

**CENTRAL JERSEY JOINT INSURANCE FUND
MEETING MINUTES
FEBRUARY 19, 2014
KENNEDY LIBRARY, PISCATAWAY NJ**

**MEETING OF THE EXECUTIVE COMMITTEE CALLED TO ORDER AT 2:00 P.M.
OPEN PUBLIC MEETING STATEMENT READ INTO RECORD
PLEDGE OF ALLEGIANCE**

ROLL CALL OF THE 2014 EXECUTIVE COMMITTEE

Robert Landolfi, Township of Woodbridge	Present
Christopher Marion, Old Bridge	Present
Joseph Criscuolo, Piscataway	Present
Robert Vornlocker, Township of Franklin	Absent
Nancy Costa, Township of Hillsborough	Present
Daniel Frankel, Borough of Sayreville	Present
William Northgrave, Township of Edison	Present
Colleen Connolly, Borough of Belmar	Absent
Michael Gross, City of South Amboy	Absent

ALSO PRESENT:

Jeremy Solomon, Bob Smith & Associates
Robin Racioppi, North American Insurance Management
Jay McManus, North American Insurance Management
Derrick Boyer, Qualcare
Robert Fox, Qual-Lynx
Kathy Kissane, Qual-Lynx
Tony Jones, Qual-Lynx
Michael Avalone, Conner Strong & Buckelew
Len Gatto, JA Montgomery Risk Control
Colleen Hale, Reliance Insurance Group
Tom Fitzpatrick, Fairview Insurance
Joseph Hrubash, Conner Strong & Buckelew
David N. Grubb, Perma
Bradford Stokes, Perma
Karen Read, Perma
Joeen Ciannella, Perma

Welcome to the New Fund Commissioner – Chairman Landolfi welcomed William Northgrave as the new Fund Commission for Edison Township.

MINUTES: January 15, 2014 Open Minutes.

MOTION TO APPROVE MINUTES FOR JANUARY 15, 2014

Moved:	Commissioner Criscuolo
Second:	Commissioner Marion
Vote:	Unanimous

CORRESPONDENCE: None

EXECUTIVE DIRECTOR'S REPORT - Monthly report submitted to Fund Commissioners including Monthly Fast-track Accident Frequency, Fast-Track Financial report, Claim Activity Report, Interest Rate Summary Comparison, Monthly Loss Ratio by fund year and line of coverage and the Monthly and Annual Regulatory Checklist.

The Executive Director reviewed the Fast Track Financial Report as December 31, 2013. Executive Director said there are two significant points with the 2012 and 2013 Fund Years. The 2012 Fund Year is now positive by \$576,315 and 2013 Fund Year is positive by \$397,771. This is a major turn around from what we were experiencing in the past. This reflects the decision made by this Board a few years ago to institute a Retro Premium Plan, which means when we were running deficits, rather than having a huge increase for everyone, effectively that increase was then put into this program in lieu of having the big increases. We now have a program where everyone's final premium is based to some extent on their current losses. As you see it has had the effect of turning things around without a large rate increase. The Central Jersey JIF finished the year with a statutory surplus of \$866,314.

Executive Director said we can set up a meeting in advance of the April meeting to walk new fund commissioners through the financial reports which can be daunting sometime. Executive Director also recommended looking at webinars on the njmel.org website. There is a webinar on the responsibility of a Fund Commissioner and how the Bylaws work and it is a good tutorial. Chairman Landolfi said he thinks it is a good idea to review the reports and would be beneficial to our Commissioners. The meeting will be set for April after the claims meeting.

Executive Director said he will not be at the March meeting. Cathleen Kiernan will fill in for Executive Director next month.

Supplemental Assessment & Financial Plan: The Fund has adopted an annual plan of action for supplemental assessments and a financial Plan starting a few years back. Fund Years 2010 & 2011 have experienced increased claims costs resulting in further deficits and the need for additional supplemental assessments. To address this, enclosed is Resolution 11-14 to introduce a supplemental assessment (Page 11) (Appendix A to be supplied at the meeting).

Executive Director reviewed the Supplemental Assessment and Appendix A was distributed to all members. Executive Director said the Fund has adopted a policy that

when the Fund runs a deficit an additional supplemental assessment payable over ten years is adopted. The Department of Banking and Insurance allows us to take full credit for the additional assessment, it is a statutory asset even though it is payable over ten years. This is a way of offsetting the red ink on the balance sheet. The amount of the additional assessments is coming down because of the improvement of the safety record and the Retro Premium Plan discussed earlier but we do still have a small negative number coming out of some of the prior fund years going into this year. Executive Director said we are recommending an additional assessment in the amount of \$824,000. In the Plan of Risk Management we indicated that we are going to do this as a matter of course and it is payable over ten years and resolves the problem.

