

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
MINUTES
NOVEMBER 12, 2015
TOMS RIVER MUNICIPAL BUILDING
3:00 P.M.**

Meeting Called to Order by Chairman Pine. Open Public Meeting Statement read into the record.

Pledge of Allegiance

ROLL CALL OF EXECUTIVE COMMITTEE::

James Pine, Chairperson, Township of Eagleswood	Present
Charlene Carney, Vice Chair, Borough of Pine Beach	Present
Paul Shives, Secretary, Township of Toms River	Present
Diane Lapp, Township of Manchester	Present
Veronica Laureigh, Twp. of Lacey	Absent
Dave Pawlishak, Borough of Surf City	Absent
Christopher Parlow, Borough of Lavallette	Absent
Joseph Gilsenan, Township of Brick, Alternate #1	Present
Isaac Akerman, Township of Lakewood, Alternate #2	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director /Administrator	Perma Risk Management Services	Stephen Sacco	Present
Attorney	Citta, Holzapfel, Zabarsky	Steven Zabarsky, Esq.	Present
Treasurer		Bill Garofalo	Present
Claims Service	Qual-Lynx	Kathie Tyler-Schohl	Present
Underwriting Manager	Conner Strong & Buckelew	Ed Scioli	Present
Safety Director	JA Montgomery	Joanne Hall	Absent
Risk Management Consultants	Conner Strong & Buckelew	Mike Avalone	Present

ALSO PRESENT

Jason Thorpe, Perma
Tom Tallon, Ship Bottom
Donald Kellerman, Qual-Lynx
Jennifer Goldstein, CSG
Taylor Jacob, CSG
Joe Mirarchi, JA Montgomery

APPROVAL OF MINUTES: October 8, 2015

MOTION TO APPROVE OPEN & CLOSED MINUTES FOR ABOVE REFERENCED MEETING

MOTION: Commissioner Gilsenan
SECOND: Commissioner Carney
VOTE: Unanimous

CORRESPONDENCE:

None

TREASURER:

Mr. Garofalo reported on the Bills List for the month that was distributed prior to the meeting.

November 2015

FUND YEAR	AMOUNT
2015	\$163,995.29
TOTAL	\$163,995.29

MOTION TO APPROVE RESOLUTION # 26-15 APPROVAL FOR PAYMENT OF NOVEMBER 2015 BILL LIST

MOTION: Commissioner Shives
SECOND: Commissioner Carney
ROLL CALL VOTE: Unanimous

MOTION TO ACCEPT CLAIMS/IMPREST TRANSFERS FOR OCTOBER 2015 AS CERTIFIED BY THE TREASURER

MOTION: Commissioner Shives
SECOND: Commissioner Gilsenan
ROLL CALL VOTE: Unanimous

MEL INVESTMENT COMMITTEE: Mr. Garofalo informed the Board that the MEL Investment Committee issued an RFQ for the positions of Banking Services and Asset Manager. He reported that representatives from the Investment Committee interviewed Investors Bank (banking), Wilmington Trust (asset management); TD Bank (banking & asset management) and Wells Fargo (banking & asset management) on October 14th. Following a review of the interview results, the Investment Committee recommended awarding the banking contract to Investors Bank and the asset manager contract to Wilmington Trust as those banks represented the most cost effective program. The MEL Executive Board accepted the committee recommendation and authorized the MEL Treasurer to begin transitioning to Investors Bank and Wilmington Trust. Mr. Garofalo advised that he is recommending the appointment of Investors Bank for banking services and Wilmington Trust as asset manager and requested authorization to begin transitioning the Ocean JIF accounts.

MOTION TO ADOPT RESOLUTION 27-15 APPOINTING WILMINGTON TRUST FOR ASSET MANAGER AND INVESTORS BANK FOR BANKING SERVICES FOR THE OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND

MOTION: Commissioner Shives
SECOND: Commissioner Carney
ROLL CALL VOTE: Unanimous

Copy of the Treasurer's Report made a part of the Minutes.

EXECUTIVE DIRECTOR:

2016 BUDGET - Mr. Sacco indicated that at the October Executive Committee meeting, the Fund introduced a proposed budget for the Fund year 2016. He noted that in accordance with the regulations, the budget has been advertised in the Fund's official newspaper and sent to each member municipality. He further noted that the current meeting would serve as the public hearing on the 2016 budget. Mr. Sacco then referred to the proposed 2016 Budget enclosed within the agenda packet and the 2016 assessments distributed prior to the start of the meeting.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2016 BUDGET.

MOTION: Commissioner Shives
SECOND: Commissioner Gilsenan
VOTE: Unanimous

Discussion of Budget & Assessments.

MOTION TO CLOSE THE PUBLIC HEARING.

MOTION: Commissioner Shives
SECOND: Commissioner Gilsenan
VOTE: Unanimous

MOTION TO ADOPT THE BUDGET FOR THE OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND AS PRESENTED FOR FUND YEAR 2016.

MOTION: Commissioner Shives
SECOND: Commissioner Carney
ROLL CALL VOTE: Unanimous

MOTION TO CERTIFY ANNUAL ASSESSMENTS, BASED UPON THE ADOPTED 2016 BUDGET FOR MEMBER MUNICIPALITIES.

MOTION: Commissioner Shives
SECOND: Commissioner Carney
ROLL CALL VOTE: Unanimous

2015 DIVIDEND RECOMMENDATION - Mr. Sacco advised that the Board granted authorization for the release of the 2015 dividend in the amount of \$900,000. He informed the Board that the Fund Office has filed the request with the State and await their approval.

RESIDUAL CLAIMS FUND (RCF) – Mr. Sacco indicated that the RCF met on October 21, 2015 at 10:30 AM at the Forsgate Country Club and held its public hearing to adopt the amended 2015 Budget and the 2016 Budget. He referred to Commissioner Shives’ report on the meeting enclosed within the agenda.

E-JIF REPORT – Mr. Sacco informed the Board that the EJIF also met on October 21, 2015 at 10:50 AM in the Forsgate Country Club as a public hearing to review the proposed 2016 Budget. He then referred to Commissioner Shives’ report on the meeting.

MEL 2016 BUDGET – Mr. Sacco reported that the MEL’s 2016 Budget was introduced on Wednesday, October 21, 2015. He informed the Board that the Public Hearing on the budget will be held on November 18, 2015 at 5 PM in the Atlantic City Convention Center, room 305. Mr. Sacco then referred to Commissioner Shives’ report on the meeting enclosed within the agenda booklet.

DUE DILIGENCE REPORTS - Mr. Sacco referred to the Financial Fast Track for the month of September contained within the Agenda packet. He reported that all fund years are positive and the Board of the current statutory surplus position prior to the dividend being applied.

With nothing further, Mr. Sacco concluded his report.

ATTORNEY:

Mr. Zabarsky advised that his report would be given during closed session.

SAFETY DIRECTOR:

Mr. Mirarchi reviewed the October activities and the November agenda. He referred to the Safety Director Bulletins and announcements that have been sent to the membership.

Lastly, Mr. Mirarchi referred to the list of upcoming MSI training seminars and advised of the CEUs available.

Copy of the Safety Director's Report made a part of the Minutes

UNDERWRITING MANAGER:

Mr. Scioli began by referring to the list of certificates enclosed within the agenda booklet.

Mr. Scioli then referred to and reviewed the memo as distributed regarding the renewal of the Public Officials and Employment Practices Liability coverage. It is the Underwriting Manager's recommendation for MEL member JIFs to move their EPL/POL program to QBE North America. QBE North America has presented competitive renewal terms of a 5% average program premium increase statewide for 2016 and a 5% average program premium increase statewide for a 2017. The policy terms and conditions with QBE North America will remain as they had been developed with XL Insurance. QBE North America is rated A+ by Standard & Poor's and A (Excellent) by A.M. Best. Mr. Scioli said the incumbent, XL Insurance, indicated a 15% increase in the program premium statewide for 2016. This is a year after obtaining a 21% average program premium increase statewide in 2015. There is no commitment for a two year renewal. It should also be noted that XL Insurance appears to be moving away from Joint Insurance Fund Program business as their underwriting forecast for our account and this type of program business has taken a downturn so in the future we can expect continued program premium increases. The management team and service team that initially developed and underwrote the MEL member JIF EPL/POL program for XL in 2011 are now with QBE North America and will be assigned to the MEL member JIF EPL/POL programs. Summit Risk Services will also remain the claims adjuster and handle the claims for QBE. Therefore, the MEL member JIFs will have the same continuity of underwriting, policy terms and conditions including the same servicing and strong underwriting relationships with QBE NA that existed with XL.

Mr. Scioli also referred to the Claims Sweep letter that will be distributed to all MEL and JIF members regarding the reporting of any EPL/POL claims prior to December 18, 2015. Mr. Sacco added that the letter would be sent to the member municipalities via certified mail. Mr. Avalone noted that the current policy is a claims made policy and in order to be covered by the carrier it has to be reported during the coverage period. He advised that the members, to the best of their knowledge, sweep all departments within

the municipality to determine if any claims may be on the horizon. Commissioner Shives asked if a member does not know about a potential claim what is the risk to the member if a claim does arise. Mr. Avalone advised that it would be fact sensitive as to when the events took place. He indicated that if the events happened in 2015, and the member had no knowledge, the claim would go to XL.

