

**CENTRAL JERSEY JOINT INSURANCE FUND  
MEETING MINUTES  
March 16, 2016  
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 2016 EXECUTIVE COMMITTEE**

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

**ALSO PRESENT:**

Jeremy Solomon, Bob Smith & Associates  
Richard Lorentzen, Treasurer  
Raven Williams, Township of Franklin  
Donna Setzer, Qual Lynx  
Kathy Kissane, Qual Lynx  
Tony Jones, Qual Lynx  
Amy Pieroni, North American Insurance Management  
Greg DerAsadourian, BGIA  
Don Ruprecht, JA Montgomery Risk Control  
Joseph Hrubash, Conner Strong & Buckelew  
Brad Stokes, Perma  
Rachel Chwastek, Perma

**MINUTES:** February 17, 2016 Minutes

**MOTION TO APPROVE MINUTES FOR FEBRUARY 17, 2016**

Moved:	Commissioner Frankel
Second:	Commissioner Northgrave
Vote:	5 Ayes, 1 Abstention

**CORRESPONDENCE:** None

## **EXECUTIVE DIRECTOR'S REPORT –**

**Rules and Contracts Committee** – The Rules and Contracts Committee met last week to discuss a number of items including a review of the handling of “stranded costs” resulting from departed members. The Committee recommended an amendment, included in the agenda, to the Fund’s Risk Management Plan to enable the Fund to hold back for expenses incurred by the Fund due to a member leaving the JIF.

The Committee also reviewed an offer from Caitlin Insurance, the Fund’s Cyber Liability carrier. Caitlin agreed to offer a revised option 2 with higher first party coverage limits at a deductible of \$10,000. The Central JIF purchased the higher limits of \$5,000,000 each claim/\$8,000,000 aggregate with a \$25,000 third party and first party coverage deductibles. The new option would maintain those limits but decrease the deductible to \$10,000 for first party coverage only. The increase in premiums would be \$48.50 per member; \$388.00 total.

**MEL Crime & Casualty Policy Endorsements** – The MEL Coverage Committee worked with the Technical Writer to develop an endorsement to the MEL Crime Bond to accurately provide for volunteer Library Treasurers and an amusement exclusion to the JIF Casualty policy to update the definition of amusement rides to include “small truck mounted kiddie rides, inflatable bounce houses, slides and other inflatable attractions as excluded amusements”. The Board of Fund Commissioners accepted the recommendations of the Coverage Committee.

### **MOTION TO ADOPT RESOLUTION 12-16 – RMP AMENDMENT, CERTIFY THE RECOMMENDATION OF THE RULES AND CONTRACTS COMMITTEE TO PURCHASE REVISED OPTION 2 CYBER LIABILITY COVERAGE, AND ACCEPT THE POLICY ENDORSEMENTS APPROVED BY THE MEL,**

Moved:	Commissioner Criscuolo
Second:	Commissioner Gross
Vote:	6 Ayes, 0 Nays

**Township of Old Bridge** – With Old Bridge’s departure from the Fund, their Additional Assessment and Retro Premiums were due back to the fund. To date, the additional assessment was billed and received in the amount of \$657,391.28. The Fund Office recently billed their Retro Premiums. The Fund Office will give a follow-up report at the next meeting.

**2016 MEL & MR HIF Educational Seminar** – As a reminder, the 6<sup>th</sup> annual seminar is scheduled for Friday April 15, 2016 at the National Conference Center. The seminar qualifies for an extensive list of Continuing Education credits including CFO/CMFO, Clerks, Public Works, Insurance Producers, Purchasing Agents, TCH Water Supply, Wastewater, RPPO and QPA. There is no fee for employees and insurance producers associated with eh MEL and MR HIF Members as well as personnel who work for service companies that are engaged by MEL member JIFS and HIFS.

**Employment Practices 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 October 1, 2016.

Personnel Manuals – The MEL is in the final stages of revising the Model Personnel Manual. We will email all members when the updates have been posted to the MEL webpage – njmel.org.

Managers & Supervisors Training - Employment Practices Risk Management Program also includes mandatory training of management. We are working with the Fund Attorney's office to develop a schedule for these classes and will notify member towns once the dates are set.

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. A notice will be distributed to members once the classes are scheduled.

Elected Officials Training Seminars – Every year, the MEL holds training seminars for elected officials and reduces a member's assessment by \$250 for each municipal elected officials and Administrator completing the course by June 1st. We are working with the offices of Lori Dvorak to schedule seminars in the coming months. Please visit the MEL webpage for other scheduled classes – njmel.org. This course is also available on line. Enclosed in the agenda were the directions to take the class on line.

**Upcoming Sessions: Edison March 23, 2016 6:00 PM**  
**Sayreville March 28, 2016 5:45 PM**  
**Belmar April 18, 2016 5:00 PM**  
**Hillsborough April 26, 2016 6:30 PM**

**MEL Meeting** - The MEL met on March 2, 2016 at the Forsgate. A copy of Commissioner Landolfi's report of that meeting was included for your review.

**Residual Claims Fund** - The RCF met on March 2, 2016. A copy of Commissioner Landolfi's report of that meeting was included for your review.

**E-JIF Meeting** - The E-JIF also met on March 2, 2016. A copy of Commissioner Landolfi's report of that meeting was included for your review.

**Cyber Liability Exclusion** – The concerns raised regarding the exclusion at a recent meeting was discussed at the MEL coverage committee; who referred it to Conner Strong & Buckelew general counsel and MEL technical writer for further review. The underwriting manager has also referred it back to the reinsurer for their review.

**2016 PRIMA Conference** – The JIF has authorized the attendance of Board Members at the annual risk management conference for the purpose of attending seminars. The next PRIMA convention will take place in Atlanta from June 5–8. Please notify the Fund office if you are interested in attending.

**Property Appraisals** – Appraisal reports are complete and under review by the Fund office. The reports were also sent to the members Risk Managers to review with their member towns. The Fund office is also coordinating meetings with the Appraisal company for further review with the Risk Managers.

**Safety Incentive Program Resolutions** – Safety Director will provide an update during his report.

**Cyber Ad Hoc Committee** – Chairman Criscuolo will be scheduling a meeting for the Committee. Commissioner Vornlocker and Commissioner Frankel will also serve on the Ad Hoc Committee.

**2016 Financial Disclosure Forms** – In 2014, the Division of Local Government Services developed an online program for financial disclosure filings. The fund office has received notification that online filing will be implemented again this year and the deadline to file is April 30<sup>th</sup>. The fund office will distribute instructions to commissioners on how to file once a roster is finalized.

**Pro-Forma Monitoring Reports:** Monthly report submitted to Fund Commissioners including 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 then asked if there were any questions and concluded his report.

Reports Made Part of Minutes.

**TREASURER:** The Treasurer, Mr. Richard Lorentzen, presented the Bill’s List.

**RESOLUTION 13-16 MARCH 2016 VOUCHER PAYMENTS**

2015	\$ 23,940.00
2016	\$ 129,669.67

**MOTION TO ADOPT RESOLUTIONS 13-16 APPROVING THE MARCH VOUCHER PAYMENT LISTS, AS SUBMITTED:**

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

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

**CLAIMS/ MANAGED CARE:**

**CLAIMS** – Claims Manager Kathy Kissane reported the Claims Committee reviewed the PAR’s for March today. Claims Manager respectfully requested a motion to ratify the PAR’s that were submitted to the Claims Committee today for March.

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

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS FOR MARCH CLAIMS PRESENTED IN EXECUTIVE SESSION BY QUAL-LYNX**

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

**MANAGED CARE:**

**CLAIMS** – Donna Setzer reported savings was at 64% with a network penetration of 95%. Ms. Setzer also reported on the savings below UCR was 64%. .

**UNDERWRITING MANAGER**

**LIST OF CERTIFICATES ISSUED** – The Executive Director reported the list of Certificates issued was submitted showing 14 certificateS issued 1/16/2016 through 2/17/2016.

List of Certificates made part of the minutes.

**SAFETY DIRECTOR:** - Don Ruprecht advised the Safety Director’s report was included in the agenda. The report included a list of loss control activities for the month of February, local MSI classes and several Safety Director Bulletins. He asked if there were any questions and then concluded his report.