In response to Risk Manager Jay McManus, Executive Director reviewed the action the board took last year to consolidate the supplemental assessment as well as the retro premium plan and the fact that by taking this action the payment is for Fiscal Year 2015. Chairman Landolfi said in his perspective the JIF was underfunded and it was a corrective action to the underfunding and the mechanism we put in place will also equalize those towns that were assessed less than they should have so going forward we will be properly funded and properly assessed individually as municipalities.

In response to Commissioner Northgrave, Executive Director said the additional assessment is always due as a part of the following year's assessment. It is never current year. During the current year you have a payment that was adopted prior. It is always a number spread out over ten years.

MOTION TO ADOPT RESOLUTION #11-14, INTRODUCING A SUPPLEMENTAL ASSESSMENT AND FINANCIAL PLAN AND TO SCHEDULE A PUBLIC HEARING FOR MARCH 19, 2014 AT 2:00 PM AT THE PISCATAWAY MUNICIPAL BUILDING

Moved:	Commissioner Marion
Second:	Commissioner Costa
Vote:	6 Ayes, 0 Nays

Employment Practices Liability 2014/2015 Program – There are a number of areas members must address to maintain Program Compliance. Please work with your municipal attorney to complete the Attorney Certification form by the deadline of May 1, 2014. Executive Director said all the materials you need are on the website. Lori Dvorak's office will be conducting the training and is calling all the towns to actually schedule the date.

Personnel Manuals – Please visit the MEL webpage – njmel.org – for the updates to personnel policies & procedures manuals.

Managers & Supervisors Training - Employment Practices Risk Management Program also includes mandatory training of management. There are several classes scheduled in March. A notice will be sent to all members.

Police Training - Police Chief and a commanding officer must attend a session on employment practices training that takes into consideration the Attorney General's guidelines for police operations. The Fund will be scheduling several sessions in the coming months.

Elected Officials Training Seminars – Every year, the MEL holds training seminars for elected officials and reduces the member's assessment by \$250 for each municipal elected official completing the course by May 1st. Several sessions have been scheduled. Please visit the MEL webpage for other scheduled classes – njmel.org.

Employment Practices Liability Help Line - XL Insurance offers access to an employment related Helpline to offer members assistance in employment matters. Members must have signed up with the helpline to maintain compliance, there is a link on the MEL webpage to sign-up.

In response to Commissioner Criscuolo, Executive Director said that there is an incentive in place when a police department becomes accredited there is a discount baked into the rating structure. Commissioner Criscuolo said their police department will be receiving the accreditation next week and will send the information to the Fund office. Executive Director congratulated the Township of Parsippany police department for the hard work that is put into receiving this accreditation.

2013/2014 Public Officials/Elected On-Line Training Seminars – Executive Director said while the MEL continues to recommend that public officials attend a training class, the MEL is also making available an on-line training program for local elected officials, the municipal manager/administrator, authority commissioners and authority executive directors to earn their \$250 training credit. To receive credit, the program must be completed by May 1, 2014. Please follow the steps in the attached instruction sheet on (Page 13) of the agenda packet. This year the course is on Ethics and last year we had about 500 elected officials take the training online.

2014 MEL & MR HIF Educational Seminar – Executive Director said the 4th annual seminar is scheduled for Friday, April 11th, beginning at 9:00 am at the Crowne Plaza, 390 Forsgate Drive, Monroe NJ 08831, Turnpike Exit 8A. The seminar qualifies for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with MEL and MR HIF members as well as personnel who work for service companies that are engaged by MEL member JIFs and MR HIR and HIFs. The enrollment form was included on page 14 of the agenda.

1099 Requirements – Executive Director said per the Internal Revenue Code when issuing payments to vendors, a JIF, HIF or Insurance Commission must have the Employer Identification Number (EIN) before issuing a check. We recommend the board establish a policy that payments only be processed to vendors with a W-9 on file in the Fund office.

MOTION TO APPROVE 1099 REPORTING POLICY

Moved:	Commissioner Criscuolo
Second:	Commissioner Frankel
Vote:	Unanimous

Inclement Weather Procedure – As a reminder, PERMA has instituted a procedure for commissioners to confirm whether or not a meeting has been canceled. The Executive Director will discuss with the Fund Chairperson if the meeting should be canceled. In the event of an early morning or evening meeting(s), Perma will provide a recorded message indicating the status of the meeting. The recorded message can be obtained by calling the Fund’s main number (201) 881-7632 at any time of the day or night.

MEL Bulletin 14-01 – Executive Director said enclosed on Page 15 is the MEL Bulletin 14-01 that list all coverage bulletins for 2014. They will be available on MEL’s website www.njmel.org this week.

