

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
MINUTES
OCTOBER 8, 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	Absent
Diane Lapp, Township of Manchester	Absent
Veronica Laureigh, Twp. of Lacey	Present
Dave Pawlishak, Borough of Surf City	Present
Christopher Parlow, Borough of Lavellette	Present
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.	Absent
Treasurer		Bill Garofalo	Present
Claims Service	Qual-Lynx	Kathie Tyler-Schohl	Absent
Underwriting Manager	Conner Strong & Buckelew	Ed Scioli	Absent
Safety Director	JA Montgomery	Joanne Hall	Absent
Risk Management Consultants	Conner Strong & Buckelew	Mike Avalone	Present

ALSO PRESENT

Jason Thorpe, Perma
Eugene Racz, Esq.
William Akers, Seaside Heights
Donald Kellerman, Qual-Lynx
Jennifer Goldstein, CSG
Taylor Jacob, CSG
Joe Mirarchi, JA Montgomery

APPROVAL OF MINUTES: September 10, 2015

MOTION TO APPROVE OPEN & CLOSED MINUTES FOR ABOVE REFERENCED MEETING

MOTION: Commissioner Pawlishak
SECOND: Commissioner Carney
VOTE: 3ayes, 0 nays, 3 abstentions
Commissioner Pawlishak
Commissioner Laureigh
Chairman Pine

CORRESPONDENCE:

Mr. Sacco referred to the letter from the MEL Executive Director regarding Super Storm Sandy. He reported that the claim has now been finalized and the Judge has signed the Final Order. He advised that the percentage being distributed to each member has been increased to 70.26% and Zurich American Insurance Company is in the process of generating checks. Mr. Sacco informed the Committee that the Ocean JIF has 3 or 4 members that were paid at 100% for a total of \$129,000. He noted that a “claw-back” would take place for those members and they will be notified accordingly. Mr. Sacco further noted that the claw-back process will be presented to the Finance Committee to determine the best course of action for funding the claw-back. He informed the Committee that following Sandy, the complexity of the storm was unknown and the TPA was instructed to pay vehicle losses at 100%. He informed the Committee that once the final calculations were reached it was determined that only 65% of the loss should have been paid. Mr. Sacco informed the Committee that he is waiting on the final adjudication from Zurich’s adjusters, VeriClaim, detailing exactly what was paid to the members prior to contacting them regarding the claw-back. He noted that there are a total of 39 members within the Mel system that will be affected by the claw-back.

TREASURER:

Commissioner Shives informed the Board that Mr. Garofalo was unable to attend the meeting. He then reported on the Bills List for the month that was distributed prior to the meeting.

October 2015

FUND YEAR	AMOUNT
2015	\$287,843.82
TOTAL	\$287,843.82

MOTION TO APPROVE RESOLUTION # 24-15 APPROVAL FOR PAYMENT OF OCTOBER 2015 BILL LIST

MOTION: Commissioner Parlow
SECOND: Commissioner Laureigh
ROLL CALL VOTE: Unanimous

MOTION TO ACCEPT CLAIMS/IMPREST TRANSFERS FOR AUGUST 2015 AND SEPTEMBER 2015 AS CERTIFIED BY THE TREASURER

MOTION: Commissioner Laureigh
SECOND: Commissioner Pawlishak
ROLL CALL VOTE: Unanimous

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

EXECUTIVE DIRECTOR:

AD-HOC FINANCE COMMITTEE:

The Finance Committee held a Budget workshop on October 6, 2015. A verbal report will be provided.

2016 BUDGET/PROCESS - Mr. Sacco indicated that the proposed 2016 Budget would be introduced during this meeting. He referred to the proposed 2016 budget that was distributed prior to the start of the meeting. Mr. Sacco indicated that the Finance Committee is recommending an overall 2016 budget increase of 1.68% or \$335,276, before dividend. He thanked the Finance Committee for their assistance in preparing a fiscally sound budget. Mr. Sacco informed the Board that the MEL has placed an experience rating on each of the 19 local JIFs to determine the number of times each JIF has pierced the 85% threshold for claims in the MEL. He noted that in the 10 year period the Ocean JIF pierced the 85% threshold 6 out of the 10 years. Mr. Sacco informed the Committee that once the MEL finished rating every local JIF, it instituted an experience rating program for each JIF to be assessed appropriately. He noted that the MEL also instituted a retrospective rating program, also known as a Minimum/Maximum. Mr. Sacco explained that in the retrospective rating program, the MEL will bill the Fund the minimum of 85% of the loss funds for 2016. He further explained that if the Fund exceeds the 85% when the claims go to ultimate, which would

be 2026, the Fund would be responsible for the up to 125% of the premium. Mr. Sacco informed the Board that in order to be fiscally responsible, the Finance Committee is recommending adding a budget line item and naming it Aggregate Excess Loss Fund Contingency which would budget 58% or \$476,273 of that potential premium. He noted that the amount would be carried forward each year in a trust account which will allow for the transfer to any other fund year that may be deficient. He added that if the 58% budgeted amount remains unused, it can be returned to the membership in the form of a dividend. Mr. Sacco asked if there were any questions or comments on the proposed budget. Commissioner Pawlishak asked if the Aggregate Excess Loss Fund Contingency amount would vary over the 10 years. Mr. Sacco indicated that the amount would vary depending on the claims. Chairman Pine commented that it is the responsible thing to do by budgeting the 58%. With no further questions or comments, Mr. Sacco asked for a motion to introduce the proposed 2016 budget and schedule a public hearing.

MOTION TO INTRODUCE THE 2016 BUDGET FOR THE OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND IN THE AMOUNT OF \$20,297,576 AND SCHEDULE A PUBLIC HEARING FOR NOVEMBER 12, 2015 IN THE TOMS RIVER MUNICIPAL BUILDING AT 3:00PM.

MOTION: Commissioner Pawlishak
SECOND: Commissioner Laureigh
ROLL CALL VOTE: Unanimous

2015 DIVIDEND - Mr. Sacco informed the Board that the Finance Committee is recommending a dividend of \$900,000. He referred to Resolution # 25-15 enclosed within the agenda booklet.

MOTION TO ADOPT RESOLUTION # 25-15 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$900,000.

MOTION: Commissioner Parlow
SECOND: Commissioner Laureigh
ROLL CALL VOTE: Unanimous

MEL 2016 BUDGET MEETING – Mr. Sacco informed the Board that the MEL’s 2016 Budget will be introduced on Wednesday, October 21, 2015 in Jamesburg, NJ. He added that the public hearing on the MEL budget will be held on November 18, 2015 at 5:00 PM in the Convention Center in Atlantic City in room 305. Mr. Sacco also added that the MEL's nominating committee will begin its deliberations for the November meeting. He noted that the Fund should nominate its 2016 representative and alternate to the MEL. Currently, Commissioner Shives is the Fund’s MEL representative.

MOTION TO NOMINATE COMMISSIONER PAUL SHIVES TO SERVE AS THE FUND'S REPRESENTATIVE TO THE MEL.

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

E-JIF 2016 BUDGET MEETING – Mr. Sacco advised that the E-JIF’s 2016 budget was introduced on September 2, 2015. He added that the public hearing to adopt the 2016 budget will be held October 21st at 10:50AM in Jamesburg, NJ. Mr. Sacco further added that the Fund should nominate its 2016 representative to the E-JIF. Currently, Commissioner Shives is the Fund’s E-JIF representative.

MOTION TO NOMINATE COMMISSIONER PAUL SHIVES TO SERVE AS THE FUND'S REPRESENTATIVE TO THE E-JIF.