**MARKETING MANAGER:** – NONE

**RISK MANAGERS:** NONE

**OLD BUSINESS:** NONE

**NEW BUSINESS:** NONE

**PUBLIC COMMENT:** NONE

**MOTION TO ADJOURN**

Moved: Commissioner Gross  
Second: Commissioner Frankel  
Vote: Unanimous

Meeting adjournment at 2:23 p.m.  
Prepared by Rachel Chwastek, Assisting Secretary for

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Daniel Frankel, Secretary

**RESOLUTION NO: 12 - 16**

**CENTRAL JERSEY JOINT INSURANCE FUND**  
(hereafter referred to as "THE FUND")

**AMENDING THE 2016 PLAN OF RISK MANAGEMENT BY  
ESTABLISHING A STRANDED COST POLICY**

**WHEREAS**, The FUND has adopted various premium and assessment plans; and

**WHEREAS**, In the event that a member leaves the Fund, the remaining members could experience higher assessments to cover stranded costs; and

**WHEREAS**, the Executive Committee deems it appropriate to assess any withdrawing member's balance in the closed fund year account an amount equal to the member's share of these stranded costs for a period not to exceed three years; and

**NOW, THEREFORE BE IT RESOLVED**, that the Executive Committee amends the Plan of Risk Management as follows (additions underlined)

9. Procedures for the closure of Fund years, including the maintenance of all relevant accounting records.
  - d.) In the event a member leaves the Fund, the Fund's governing body may assess the member's closed Fund Year account an amount not exceeding three (3) years stranded costs that the Fund incurs as a result of the member's withdraw. Stranded costs are those expenses incurred by the Fund that would otherwise have been paid from the with-drawling member's assessments had the member remained in the Fund. A member may apply to the Fund's governing body for a return of that member's remaining share of the closed Fund year account when five (5) years have passed since the last Fund year in which the member participated has been closed. The Fund's governing body will decide on the former member's request after evaluating the likelihood of any additional assessments from the RCF.

**RESOLUTION NO. 13-16**

**CENTRAL JERSEY JOINT INSURANCE FUND  
BILLS LIST – MARCH 2016**

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

**BE IT RESOLVED** that the Central Jersey 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 2015**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
<b>003480</b>			
003480	ASSETWORKS LLC	PROPERTY APPRAISAL SERVICES - 2/26/16	23,940.00
		Total Payments FY 2015	<b>23,940.00</b>
			23,940.00

**FUND YEAR 2016**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
<b>003481</b>			
003481	QUAL-LYNX	MANAGED CARE FEE 03/2016	14,143.44
			<b>14,143.44</b>
<b>003482</b>			
003482	ACRISURE, LLC	MARKETING MANAGER FEE 03/2016	10,159.17
			<b>10,159.17</b>
<b>003483</b>			
003483	QUAL-LYNX	CLAIMS ADMIN - 03/2016	40,320.75
			<b>40,320.75</b>
<b>003484</b>			
003484	J. A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 03/2016	10,321.13
			<b>10,321.13</b>
<b>003485</b>			
003485	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 02/2016	27.90
003485	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 03/2016	45,105.67
			<b>45,133.57</b>
<b>003486</b>			
003486	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 03/2016	2,698.58
			<b>2,698.58</b>
<b>003487</b>			
003487	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINTENANCE/HOSTNG 3/16	75.00
			<b>75.00</b>
<b>003488</b>			
003488	RICHARD LORENTZEN	TREASURER FEE 03/2016	1,399.17
			<b>1,399.17</b>
<b>003489</b>			
003489	BOB SMITH & ASSOCIATES	LITIGATION MANAGEMENT FEE 02/2016	1,576.00

003489	BOB SMITH & ASSOCIATES	ATTORNEY FEE 02/2016	3,536.75
			<b>5,112.75</b>
<b>003490</b>			
003490	CEDAR GROVE CAFE AGC LLC	MEETING - 02/17/16	226.73
			<b>226.73</b>
<b>003491</b>			
003491	HOME NEWS TRIBUNE	ACCT: 183802 - 2/12/16 - BUDGET	53.92
			<b>53.92</b>
<b>003492</b>			
003492	ALLSTATE INFORMATION MANAGEMNT	ACCT: 225 - ACT & STOR - 01/31/2016	25.46
			<b>25.46</b>

Total Payments FY 2016

129,669.67

**TOTAL PAYMENTS ALL FUND YEARS \$ 153,609.67**