

**CENTRAL JERSEY JOINT INSURANCE FUND
MEETING MINUTES
November 17, 2014
PISCATAWAY MUNICIPAL COMPLEX**

**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	Absent
Daniel Frankel, Borough of Sayreville	Present
William Northgrave, Township of Edison	Absent
Colleen Connolly, Borough of Belmar	Absent
Michael Gross, City of South Amboy	Present (arrived at 2:08pm)

ALSO PRESENT:

Richard Lorentzen, Treasurer
Donna Setzer, Qual Lynx
Robert Fox, Qual Lynx
Tony Jones, Qual Lynx
Camilo Pedraza, Qual Lynx
Marge Guinane, Qual Lynx
Jay McManus, North American Insurance Management
Amy Pieroni, North American Insurance Management
David McHale, JA Montgomery Risk Control
Paul Shatkyvich, JA Montgomery Risk Control
Ilene Laursen, Conner Strong & Buckelew
Joseph Hrubash, Conner Strong & Buckelew
David Grubb, Perma
Brad Stokes, Perma
Star Presto, Perma
Rachel Chwastek, Perma

Executive Director advised that normally the Central JIF meets as a full board of Fund Commissioners; however, since we only have 4 members of the board today, we are meeting as an Executive Committee, due to the fact that a quorum for the Executive Committee is 4, and each of the 4 members present is a member of the Executive Committee.

MINUTES: October 15, 2014 Open Minutes

MOTION TO APPROVE MINUTES FOR OCTOBER 15, 2014

Moved: Commissioner Frankel
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 reported the financials are looking considerably better than they were last year and last year was considerably better than the year before. The trending appears to be exactly where we would like it to be.

2015 Budget – The Executive Director reported at the October Fund Meeting, the Board of Fund Commissioners introduced a Budget for 2015 in the amount of \$14,703,875 – representing a 2% increase on the base budget, an over-all 4.22% increase when the POL/EPL premium increase is factored in. The revised 2015 Budget as of the November meeting was \$14,251,159 – which reflects Old Bridge electing a self-insured retention for workers compensation.

The Executive Director then asked for a motion to open the meeting to the public for any discussion or comments on the budget.

MOTION TO OPEN THE MEETING TO THE PUBLIC

Moved: Commissioner Criscuolo
Second: Commissioner Marion
Vote: 5 Ayes, 0 Nays

Chairman Landolfi seeing no members of the public wishing to speak asked for a motion to close the meeting to the public for comment on the budget.

MOTION TO CLOSE THE MEETING TO THE PUBLIC

Moved: Commissioner Criscuolo
Second: Commissioner Marion
Vote: 5 Ayes, 0 Nays

MOTION TO ADOPT THE 2015 BUDGET AND CERTIFY ASSESSMENTS

Moved: Commissioner Criscuolo
Second: Commissioner Marion
Vote: 5 Ayes, 0 Nays

Membership Renewals – Old Bridge Township and Franklin Township are scheduled to renew fund membership by January 1, 2015. Membership documents have been mailed to those members. The Executive Director advised that Old Bridge Township has instituted a procedure where their renewal will last for one year. The Executive Director then asked about Franklin's situation regarding their renewal with the JIF.

Jay McManus, RMC for Franklin, advised that Franklin was still considering their options with regard to JIF membership.

The Executive Director advised the Committee that the JIF was in receipt of two applications to join from other towns. Mr. Grubb suggested the applications be reviewed by the Rules and Finance Committee and then presented before the JIF for consideration.

Chairman Landolfi mentioned that the December meeting is typically cancelled. Chairman Landolfi also advised that the record should reflect Commissioner Gross has now arrived (2:08pm).

Elected Officials Training: This year's elected officials training program will focus on Employment Practices. The sessions are scheduled at the League of Municipalities Conference for 3:45 pm in Atlantic City on Tuesday, November 18 and Wednesday, November 19, 2014. This program will satisfy requirements that elected officials take employment practices training and ethics training & qualifies for the MEL's \$250 credit for each elected official and municipal administrator/manager. Pre-registration is not required but encouraged. A registration form is enclosed.

In addition to these sessions, the New Jersey Safety Institute will present three sessions on Cyber & Digital Technology Risk that will discuss the MEL/Rutgers study of cyber liability risk for NJ local governments.

Residual Claims Fund (RCF) - The RCF met on October 15, 2014 at 10:30 AM at the Forsgate Country Club and held a public hearing to adopt the amended 2014 Budget and the 2015 Budget. Enclosed in the agenda was a copy of Chairman Landolfi's report on the meeting.

EJIF - The EJIF met on October 15, 2014 at the Forsgate Country Club in Jamesburg, NJ; enclosed is a copy of Commissioner Landolfi's report on the meeting. A public hearing and adoption of the 2015 budget was held.

