

**CENTRAL JERSEY JOINT INSURANCE FUND  
MEETING MINUTES  
October 17, 2018  
PISCATAWAY MUNICIPAL BUILDING  
PISCATAWAY, NJ**

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

**ROLL CALL OF THE 2018 EXECUTIVE COMMITTEE**

William Northgrave, Chairman, Township of Edison	Present
Daniel Frankel, Vice Chairman, Borough of Sayreville	Present
Nancy Costa, Secretary, Township of Hillsborough	Present
Robert Vornlocker, Township of Franklin	Present
Michael Gross, City of South Amboy	Absent
Timothy Dacey, Piscataway	Present
John Bennett, Township of Woodbridge	Present
Colleen Connolly, Borough of Belmar	Absent

**ALSO PRESENT:**

Jeremy Solomon, Bob Smith & Associates  
Richard Lorentzen, Treasurer  
Donna Setzer, Qual Lynx  
Kathy Kissane, Qual Lynx  
Tony Jones, Qual Lynx  
Jay McManus, North American Insurance Management  
Amy Pieroni, North American Insurance Management  
Lindsay Travali, Acrisure  
George Crosby, BGIA  
Paul Shives, JA Montgomery Risk Control  
Ilene Laursen, Conner Strong & Buckelew  
Katie Osborne, Conner Strong & Buckelew  
Ed Cooney, Conner Strong & Buckelew  
Joseph Hrubash, Perma  
Brad Stokes, Perma  
Rachel Chwastek, Perma

**MINUTES:** September 19, 2018 Open Minutes

**MOTION TO APPROVE MINUTES FOR SEPTEMBER 19, 2018**

Moved:	Commissioner Dacey
Second:	Commissioner Bennett
Vote:	Unanimous

**CORRESPONDENCE:** None.

**EXECUTIVE DIRECTOR:**

**Rules and Contracts Committee** – The Rules and Contracts Committee met last week to review the proposed budget and make recommendations. The Budget at the MEL level will reflect 20 million dollar limits for all members. The increase is about \$102,000, and the rules and contracts committee has suggested a dividend from the fund of 50% of the additional cost for 2019. The increase in Central's limits are to allow to Central to get additional excess limits, which may be available statewide for the 2019 year. Chairman Northgrave advised the members already at 20 million in limits would get a credit and this is simply the fiscally prudent thing to do.

The Committee also discussed increasing the litigation management funding for the Fund Attorney, in order to bring him in line with the other attorneys rates. A copy of the budget will be sent out under separate cover. The budget will be discussed and introduced at the meeting.

The Committee also discussed the additional assessments the Fund had in previous years. After the RCF transfer at the end of 2018, there will be an analysis of the Fund's closed year account, in an effort to possibly use some of the Fund's surplus to buy down member's additional assessments.

The Executive Director advised there are currently two submissions for new membership from Monroe and Middlesex.

For the Cyber minimum standards, the checklists have not been submitted from our JIF Members. The Executive Director advised the Cyber Task Force would be working with all the IT people to get all members in compliance.

There was also a discussion to bring in JA Montgomery for the possible formation of new initiatives. The EPL/POL renewal numbers came in later than expected, so that will be reviewed and presented at the next meeting.

**2019 Budget** – The Budget total overall increase is 1.23%. The Executive Director advised property is up 8%, the MEL is up 5.03% - due to the increase in limits, which the dividend will subsidize. The budget includes the increase in litigation management and a decrease in the land use management funding. The Executive Director then asked for a motion to introduce the budget.

**Motion to introduce the 2019 budget and schedule a public hearing at 2:00 pm on Monday, November 19, 2018 at the Piscataway Municipal Building.**

Moved:	Commissioner Dacey
Second:	Commissioner Bennett
Vote:	6 Ayes, 0 Nays

**2018/2019 Employment Practices Program:** Members had until October 1<sup>st</sup> to submit their checklist to qualify and/or maintain deductible and co-pay incentives. Compliance includes

updating Personnel Manuals, Training Managers & Supervisors, Police Command Staff and offering training to non-supervisory personnel. The Executive Director will provide an update.

**Potential New Membership** – The marketing manager has sent two potential new member applications to the Executive Director office for a proposal. The marketing manager will provide an update during their report.

**Risk Management Information/Operating System (RMIS)** - The Executive Director will provide an update on the status of member input for the 2019 Renewal.

**Membership Renewals** – The Fund has four members up for renewal at the end of this year. Renewal documentation were sent out to the members and risk managers in mid-August. In conjunction with those renewals, the Underwriting Manager's office has contacted municipal clerks of towns that are renewing to secure updated bond applications for statutory positions.

**Elected Officials Training** – This year's elected officials training program will focus on "Employment Practices for Governmental Officials". A session is scheduled at the League of Municipalities Conference for 3:45 pm in Atlantic City on Wednesday, November 15, 2017.