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

RESIDUAL CLAIMS FUND- Mr. Sacco indicated that the Residual Claims Fund also introduced its 2016 budget at its September meeting and the public hearing to adopt the 2016 budget will be held October 21st at 10:30AM in Jamesburg, NJ. He noted that the Fund should nominate its 2016 representative to the RCF. Currently, Commissioner Shives is the Fund’s RCF representative.

MOTION TO NOMINATE COMMISSIONER PAUL SHIVES TO SERVE AS THE FUND'S REPRESENTATIVE TO THE RCF.

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

BRICK TOWNSHIP POLICE ACCREDITATION GRANT – Mr. Sacco informed the Board that the Township of Brick’s Police Accreditation status is due to expire. He advised that the township has recently contacted the fund office requesting approval for a police accreditation grant to have the police department reaccredited.

MOTION TO APPROVE THE ISSUANCE OF THE POLICE ACCREDITATION GRANT TO BRICK TOWNSHIP IN THE AMOUNT OF \$20,000 AS PER THE POLICE ACCREDITATION GRANT PROGRAM.

MOTION: Commissioner Laureigh
SECOND: Commissioner Pawlishak
ROLL CALL VOTE: Unanimous

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

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 September activities and the October 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. Thorpe indicated that Mr. Scioli was unable to attend the meeting. He then referred to the list of certificates enclosed within the agenda booklet.

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 referred to the Lost Time Accident Frequency recap report through August 2015 in the agenda booklet. He reported that he believes this is the first time the Ocean JIF has had such a low Lost Time Accident Frequency this late in the year.

Mr. Avalone thanked the membership for their cooperation in the collection of 2016 Renewal Data.

Mr. Avalone advised that the scheduling of compliance training for Managers and Supervisors and Police Command Staff will begin 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.

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 September there was a savings of \$298,896.59 resulting in 49.70% of savings.

Monthly Report Made Part of Minutes.

OLD BUSINESS:

None

NEW BUSINESS:

Mr. Sacco informed the Board that the Finance Committee is recommending budgeting for the Police Accreditation Grant Program once again in 2016. He noted that \$60,000 will be budgeted for the program. Mr. Sacco added that any amount that remains unused will be carried forward to the next fund year.

MEETING OPENED TO PUBLIC FOR COMMENT:

No public comments were made.

PUBLIC COMMENT PORTION OF THE MEETING CLOSED

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

MOTION: Commissioner Pawlishak
SECOND: Commissioner Laureigh
VOTE: Unanimous

MOTION TO ADJOURN EXECUTIVE SESSION:

MOTION: Commissioner Gilsenan
SECOND: Commissioner Parlow
VOTE: Unanimous

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

Workers Compensation

Z23176
X90021
Z22962
X99431
Z24990
Z13960
X71161
Z21451
X06497
Z18151
W80879
E73685
X14024
Z22730

GL, AL, and Property claims

Z02989
Z22025
X96955
X83947
X56197
X49895
X71298
Z25253
Z25255
Z24571
Z25964

MOTION: Commissioner Parlow
SECOND: Commissioner Pawlishak
ROLL CALL VOTE: Unanmious

MOTION TO ADJOURN MEETING:

MOTION:	Commissioner Parlow
SECOND:	Commissioner Carney
VOTE:	Unanimous

Meeting Adjourned at: 3:20 PM

NEXT MEETING: November, 2015 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. 24-15

OCTOBER 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>
000439			
000439	QUAL-LYNX	OUTSIDE ADJUSTER - 10/2015	5,380.75
000439	QUAL-LYNX	CLAIMS ADMINM - 10/2015	55,272.00
			60,652.75
000440			
000440	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 10/2015	9,907.10
			9,907.10
000441			
000441	PERMA	POSTAGE FEE 09/2015	39.87
000441	PERMA	EXECUTIVE DIRECTOR FEE 10/2015	23,538.00
			23,577.87
000442			
000442	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 10/2015	3,628.00
			3,628.00
000443			
000443	CITTA, HOLZAPFEL & ZABARSKY PC	ATTORNEY FEE 09/2015	3,394.25
000443	CITTA, HOLZAPFEL & ZABARSKY PC	LITIGATION MANAGEMENT - 09/2015	12,305.15
			15,699.40
000444			
000444	CONSOLIDATED SERVICES GRP, INC	MANAGED CARE SERVICES - 10/2015	23,190.92
			23,190.92
000445			
000445	WILLIAM GAROFALO	TREASURER FEE 10/2015	2,809.00
			2,809.00
000446			
000446	ASBURY PARK PRESS	ACCT: ASB-028930 - 9/23/15 - RFQ ATTRNY	87.50
000446	ASBURY PARK PRESS	ACCT: ASB-028930 - 9/15/15 - MTG	47.75
			135.25
000447			
000447	ALLSTATE INFORMATION MANAGEMNT	ACCT: 411 - ACT & STOR 08/31/2015	67.70
			67.70
000448			
000448	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER - 10/2015	924.58
			924.58

000449			
000449	EXECU-TECH, INC.	MONTHLY WEBSITE MAINTENANCE 10/15	200.00
			200.00
000450			
000450	CONNER STRONG & BUCKELEW	RMC FEE 4TH QTR 2015	147,051.25
			147,051.25
		Total Payments FY 2015	287,843.82

TOTAL PAYMENTS ALL FUND YEARS \$ 287,843.82

RESOLUTION NO. 25 -15

**RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE OCEAN COUNTY MUNICIPAL
JOINT INSURANCE FUND
AUTHORIZING REFUND OF THE 2011 FUND YEAR ACCOUNT**

WHEREAS, N.J.A.C. 11:15-2.21 provides that a FUND may seek approval from the Commissioner of Insurance for a refund of excess monies from any FUND year upon compliance with certain requirements; and

WHEREAS, the FUND has obtained a calculation from its Actuary and Executive Director as to the amount of money which is available for distribution consistent with the aforementioned regulations, and the financial integrity of the FUND; and

WHEREAS, the Executive Committee has determined that it would be in the best interest of the FUND and its member municipalities to make certain refunds;

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the **Ocean County Joint Insurance Fund**, As Follows:

1. Section B of N.J.A.C. 11:15-2.21 provides that the FUND may seek approval for refunds from any claim fund which has been completed for not less than twenty-four months. Based upon this requirement and the closure of old Fund Years, surplus monies in the 2011 Fund Year Account is eligible for refunds.

2. The Executive Committee has balanced the interests of the member municipalities in obtaining the benefit of such monies as are available for refund against the need for the FUND to protect and preserve its financial integrity. Because the reserve figures and the IBNR figures utilized by the FUND Actuary are conservative, The Executive Committee has balanced the interests of the member municipalities in obtaining the benefit of such monies as are available for refund against the need for the FUND to protect and preserve its financial integrity. Because the reserve figures and the IBNR figures utilized by the FUND Actuary are conservative, It is the conclusion of the Executive Committee that the following amount can be refunded at this time:

2011 Fund Year Account	\$ 900,000
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3. The Executive Director is, therefore, authorized and directed to submit such documents as the regulations require to the Department of Insurance and the Department of Community Affairs for the approval of the refunds in the amounts set forth above.

4. This authorization is based upon the Auditor's Report of the Historical Operating Results as of December 31, 2014. The aforementioned refund monies shall be allocated, as required and necessary, from the 2011 Fund year Account.

5. The FUND Treasurer is authorized to prepare and execute checks for the pro-rated amount of the aforementioned refunds due to each member municipalities for the years in question, provided, however, the FUND Treasurer shall deduct the amount owed by the member local unit for any outstanding balances without regard for Fund year, upon receipt of written documentation of approval or acquiescence of these refunds from the Department of Insurance and the Department of Community Affairs. Said refunds shall be made to the municipalities which were members of the FUND for the years in question in the same ratio as said municipalities were assessed for the years in question.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND