

**BERGEN COUNTY MUNICIPAL JOINT INSURANCE FUND
MINUTES
MEETING – MAY 18, 2017
WESTWOOD- 5:30PM**

Meeting of Fund Commissioners called to order by Chairwoman Carol Byrne. Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE – Chairwoman Byrne led Commissioners in the Pledge of Allegiance.

ROLL CALL OF 2017 EXECUTIVE COMMITTEE:

Carol Byrne, Chairwoman	Borough of Tenafly	Present
Paul Hoelscher, Secretary	Borough of Harrington Park	Present
Paul Tomasko	Borough of Alpine	Present
James Cleary	Borough of Cresskill	Present
Fred Pitofsky	Borough of Closter	Present
Robert Shannon	Borough of Wyckoff	Present
Don Sciolaro	Borough of Waldwick	Present

EXECUTIVE COMMITTEE ALTERNATES:

John Birkner	Borough of Westwood	Present
Chrisoula Looes	Borough of Hillsdale	Present
Ted Preusch	Borough of Upper Saddle River	Present
Robert Hoffmann	Borough of Emerson	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services David N. Grubb, Nancy A. Ghani
Attorney	Huntington Bailey LLP William Bailey, Esq.
Liability Claims Service	JIF Claim, L.L.C. Dawn Mulligan
Workers Compensation Claim Service & Managed Care	Bergen Risk Managers Kathleen McGuire, Jamie Testino Jason Cosimano
Safety Director	J.A. Montgomery Risk Control Dave McHale
Treasurer	Alan Negreann
Auditor	Lerch, Vinci & Higgins Elizabeth Shick

FUND COMMISSIONERS PRESENT:

Tom Donch, **Franklin Lakes**
Quentin Wiest, **Mahwah**

RISK MANAGEMENT CONSULTANTS PRESENT:

Gerard Quinn, **Conklin and Kraft Agency**
Art Caughlan, **Nelson-Patterson Agency**
Ralph Spataro, **Johl & Company**
Dominick Cinelli, **Brown & Brown**
Ezio Altamura, **GJEM Otterstedt**
Frank Covelli, **P.I.A.**
Colleen Holdsworth, **Eifert French**
Dan Larsen, **Johl & Company**
Michael Boggio, **Chadler Solutions**
Debra Ginetto, **Burton Agency**
Stephen Puntasecca, **Heidt Agency**

MINUTES: Open and Closed Minutes of April 20, 2017.

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF APRIL 20, 2017:

Moved: Commissioner Pitofsky
Second: Commissioner Sciolaro
Roll Call Vote: 11 Ayes – 0 Nays

CORRESPONDENCE:

NONE

**RESOLUTION - EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES
PERSONNEL - SAFETY AND PROPERTY OF PUBLIC- LITIGATION**

All Persons must vacate the room for this portion of the meeting unless they
Fall into one of the following categories:
Fund Commissioner
Executive Committee Member
Risk Manager
Fund Professional
All persons present must have a signed confidentiality on file. Blank
Confidentiality statements are available from the Secretary.

MOTION TO RE-OPEN:

Motion: Commissioner Pitofsky
Second: Commissioner Sciolaro
Vote: Unanimous

**MOTION TO ACCEPT AND APPROVE THE PARS AS PRESENTED IN
EXECUTIVE SESSION:**

Motion: Commissioner Hoffmann
Second: Commissioner Pitofsky
Roll Call Vote: 11 Ayes - 0 Nays

COMMITTEE REPORTS:

SAFETY COMMITTEE: CAROL BYRNE, CHAIR: Included in the agenda were the minutes from the April 11, 2017 meeting for information.

AUDIT AND ACTUARY VALUATION REPORT AS OF DECEMBER 31, 2016: The financial audit for the period ending December 31, 2016 was ready for review and approval and will be filed with the Departments of Insurance and Community Affairs by the June 30th deadline. Enclosed separately was a copy of the audit and the actuary’s valuation as of 12/31/16.

Fund Auditor reviewed the Comparative Statements of Net Position (Exhibit A-1) and said as of 12/31/16 the fund had a total net position of \$4.2. Fund Auditor reviewed the Historical Operating Results (Exhibit C) and said both Fund Year 2014 and 2015 have deficits, but all other noted years are operating in a positive position. Commissioner Hoffmann noted that the net position from 2015 to 2016 increased despite the deficits for Fund Years 2014 and 2015. Fund Treasurer referred to the Financial Fast Track as of March 31, 2017 in the agenda and noted the strong financial position of the fund.

MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION NO. 15-17 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT THE FUND COMMISSIONERS HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT:

Motion:	Commissioner Hoffmann
Second:	Commissioner Tomasko
Roll Call Vote:	11 Ayes - 0 Nays

EXECUTIVE DIRECTOR:

DUE DILIGENCE REPORTS: Monthly reports submitted to the Executive Committee including monthly Financial Fast Track, Loss Ratio, Lost Time Accident Frequency, Investment Summary and Rate Comparison, Expected Loss Ratio by Town Report and the Claim Activity Report.

Executive Director reviewed the Financial Fast Track as of March 31, 2017 and said the fund's statutory surplus stands at \$3.6 million. In response to Commissioner Sciolaro, Executive Director said the *Discounted Value of Outstanding Reserves* exhibit in the Actuary's Analysis of Loss Reserves as of 12/31/16 refers to the present value, at selected interest rates, of the payment of outstanding losses and/or loss adjustment expenses of future settlement claims amounts. Executive Director said given the current low interest rates, the income earned by the fund is not significant noting that the MEL and the local JIFs have adopted resolutions in support of legislation to allow Joint Insurance Funds to expand their investment opportunities.

NATIONAL FLOOD INSURANCE PROGRAM: Executive Director said many municipalities in the MEL have properties in flood zones and therefore, it is critical that Congress acts to continue the National Flood Insurance Program. Executive Director said the MEL recommends that each JIF adopt the resolution included in the agenda and pass it onto members for their action as well.

MOTION TO ADOPT RESOLUTION 16-17 URGING REPRESENTATIVES FROM THE STATE OF NEW JERSEY TO SUPPORT THE LEGISLATIVE ACTION TO RE-AUTHORIZE AND EXTEND THE NATIONAL FLOOD INSURANCE PROGRAM (NFIP):

Motion:	Commissioner Pitofsky
Second:	Commissioner Sciolaro
Roll Call Vote:	11 Ayes - 0 Nays

MEL RISK MANAGEMENT CONSULTANT ACCREDITATION PROGRAM: As previously reported, the MEL is instituting 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. 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. Enclosed in the agenda was

the registration form and the agenda. Executive Director highlighted that that the September session in Marlton was changed to September 19th.

CYBER LIABILITY INSURANCE TWO-PART WEBINAR SERIES: Executive Director said the JIF purchases its primary cyber liability coverage from XL Catlin. XL Catlin has put together a two-part insurance webinar series. Enclosed in the agenda was a copy of the announcement, including registration information, which is also being emailed to all Fund Commissioners and Risk Managers. Also enclosed was a claims procedure notice of what to do in the event of a cyber incident.

SAFETY EXPO: Executive Director said 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 23rd at the Middlesex County Fire Academy and September 29th at the Camden County Emergency Services Training Center. Expo registration will be through the MEL Safety Institute and is anticipated to be available mid-May; enclosed in the agenda was a save the date notice and registration materials will be distributed once complete.

2017 COVERAGE DOCUMENTS: Executive Director said the fund office will begin distributing the 2017 coverage documents to all Fund Commissioners and Risk Managers via email in the first weeks of May.

2018 RENEWAL ONLINE UNDERWRITING DATABASE: Executive Director said members and risk managers will receive an email when the database is set up to begin the 2018 underwriting renewal – which is expected to begin on or near June 1, 2017. The MEL awarded a contract to Origami for the on-line underwriting – but that system will not be functional until 2018. This year's renewal will still be conducted in the Exigis system.

2017 FINANCIAL DISCLOSURES: 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 Local Finance Board (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. As of 5/11/17, the fund office has followed up with the 12 Commissioners that have yet file.

2017 RISK MANAGEMENT CONSULTANT AGREEMENTS: Enclosed in the agenda was a listing by member town of the risk management consultant agreements received. Since all agreements have been received, the fund office will prepare the necessary filing with the Departments of Insurance and Community Affairs.

Executive Director's Report Made Part of Minutes.

TREASURER:

REPORT: The Treasurer Cash and investments as of April 30, 2017 were distributed for information. Fund Treasurer said he received all the 2nd quarter assessments by the due date, the 1st quarter sewer back up bills were distributed and he would be submitting a Corrective Action Plan with respect to the Financial Audit as of December 31, 2016.

Approving Payments Of May 2017 Vouchers Resolution 17-17

TOTAL 2016	0.00
TOTAL 2017	211,504.92
TOTAL	\$211,504.92

Confirmation Of April 2017 Claims Payments/Certification Of Claims Transfers:

2013	15,600.07
2014	116,449.75
2015	43,087.58
2016	73,919.22
2017	298,343.63
TOTAL	\$547,400.25

MOTION TO APPROVE RESOLUTION 17-17 VOUCHER LIST FOR MAY 2017 AND APPROVE CERTIFICATION OF CLAIMS/CONFIRMATION OF CLAIM PAYMENTS FOR THE MONTH OF APRIL 2017:

Motion: Commissioner Sciolaro
 Second: Commissioner Hoffmann
 Vote: 11 Ayes – 0 Nays
Treasurer's Reports Made Part of Minutes.

FUND ATTORNEY:

REPORT: Fund Attorney said there was nothing to report for the month.

UNDERWRITING MANAGER:

LIST OF CERTIFICATES ISSUED: Included as part of the report was a List of Certificates issued for the period of 3/22/17 to 4/21/17.

Monthly Report Made Part of Minutes.

SAFETY DIRECTOR:

REPORT: Safety Director's report was included in the agenda for review. Report included April activities, upcoming MSI classes, Safety Director Bulletins on Comprehensive Playground Inspection Programs and the Benefit of Closed-Circuit Videoing of Lateral Sewer Lines, a flyer for online courses for camp counsellor training and registration information for the MEL Leadership Skills Training for New and Senior Supervisors.

Safety Director said retired Police Chief Keith Hummel will be joining J.A. Montgomery as a risk control consultant as a continued effort to strengthen training objectives noting that a majority of claims arise out of the police departments. Executive Director said Mr. Hummel will be available to all local JIFs with respect to police training. Commissioner Tomasko inquired if more claims come from the Department of Public Works (DPW) or the Police Department; in response Executive Director said DPW employees experience more work related injuries; however, police personnel account for both work related and employment practices claims.

Monthly Activity Report Made Part of Minutes.

MANAGED CARE:

REPORT: Managed Care Provider reviewed the April report, which was included in the agenda. The report indicated a saving of 55% for the month and 61% since inception.

Monthly Activity Report Part of Minutes.

CLAIMS:

REPORT: Included in the agenda was a report of new case law pertaining to public entities.

Monthly Activity Report Part of Minutes.

OLD BUSINESS:

NONE

NEW BUSINESS:

NEW JERSEY LEAGUE OF MUNICIPALITIES MAGAZINE: Commissioner Tomasko said the May issue of the New Jersey League of Municipalities magazine included an article on the MEL's 30th Anniversary. Commissioner Tomasko said it is a privilege to have an association to the MEL and complimented the efforts of those that have been around since its inception.

PUBLIC COMMENT:

ASBURY PARK PRESS: Mr. Altamura said the Asbury Park Press has submitted an Open Public Records Act (OPRA) requests to many JIF members regarding information on settlement agreements and requested clarification on how the fund office is processing these requests.

Executive Director said there is an appellate court decision that states if an OPRA request is submitted to a municipality for information that is in the possession of a Joint Insurance Fund (JIF) then the municipality does not have to provide it and the requestor should submit the request to the JIF. Executive Director said under this decision, there may be a standing for the newspaper to request any claims not self-insured by the JIF from the municipality; both instances are being reviewed with respect to this OPRA request. Executive Director said the Brad Stokes of PERMA and Fred Semrau, MEL Fund Attorney have been working with the Asbury Park Press regarding this OPRA requests on behalf of members that have received it.

CAROL BYRNE RETIREMENT: Chairwoman Byrne publicly thanked the Fund Commissioners, Fund Professionals and Risk Management Consultants during her tenure as Tenafly's Fund Commissioner over the past 29 years. Chairwoman Byrne said she would be retiring in June with a move to upstate New York.

MOTION TO ADJOURN:

Motioned:	Commissioner Tomasko
Second:	Commissioner Pitofsky
Vote:	Unanimous

MEETING ADJOURNED: 6:09PM

Nancy A. Ghani, Assisting Secretary
For

PAUL HOELSCHER, SECRETARY

Date Prepared: June 6, 2017

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, 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 Bergen County Municipal 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 MAY 18, 2017.

RESOLUTION NO: 16-17

BERGEN COUNTY MUNICIPAL JOINT INSURANCE FUND

**RESOLUTION TO URGE REPRESENTATIVES FROM THE
STATE OF NEW JERSEY**

TO

**SUPPORT THE LEGISLATIVE ACTION TO RE-AUTHORIZE AND EXTEND
THE NATIONAL FLOOD INSURANCE PROGRAM (“NFIP”)**

WHEREAS, floods are the most common and most destructive natural disasters in the United States; and

WHEREAS, the National Flood Insurance Act authorizes a National Flood Insurance Program (“NFIP”); and

WHEREAS, the NFIP is a Federal program created by Congress to mitigate future flood losses nationwide and to provide access to affordable, federally backed flood insurance protection for property owners; and

WHEREAS, the NFIP is designed to provide an insurance alternative to disaster assistance to meet the escalating costs of repairing damage to buildings and their contents caused by floods; and

WHEREAS, New Jersey is fourth in the nation in the number of NFIP policies enforced and third in total value of claims paid; and

WHEREAS, five hundred and fifty-two communities in New Jersey participate as members of the NFIP which amounts to over 230,000 policies throughout the State of New Jersey; and

WHEREAS, the NFIP maintains a significant role in providing financial protection against flood events to New Jersey residents; and

WHEREAS, the NFIP is set to expire on September 30, 2017; and

WHEREAS, the expiration of this program could cause catastrophic loss of insurance coverage against flooding which is the number one cause of loss of property throughout the United States; and

WHEREAS, in the event the program were to expire, the consequences in the form of disruption of coverage and the potential financial burdens to residents throughout the State of New Jersey will be of great economic significance; and

WHEREAS, the purpose of this Resolution is to urge the area Federal Representatives to support the extension of the NFIP which promotes the public health, safety and general welfare and minimizes public and private losses due to flooding events in the State of New Jersey

NOW, THEREFORE, BE IT RESOLVED, that the Bergen County Municipal Joint Insurance Fund (hereinafter the “FUND”) hereby urges its area Federal Legislators and Representatives to take any and all necessary action to insure that the National Flood Insurance Program is extended beyond the September 30, 2017 expiration date.

BE IT FURTHER RESOLVED, that a copy of this Resolution shall be forwarded to area Federal Legislators and Representatives.

BE IT FURTHER RESOLVED, that a copy of this resolution shall be forwarded to members of the FUND urging them to adopt it as well.

BERGEN COUNTY MUNICIPAL JOINT INSURANCE FUND

Adopted this day by the Governing Body:

BERGEN COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 17-17

MAY 2017

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

BE IT RESOLVED that the Bergen 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 2016

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001241			
001241	OAKLAND BOROUGH POLICE DEOT.	VOIDED	400.00-
			400.00-
001377			
001377	OAKLAND BOROUGH	2016 TRAINING REIMBURSEMENT	400.00
			400.00
Total Payments FY 2016			-0-

FUND YEAR 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001378			
001378	BERGEN RISK MANAGERS, INC.	COST CONTAINMENT SERVICES - 0517	35,225.26
			35,225.26
001379			
001379	APEX INS SRVSc/o BEAZLEY	TECH ERRORS & OMISSIONS 2OF2 INSTALL	8,465.00
			8,465.00
001380			
001380	BERGEN RISK MANAGERS, INC.	TPA FEE 05/2017	28,614.63
001380	BERGEN RISK MANAGERS, INC.	CLAIMS -FROI REPORTS - 05/2017	1,445.91
			30,060.54
001381			
001381	JIF CLAIMS, L.L.C.	LIABILITY CLIA MS ADMIN - 05/2017	30,497.92
			30,497.92
001382			
001382	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 05/2017	14,824.19
001382	J.A. MONTGOMERY RISK CONTROL	2017 AWARDS BREAKFAST - 5/3/2017	1,099.92
			15,924.11
001383			
001383	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 04/2017	39.22
001383	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 05/2017	28,243.33
			28,282.55
001384			
001384	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 05/2017	4,317.00
			4,317.00
001385			
001385	HUNTINGTON BAILEY, L.L.P.	ATTORNEY FEE 05/2017	5,164.06
			5,164.06

001386			
001386	ALAN NEGREANN	TREASURER FEE 04/2017	2,377.00
			2,377.00
001387			
001387	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 05/2017	1,435.83
			1,435.83
001388			
001388	NEWTECH SERVICES, INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 5/17	75.00
			75.00
001389			
001389	ALLSTATE INFORMATION MANAGEMNT	ACCT: 408 - ACT & STOR - 4/30/2017	109.77
001389	ALLSTATE INFORMATION MANAGEMNT	ACCT: 408 - ACT & STOR 3/31/2017	63.36
			173.13
001390			
001390	COUNTY OF BERGEN	SIMULATORS - MOBILE PROJECT - 2/16/2017	30,000.00
			30,000.00
001391			
001391	CONNELL CONSULTING LLC	TRAINING SEMINAR - APR 17-19, 2017	100.00
			100.00
001392			
001392	BROWN & BROWN METRO, INC	RMC FEE 2ND QTR 2017 - RIDGEWOOD VILLAGE	9,703.76
001392	BROWN & BROWN METRO, INC	RMC FEE 1ST QTR 2017 - RIDGEWOOD VILLAGE	9,703.76
			19,407.52
		Total Payments FY 2017	211,504.92

TOTAL PAYMENTS ALL FUND YEARS \$ 211,504.92