Mr. Scioli then referred to the Claims Sweep Letter that was distributed prior to the start of the meeting:

The fund will be negotiating a new Public Officials and Employment Practices Liability (POL/EPL) insurance program. (We anticipate a change from the current carrier, XL Insurance). Therefore, it is imperative that any existing POL/EPL claims be reported to the current carrier prior to the policy's expiration on December 31, 2015. **Failure to timely report will result in the carrier denying the claim.**

So that claims can be properly reported to XL, please file any unreported **public officials or employment practices "claims"** to your local claims administrator no later than **December 18, 2015**. Specifically, the policy defines a "claim" as:

- (a) a written demand for monetary damages; or
- (b) a civil proceeding commenced by the service of a summons, complaint or similar pleading, including any appeal therefrom.
- (c) a complaint or charge filed with the Equal Employment Opportunity Commission (EEOC), New Jersey Division of Civil Rights (DCR), or similar federal, state or local government agency.

In particular, please identify any previously unreported:

- Tort notices;
- EEOC or NJ Division of Civil Rights Proceedings ("DCR"); and
- Letters of representations by attorneys.

We recommend you ask Public Officials, managerial personnel and other key employees if they have received a claim or have received **written** notice from an attorney representing a party indicating a future claim. You should report any such information to your JIF's liability claims adjuster as well as to XL **prior to December 18, 2015**, and you should request a response email confirming receipt. If there are any subsequent claims through December 31, 2015, you must immediately report those claims as well.

Accordingly, you should submit such claims to both of the following:

Qual-Lynx, Don Kellerman: dkellerman@qual-lynx.com

XL at denese.davis@xlcatlin.com and NewFundClaim@summitrisk.com

Although this letter summarizes certain policy definitions above, you should talk with your risk manager or insurance advisor to review all of your rights and obligations under the Policy.

List of Certificates made part of the Minutes.

CLAIMS SERVICE:

Ms. Tyler-Schol indicated that the Claims Services report would be given in Closed Session.

RISK MANAGEMENT CONSULTANT:

Mr. Avalone informed the Board that there will be an Elected Officials training seminar held at the League of Municipalities. He advised that each Elected Official who attends will receive a \$250 credit towards the member's 2016 liability claims premium.

Mr. Avalone reported that the Risk Managers will be scheduling compliance training for Managers and Supervisors and Police Command Staff in the near future as the every two year cycle of POL/EPL Risk Management requirements is beginning.

Mr. Avalone spotlighted MEL Bulletin 15-07B MEL JIF Excess Crime Coverage which pertains to the MEL Statutory Bond Coverage. He asked that members be sure that all of the information is up to date with respects to statutory bond position coverage. He noted that the bonds are in the name of the person in the position and not the position itself.

Lastly, Mr. Avalone referred to the EPL/POL Helpline quarterly update of member usage.

Copy of the Risk Manager's Report made a part of the Minutes.

MANAGED CARE:

Ms. Jacob referred the Committee to her report contained in the Agenda packet. She reported during the month of October there was a savings of \$221,057.05 resulting in 54.86% of savings.

Monthly Report Made Part of Minutes.

OLD BUSINESS:

None

NEW BUSINESS:

None

MEETING OPENED TO PUBLIC FOR COMMENT:

Mr. Tallon, the Fund Commissioner for Ship Bottom, asked if the MEL Helpline quarterly report reflects claims being submitted. Mr. Avalone advised that it does not reflect claims being reported, but used to provide a quick answer to insurance questions, in other words an inquiry.

PUBLIC COMMENT PORTION OF THE MEETING CLOSED

MOTION TO ENTER EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSING PENDING AND THREATENING LITIGATION:

MOTION:	Commissioner Shives
SECOND:	Commissioner Gilsenan
VOTE:	Unanimous

MOTION TO ADJOURN EXECUTIVE SESSION:

MOTION:	Commissioner Gilsenan
SECOND:	Commissioner Carney
VOTE:	Unanimous

MOTION TO APPROVE PAYMENT OF CLAIMS AS DISCUSSED IN EXECUTIVE SESSION, THE FOLLOWING PARS WERE APPROVED:

Workers Compensation

- X31916
- Z13704
- X65428
- Z24529
- X64953
- X62024
- X26834
- X97942
- Z22050
- Z25276
- Z19593
- E55941
- X78609
- Z20415
- Z22125
- Z17164
- X56831
- X17200

GL, AL, and Property claims

X67366

X67350

Z25111

MOTION:	Commissioner Gilsenan
SECOND:	Commissioner Shives
ROLL CALL VOTE:	Unanimous

MOTION TO ADJOURN MEETING:

MOTION:	Commissioner Lapp
SECOND:	Commissioner Gilsenan
VOTE:	Unanimous

Meeting Adjourned at: 3:26 PM

NEXT MEETING: January, 2016 3:00 PM
Toms River Municipal Building
33 Washington Street
Toms River, NJ 08754

- Secretary

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 26-15

NOVEMBER 2015

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

BE IT RESOLVED that the Ocean 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 2015

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
000451			
000451	BRICK TOWNSHIP	POLICE ACCREDIDATION GRANT PROGRAM	20,000.00
			20,000.00
000452			
000452	QUAL-LYNX	OUTSIDE ADJUSTER - 11/2015	5,380.75
000452	QUAL-LYNX	CLAIMS ADMIN - 11/2015	55,272.00
			60,652.75
000453			
000453	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 11/2015	9,907.10
			9,907.10
000454			
000454	PERMA	POSTAGE FEE 10/2015	64.30
000454	PERMA	EXECUTIVE DIRECTOR FEE 11/2015	23,538.00
			23,602.30
000455			
000455	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 11/2015	3,628.00
			3,628.00
000456			
000456	CITTA, HOLZAPFEL & ZABARSKY PC	LITIGATION MANAGEMENT - 10/2015	15,584.95
000456	CITTA, HOLZAPFEL & ZABARSKY PC	ATTORNEY FEE 10/2015	3,394.25
			18,979.20
000457			
000457	CONSOLIDATED SERVICES GRP, INC	MANAGED CARE SERVICES - 11/2015	23,190.92
			23,190.92
000458			
000458	WILLIAM GAROFALO	TREASURER FEE 11/2015	2,809.00
			2,809.00
000459			
000459	ASBURY PARK PRESS	ACCT: ASB-028930 - 10/4/15 - ADV FIN MTG	47.00
			47.00
000460			
000460	ALLSTATE INFORMATION MANAGEMNT	ACCT: 411 - ACT & STOR - 9/30/15	54.44
			54.44

000461			
000461	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER - 11/2015	924.58
			924.58
000462			
000462	EXECU-TECH, INC.	MONTHLY WEBSITE MAINTENANCE FEE 11/2015	200.00
			200.00
		Total Payments FY 2015	163,995.29

TOTAL PAYMENTS ALL FUND YEARS \$ 163,995.29

**RESOLUTION NO. 27 -15
OF THE OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
APPOINTING AN ASSET MANAGER AND BANKING SERVICES**

WHEREAS, the **Ocean County Municipal Joint Insurance Fund** (hereinafter the Fund) requires the services for Banking and Asset Management for the 2016, 2017 & 2018 Fund years; and

WHEREAS, a Joint Request for Proposals for Banking and Asset Manager Services was issued in June of 2015 and due July 15, 2015 by the Municipal Excess Liability Joint Insurance Fund (MEL), the Municipal Excess Liability Residual Claims Fund (RCF), the Municipal Reinsurance Health Insurance Fund (MR HIF), The New Jersey Environmental Risk Management Fund (E-JIF) and the NJ Sustainable Joint Meeting (SEM) and their affiliated local Joint Insurance Funds; and

WHEREAS, responses were received from Wells Fargo, Ocean First, PFM Asset Management, Investors Bank, TD Bank, Capital One Bank and Wilmington Trust.

WHEREAS, representatives from the Investment Committee interviewed Investors Bank (banking), Wilmington Trust (asset management); TD Bank (banking & asset management) and Wells Fargo (banking & asset management) on October 14, 2015; and

WHEREAS, the Board of Fund Commissioners of the MEL JIF, RCF, EJIF, SEM and MR HIF have all accepted the recommendation of the Investment Committee and have voted to award the Banking Services contract to Investors Bank and the Asset Manager contract to Wilmington Trust;

WHEREAS, the Request for Proposal asked vendors to agree to accept affiliated local Joint Insurance Fund to participate in the program at the same pricing, terms and conditions;

NOW, THEREFORE, BE IT RESOLVED that the Board of Fund Commissioners/Executive Committee of the **Ocean County Municipal Joint Insurance Fund** award their banking contract to Investors Bank based on a joint average balance of \$20,000,000 which will earn the federal funds rate less .25% with a floor of .65% and a ceiling of 2.0% for the term of January 1, 2016 through December 31, 2018, or until a successor is duly appointed; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Fund Commissioners/Executive Committee of the **Ocean County Municipal Joint Insurance Fund** award their asset manager contract to Wilmington Trust for the term of January 1, 2016 through December 31, 2018, or until a successor is duly appointed.

ADOPTED:

This 12th day of November, 2015 before the Governing Body: