plan enclosed within the agenda packet. Mr. Sacco explained that the Fund currently adopts a resolution during the reorganization meeting that states if a member leaves the JIF, the JIF will hold a portion of said member’s dividend to offset any expenses that are incurred associated with the departing member. He further explains that the amended Risk Management Plan states that because of the new legislation (S-477 and FFCP) if a member leaves, the member’s dividend will not be returned until the statute of limitation associated with S-477 expires.

MOTION TO ADOPT THE AMENDED 2019 RISK MANAGEMENT PLAN

MOTION: Commissioner Nolan
SECOND: Commissioner Rogers
VOTE: Unanimous

Nominating Committee Appointments – Mr. Sacco informed the Board that he has spoken to Chairman Rogers and he thanks the Board for their well wishes. He advised that Chairman Rogers would like to form a Nominating Committee for the purpose of preparing the slate for 2020 and when vacancies arise. Mr. Sacco added that the Nominating Committee will be made up of Commissioner Capp and Commissioner Bertrand.

Law Enforcement Consulting Services – Mr. Sacco reported that the Monmouth JIF Safety Compliance & Risk Management Committee is recommending that the Fund accept the proposal submitted by J.A. Montgomery to provide Law Enforcement Services for the Monmouth JIF. He then asked Mr. Shives to provide a brief overview outlining the services and trainings to be provided by a retired law enforcement professional. Mr. Shives reported that when the proposal was initially submitted in 2017, J.A. Montgomery only had one retired law enforcement professional. He indicated that there has since been an increased demand for those services throughout the MEL system, J.A. Montgomery will now has three retired law enforcement professionals on its staff beginning November 1st. Mr. Shives said the newest retired law enforcement professional will be based out of the J.A. Montgomery, Toms River office. He noted that if the Board approves the request, the retired law enforcement professional’s responsibility will be the Monmouth, Ocean, and Central JIFs only. Mr. Shives informed the Board that the professional will conduct risk control visits and will meet with police chiefs one-on-one. He added that the professional will meet with half of the membership police department in 2020 at the direction of the Board. Mr. Shives advised that the professional will also attend Safety, Claims, and JIF meetings. He added the professional will also participate in the Police Chief ad-hoc Committee to discuss trends and mandates. Mr. Shives informed the Board that the professional will also conduct regional trainings and issue Safety Director bulletins pertaining to law enforcement. Mr. Sacco asked if there were any questions or comments on the proposal. Hearing none, he asked for a motion to approve the request.

MOTION TO APPROVE AN AMENDMENT TO J.A. MONTGOMERY’S CONTRACT COMMENCING IN 2020 TO PROVIDE LAW ENFORCEMENT CONSULTING SERVICES FOR A FEE NOT TO EXCEED \$29,780.

MOTION: Commissioner Roth

SECOND: Commissioner Rogers
VOTE: Unanimous

MEL 2020 Budget Meeting – Mr. Sacco reported that the MEL’s 2020 Budget will be introduced on Wednesday, October 16, 2019 in Jamesburg, NJ and the public hearing on the MEL budget will be held on November 20, 2019 at 1:00 PM during the League of Municipalities Convention. He added that the MEL's nominating committee will be beginning its deliberations for the November meeting. Mr. Sacco advised that the Fund should nominate its 2020 representative and alternate to the MEL. Currently, Commissioner Nolan is the Fund’s MEL representative and Commissioner Rogers is the alternate representative.

MOTION TO NOMINATE THOMAS NOLAN TO SERVE AS THE FUND'S REPRESENTATIVE TO THE MEL.

MOTION: Commissioner Bertrand
SECOND: Commissioner Capp
VOTE: Unanimous

MOTION TO NOMINATE THOMAS ROGERS TO SERVE AS THE FUND'S ALTERNATE REPRESENTATIVE TO THE MEL.

MOTION: Commissioner Bertrand
SECOND: Commissioner Capp
VOTE: Unanimous

E-JIF 2020 Budget Meeting – Mr. Sacco reported that the public hearing to adopt the E-JIF’s 2020 budget will be held October 16th at 10:50AM in Jamesburg, NJ. He noted that the Fund should nominate its 2020 representative and alternate to the E-JIF. Currently, Commissioner Nolan is the E-JIF representative and Commissioner Rogers is the alternate representative.

MOTION TO NOMINATE THOMAS NOLAN TO SERVE AS THE FUND'S REPRESENTATIVE TO THE E-JIF.

MOTION: Commissioner Bertrand
SECOND: Commissioner Capp
VOTE: Unanimous

MOTION TO NOMINATE THOMAS ROGERS TO SERVE AS THE FUND'S ALTERNATE REPRESENTATIVE TO THE E-JIF.