MEL - The MEL met on October 15, 2014 at the Forsgate Country Club in Jamesburg, NJ; enclosed is a copy of Commissioner Landolfi's report. The MEL's 2015 budget introduction was held. A public hearing and adoption will be held on November 19, 2014 at the Atlantic City Convention Center.

December Meeting Cancellation – The Executive Director reported that historically, the JIF has voted to cancel the December meeting and to process any necessary claim payments and professional fees for the month. Should the Commissioners wish to follow past procedures, Resolution 26-14 authorizing this action is part of the agenda.

**MOTION TO APPROVE RESOLUTION 26-14 TO CANCEL THE
DECEMBER MEETING**

Moved: Commissioner Gross
Second: Commissioner Marion
Vote: 5 Ayes, 0 Nays

Chairman Landolfi asked Mr. Grubb to explain the Superstorm Sandy questions related to the Business Interruption Coverage.

The Executive Director, Mr. Grubb, advised that a letter will be going out shortly on the status of the Superstorm Sandy. Basically, of the 110 communities that had filed claims only 17 still open. The claims fall into three categories; property damage, flood and business interruption/flood business interruption and windstorm. The windstorm claims will proceed however the town sees fit as there is no linkage between those claims and anything else. The issue with the flood claims is the total amount of the claims are greater than the \$50,000,000 sublimit. Therefore the flood claims have been finalized so each member can file for the difference from FEMA. FEMA will not accept the calculation to award the insurance proceeds until all claims are final, as this is a prorated number based on all the claims. The first step in this process is arbitration. The \$50,000,000 will be divided between property damage and business interruption, the majority for property damage as business interruption cannot exceed \$5,000,000 and will probably total much less. Once these numbers are established, an arbitrator will review the business interruption and another arbitrator reviews the property damage. Once the property damage is finalized for all 110 towns, the JIF can file with FEMA. A notice shall be distributed shortly. A hearing before the arbitrator, most likely in Toms River, should occur around December 2nd. Within two weeks of the hearing, the arbitrator will render a decision.

Reports Made Part of Minutes.

TREASURER:

RESOLUTION 27-14 NOVEMBER 2014 VOUCHER PAYMENTS

2014 \$ 262,703.61

**MOTION TO ADOPT RESOLUTIONS 27-14 APPROVING THE
NOVEMBER VOUCHER PAYMENT LISTS, CERTIFICATION OF
CLAIMS PAYMENTS AND TREASURER'S REPORTS AS SUBMITTED:**

Moved: Commissioner Criscuolo
Second: Commissioner Frankel
Roll Call Vote: 5 Ayes, 0 Nays

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

CLAIMS SERVICE:

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

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

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

Moved:	Commissioner Gross
Second:	Commissioner Frankel
Roll Call Vote:	5 Ayes, 0 Nays,

MANAGED CARE:

Donna Setzer reported for October was 58% savings with a network penetration of 98%.

UNDERWRITING MANAGER:

LIST OF CERTIFICATES ISSUED – Underwriting Manager reported the list of Certificates issued was submitted for information showing 8 certificates issued.

List of Certificates made part of the minutes.

MARKETING MANAGER: Amy Pieroni reported the Marketing team is continuing to work with the Executive Director regarding the current applications submitted for membership in the JIF.

SAFETY DIRECTOR:

MONTHLY REPORT: Report distributed and reviewed by Safety Director. Dave McHale reported included in the agenda packet is a list of loss control activities completed in the month of October, as well as the MEL Safety Institute training scheduled through December. Mr. McHale reported in October JA Montgomery distributed two safety directors communications, fire prevention and safe driving. Mr. McHale advised that the Executive Safety Committee agreed upon March 3, 2015 for the Safety Breakfast at the Crowne Plaza in Monroe, NJ.

The Safety Director asked if there were any questions and then concluded his report.

Reports Made Part of Minutes.

Commissioner Criscuolo mentioned that the Risk Managers who were in attendance at the Executive Safety Committee meeting will put together a proposal regarding the Safety Incentive Program. Commissioner Criscuolo thinks the Safety Incentives are too low and therefore doesn't incentivize the members to start their own Safety Program. A discussion ensued regarding ideas for the structure of the program.

RISK MANAGERS: NONE

OLD BUSINESS: NONE

NEW BUSINESS: NONE

PUBLIC COMMENT: NONE

MOTION TO ADJOURN

Moved:	Commissioner Marion
Second:	Commissioner Landolfi
Vote:	Unanimous

Meeting adjournment at 2:26 p.m.
Prepared by Rachel Chwastek, Assisting Secretary for

Joseph Criscuolo, Secretary