**Residual Claims Fund** – The public hearing on the RCF budget was held this morning at the Forsgate Country Club. Enclosed in the agenda was the proposed budget as introduced.

**MEL Fireman's Prevention Bill** – The Executive Director advised the Fireman's Prevention Bill, if passed in its current form, which is very broad, would increase our WC line anywhere from 10-15%, which is significant. It passed through the Senate without any changes and is in Assembly. There is a Labor Sub-Committee meeting tomorrow and a later meeting with the sponsor to suggest some controls in the Bill.

**Environmental JIF** – The Fund's budget was introduced in September and a public hearing and adoption was held this morning. Enclosed in the agenda was a copy of the proposed budget.

**MEL** – The MEL's 2019 budget was introduced this morning at the Forsgate Country Club. A copy of the budget was included in the agenda.

**MEL Cyber Risk Management Program** – As a reminder, the MEL adopted a Cyber Risk Management Program that developed minimum risk control standards for member entities. The JIFs' policies with XL Caitlin carries a \$10,000 deductible.

To encourage members to implement risk control, the MEL Board of Fund Commissioners voted to participate in a deductible based reimbursement plan based on the member's level of compliance with minimum standards.

Members who meet certain Technical Competencies (Tier 1 or Tier 2), will be eligible for lower deductibles in the event of a covered claim. Included in the agenda were the certifications that need to be completed and returned to the Underwriting office.

**November Meeting Date** – This is a reminder that next month’s meeting has been moved due to the Thanksgiving holiday. It is scheduled for Monday, November 19th.

**Central JIF Monitoring Reports** – The Executive Director will review the Fund’s Pro Forma Monitoring Reports, included in the agenda. As of 8/31/2018, the Central’s surplus is \$8.2 million, and the closed line listed in the Fast Track is the account the analysis will be performed on. The expected loss ratio is running ahead of actuary’s targets, except for the property, and it correlates with the financial fast track. The Fund’s LTAF is 1.62, which is very good and below the average.

Commissioner Bennett then asked about the litigation management increase and specifically the hourly rate itself. The Executive Director advised the rate was at \$115 and the rates for the defense panel are at \$160/\$165.

Commissioner Northgrave advised last year the fund had increased the defense panel rates, and this adjustment brought the litigation management fees in line with that prior increase.

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 October Bill’s Lists.

**RESOLUTION 31-18 OCTOBER 2018 VOUCHER PAYMENTS**

Closed	\$	31,883.30
2018	\$	286,373.32

**MOTION TO ADOPT RESOLUTION 31-18 APPROVING THE VOUCHER PAYMENT LISTS, AS SUBMITTED:**

Moved:	Commissioner Bennett
Second:	Commissioner Frankel
Vote:	6 Ayes, 0 Nays

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

**CLAIMS/ MANAGED CARE:**

**CLAIMS** – Kathy Kissane reported the Claims Committee reviewed the PARs for October today.

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

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

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

**MANAGED CARE:**

**CLAIMS** – Donna Setzer reported a total number 280 bills totaling \$405,505.69 came in, \$106,667.24 was paid yielding a savings of \$298,838.45 or 74% with a network penetration of 99%.

**UNDERWRITING MANAGER:** The Underwriting Manager updated the committee on the underwriting renewal process and analysis and the current program. He recommends all members review the cyber information and submit their checklists.

**LIST OF CERTIFICATES ISSUED** – There were 25 certificates issued for the Central JIF 8/22/2018 to 9/24/2018.

**MARKETING MANAGER:** The Marketing Manager reiterated the two new member submissions from Monroe and Middlesex. She advised there would be an indication before the next meeting. There will also be a submission from Metuchen and one other, yet undisclosed, town. The Assistant Executive Director advised Highland Park had also submitted an application. She asked if there were any questions and then concluded his report.

**SAFETY DIRECTOR:** - Paul Shives advised the Safety Director's report was included in the agenda. The report included a list of loss control activities for the month of September, including the ten lost control visits with members and safety committee meetings. There were also two regional training events in September, one in Belmar – Establishing and Documenting training for Equipment and Tools and one at the Holmdel Library – MEL Management Training for Police Command Staff. There is also a makeup date for Police Command Staff in October in that location for anyone who may have missed it. There were also safety bulletins issued for the month and an update on the MEL Video Library, which has substantially updated. Mr. Shives asked if there were any questions and then concluded his report.

**RISK MANAGERS:** NONE

**OLD BUSINESS:** NONE

**NEW BUSINESS:** The Executive Director advised the 2019 assessments were distributed, but they are estimates, as the POL/EPL allocation has not been decided, and he would return with multiple options for that allocation.

**PUBLIC COMMENT:** NONE

## **MOTION TO ADJOURN**

Moved:	Commissioner Dacey
Second:	Commissioner Bennett
Vote:	Unanimous

Meeting adjournment at 2:17 p.m.  
Prepared by Rachel Chwastek, Assisting Secretary for

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Nancy Costa, Secretary