MOTION: Commissioner Bertrand
SECOND: Commissioner Capp
VOTE: Unanimous

Residual Claims Fund – Mr. Sacco reported that the public hearing to adopt the Residual Claims Fund’s 2020 budget will also be held October 16th at 10:30AM in Jamesburg, NJ. He

noted that the Fund should nominate its 2020 representative and alternate to the RCF. Currently, Commissioner Nolan is the RCF representative and Commissioner Rogers is the alternate representative.

MOTION TO NOMINATE THOMAS NOLAN TO SERVE AS THE FUND'S REPRESENTATIVE TO THE RCF.

MOTION: Commissioner Bertrand
SECOND: Commissioner Capp
VOTE: Unanimous

MOTION TO NOMINATE THOMAS ROGERS TO SERVE AS THE FUND'S ALTERNATE REPRESENTATIVE TO THE RCF.

MOTION: Commissioner Bertrand
SECOND: Commissioner Capp
VOTE: Unanimous

MEL EPL Helpline – Mr. Sacco referred to a bulletin issued earlier in the year concerning the Fund’s EPL Helpline. He noted that Ms. Howard, Esq. from the Fund Attorney’s office works on the helpline and will provide a brief overview during the attorney’s report. Mr. Sacco encouraged members to contact any of the three firms when they need guidance.

Due Diligence Reports - Mr. Sacco referred the Committee to the Financial Fast Track chart as of August 31st contained within the agenda booklet. He reported that the Fund’s statutory surplus position is 10.5 million and added that the Fund is in excellent financial shape.

ATTORNEY

Mr. Cleary indicated that he had no report for the month, but noted that Ms. Howard from his firm was present and would like to address the Board. Ms. Howard encouraged members to contact her when they need guidance in regards to EPL issues. She added that the purpose of the helpline is to assist members in handling potential EPL issues before they become potential claims.

SAFETY DIRECTOR

Mr. Mirarchi reviewed the September activities and the October agenda. He advised the Committee of upcoming meetings and trainings. He then referred to the Safety Director’s bulletins that were recently released enclosed within the agenda booklet.

UNDERWRITING MANAGER

Mr. Thorpe referred to the list of certificates issued for month enclosed within the agenda booklet.

List of Certificates made part of the Minutes.

RISK MANAGEMENT CONSULTANTS:

Mr. Avalone thanked the membership for their cooperation in the 2020 data renewal process.

Mr. Avalone reminded the Board that statutory bond renewal is required for those members scheduled to renew their membership with the Monmouth JIF.

Mr. John Casagrande reported that a Monmouth JIF member recently suffered a ransomware attack. He noted that, luckily, back-ups and restoration happened very rapidly. Mr. Casagrande added that currently the Monmouth JIF has 19 of its 41 members compliant in the MEL Cyber Risk Management Program and 7 or 8 are near compliance.

Report and Attachments of Risk Management Consultants made a part of the Minutes

MANAGED CARE:

Ms. Gallo referred the Committee to her report enclosed within the agenda booklet. She informed the Committee that for the month of September, there was a savings of \$235,636 resulting in 66% savings. Ms. Gallo noted that network utilization is at 96%.

OLD BUSINESS

None.

NEW BUSINESS

Mr. Sacco reported that the Membership Committee has asked the fund office to provide quotes to Aberdeen and Holmdel for membership in the Monmouth JIF.

MEETING OPENED TO PUBLIC FOR COMMENT:

None.

PUBLIC COMMENT PORTION OF THE MEETING CLOSED

MOTION TO ENTER EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSING CLAIMS AND POTENTIAL LITIGATION

MOTION:	Commissioner Nolan
SECOND:	Commissioner Rogers
VOTE:	Unanimous

MOTION TO ADJOURN EXECUTIVE SESSION

MOTION: Commissioner Nolan
SECOND: Commissioner Capp
VOTE: Unanimous

MOTION TO APPROVE PAYMENT OF CLAIMS AS DISCUSSED IN EXECUTIVE SESSION AS PRESENTED AND APPROVE MR. CLEARY'S LEGAL BILLS FOR A TOTAL AMOUNT OF \$2,934.00.

<u>Workers' Comp</u>	<u>GL/AL/PR</u>
2020180827	001257941
2020181125	001188611
2019151101	2020183306
2018121871	2020180446
2018144019	2020184590

MOTION: Commissioner Capp
SECOND: Commissioner Nolan
ROLL CALL VOTE: Unanimous

MOTION TO ADJOURN MEETING

MOTION: Commissioner Roth
SECOND: Commissioner Capp
VOTE: Unanimous

Meeting Adjourned at: 2:00 P.M.

NEXT MEETING: November, 2019
Wall Township Municipal Building
2700 Allaire Road
Wall, NJ 07719
1:30 P.M.

Secretary

**MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 22-19

OCTOBER 2019

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Monmouth County Municipal 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 2019

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001741			
001741	QUAL-LYNX	OUTSIDE ADJUSTER 10/19	6,574.66
001741	QUAL-LYNX	CLAIM ADJUSTING SERVICES 10/19	46,197.84
			52,772.50
001742			
001742	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 10/19	13,243.67
			13,243.67
001743			
001743	QUALCARE, INC.	WORKERS COMP-ACCESS/UM 10/19	16,906.09
			16,906.09
001744			
001744	PERMA	POSTAGE 8/19	1.45
001744	PERMA	ADMIN FEE 10/19	31,819.50
001744	PERMA	LOSS FUND MGT 10/19	2,811.50
			34,632.45
001745			
001745	THE ACTUARIAL ADVANTAGE, INC.	ACTUARIAL CONSULTING 10/19	3,635.92
			3,635.92
001746			
001746	CLEARY GIACOBBE ALFIERI & JACOBS, LLC	LEGAL SERVICES THRU 9.26.19	10,330.14
			10,330.14
001747			
001747	STEPHEN M. MAYER	TREASURER FEE 10/19	1,691.67
			1,691.67
001748			
001748	ASBURY PARK PRESS	ACCT#040013 -COMP STMT OF OPS - 7.12.19	171.08
001748	ASBURY PARK PRESS	ACCT#ASB-040013 - NOTICE - 9.22.19	41.72
			212.80
001749			
001749	ALLSTATE INFORMATION MANAGEMNT	ACCT#410 - ARC & STOR - 8.31.19	55.45
			55.45
001750			
001750	DANSKIN INSURANCE AGENCY INC.	RMC FEE 10/19	42,235.83
			42,235.83
001751			
001751	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 10/19	1,001.00
			1,001.00
001752			
001752	EXECU-TECH, INC.	WEBSITE MAINTENANCE FEE 10/19	200.00
			200.00
		Total Payments FY 2019	176,917.52
		TOTAL PAYMENTS ALL FUND YEARS	\$176,917.52

Chairperson

Attest:

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

RESOLUTION NO. 23- 19

**RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE MONMOUTH MUNICIPAL JOINT INSURANCE FUND
AUTHORIZING REFUND OF CLOSED YEARS ACCOUNTS SURPLUS ACCOUNTS**

WHEREAS, N.J.A.C. 11:15-2.21 provides that a FUND may seek approval from the Commissioner of Insurance for a refund of excess monies from any FUND year upon compliance with certain requirements; and

WHEREAS, the FUND has obtained a calculation from its Actuary and Executive Director as to the amount of money which is available for distribution consistent with the aforementioned regulations, and the financial integrity of the FUND; and

WHEREAS, the Executive Committee has determined that it would be in the best interest of the FUND and its member municipalities to make certain refunds;

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the **Monmouth Joint Insurance Fund**, As Follows:

1. Section B of N.J.A.C. 11:15-2.21 provides that the FUND may seek approval for refunds from any claim fund that has been completed for not less than twenty-four months. Based upon this requirement, surplus monies in the Closed Year Accounts are eligible for refunds at the discretion of the FUND, the Department of Banking and Insurance and the Department of Community Affairs.

2. The Executive Committee has balanced the interests of the member authorities in obtaining the benefit of such monies as are available for refund against the need for the FUND to protect and preserve its financial integrity. Because the reserve figures and the IBNR figures utilized by the FUND Actuary are conservative, and because the Banking & Insurance Department and the State regulations require a calculation based on the ratio of paid claims to claim reserves creating a margin of error, it is the conclusion of the Executive Committee that \$1,200,000 from the Closed Years accounts and \$208,791 from the E-JIF for a total dividend of \$1,408,791 surplus can be refunded at this time.

Closed Year Account	\$ 1,200,000
E-JIF	\$ 208,791
Total	\$ 1,408,791

3. The Executive Director is, therefore, authorized and directed to submit such documents as the regulations require to the Department of Insurance and the Department of Community Affairs for the approval of the refunds in the amounts set forth above.

4. This authorization is based upon the Auditor's Report of the Historical Operating Results as of December 31, 2018. The aforementioned refund monies shall be allocated, as required and necessary, from the Closed Year Accounts.

5. The FUND Treasurer is authorized to prepare and execute checks for the pro-rated amount of the aforementioned refunds due to each member municipalities for the years in question, provided, however, the FUND Treasurer shall deduct the amount owed by the member local unit for any outstanding balances without regard for Fund year, upon receipt of written documentation of approval or acquiescence of these refunds from the Department of Insurance and the Department of Community Affairs. Said refunds shall be made to the municipalities which were members of the FUND for the years in question in the same ratio as said municipalities were assessed for the years in question.

MONMOUTH MUNICIPAL JOINT INSURANCE FUND