Financial Disclosure Form – Enclosed is a copy of a notice received from the Division of Local Government Officers (LGOs) to file their financial disclosure statement forms commencing in 2013. The process is different this year where everyone is required to file online. We are in the process of getting clarification on the new process from the State.

Executive Leadership for Fire Service Officers – Stockton College is conducting a course on executive Leadership for fire service officers between April 21, and May 29th at the Middlesex County Fire Academy. Enclosed on page 17 is the brochure.

League Article – Attached is an article from the League Magazine that details the on line resources available on the MEL’s web site, NJMEL.ORG (Page 18)

Woodbridge Builders Risk – The fund office received notice that the Woodbridge Redevelopment Agency, a quasi entity of Woodbridge, is seeking builders risk coverage for a new building for the school district, with a total construction and soft cost of \$3,300,000. The estimated completion date is October 2014.

As per the fund’s policy & procedures, the Underwriter and Fund Office were notified of the

construction. Once approved for coverage, there is an additional premium charge of \$4,801.60 calculated for the builders' risk. (Amount to be pro-rated to actual coverage start date).

MOTION TO APPROVE BUILDERS' RISK COVERAGE AND TO CERTIFY AN ADDITIONAL ASSESSMENT OF \$4,801.60 TO WOODBRIDGE TOWNSHIP

Moved: Commissioner Marion
Second: Commissioner Costa
Vote: Unanimous

Reports Made Part of Minutes.

TREASURER:

RESOLUTION 10-14 FEBRUARY 2014 VOUCHER PAYMENTS

2013	\$ 66, 643.13
2013	\$616,586.63

MOTION TO ADOPT RESOLUTIONS 10-14 APPROVING THE FEBRUARY VOUCHER PAYMENT LIST, CERTIFICATION OF CLAIMS PAYMENTS AND TREASURER'S REPORTS AS SUBMITTED:

Moved: Commissioner Marion
Second: Commissioner Criscuolo
Roll Call Vote: 6 Ayes, 0 Nays

Voucher Lists, Treasurer Report & Investment Portfolio Reports Made Part of Minutes.

MANAGED CARE:

CLAIMS – Derrick Boyer reported savings was at 53% with a network penetration of 53%. Mr. Boyer reported on Robert Wood Johnson Ambulance and as you know they are out of network. We have been talking with them and they would like to become in network with Qual-Care. It will take four to six weeks for the contract to become in place but in the mean time we are going to do a manual work around. Any ambulance bills that come in from Robert Wood Johnson will be processed at an in network rate.

CLAIMS/ MANAGED CARE:

CLAIMS – Claims Manager Kathy Kissane reviewed the Worker’s Comp Lost Time Ratio and the Subrogation Recovery Reports for January. Claims Manager reported the Claims Committee reviewed the PAR’s for February today and the Claims Manager respectfully requested a motion to ratify the PAR’s that were approved by the Claim Committee today for February.

PAYMENT AUTHORIZATION REQUESTS: Executive Committee reviewed payment authorization requests presented by Claims Service in February. Claims Review Committee reviewed and recommended as submitted.

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST PRESENTED IN EXECUTIVE SESSION BY QUAL-LYNX:

Moved:	Commissioner Criscuolo
Second:	Commissioner Frankel
Roll Call Vote:	6 Ayes, 0 Nays

UNDERWRITING MANAGER

LIST OF CERTIFICATES ISSUED – Underwriting Manager said a list of Certificates issued was submitted in Appendix II for information.

Underwriting Manager said MEL Bulletin 14-01 was included in the agenda and all bulletins are now posted on the MEL website except for the Property Bulletin which will be finished in the next few days due to negotiations with the property carrier. We have a Shared Services Guidelines Bulletin for members to use when answering contracts for shared services and this year we decided to put up a Primary POL/EPL and Cyber Bulletin even though they are JIF coverages we provided for information purposes.

List of Certificates made part of the minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Report distributed and reviewed by Safety Director. Safety Director said the 2014 Safety Awards Breakfast will be held at the Crown Plaza in Jamesburg on March 4th. Safety Director said a Bulletin is enclosed in the Safety Director’s report for posting of OSHA 300A form which has to be posted February 1 to April 30th every year and it has to be signed and notarized. Also enclosed is the Bulletin on Conduction Motor Vehicle Record Checks.

Report Made Part of Minutes.

MARKETING MANAGER: NONE

RISK MANAGERS: NONE

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN

Moved:	Commissioner Marion
Second:	Commissioner Frankel
Vote:	Unanimous

Meeting adjournment at 2:21 p.m.
Prepared by Karen A. Read, Assisting Secretary for

Joseph Criscuolo, Secretary