

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND  
MINUTES  
OCTOBER 13, 2016  
TOMS RIVER MUNICIPAL BUILDING  
3:00 P.M.**

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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	Absent
Veronica Laureigh, Twp. of Lacey	Present
Joseph Gilsean, Township of Brick, Alternate #1	Present
Isaac Akerman, Township of Lakewood, Alternate #2	Absent

**APPOINTED OFFICIALS PRESENT:**

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

**ALSO PRESENT**

Jason Thorpe, PERMA  
Michael Gross, Surf City  
William Akers, Seaside Heights  
Patricia Applegate, Bay Head  
Gemma Armenia, Qual-Lynx  
Taylor Jacob, CSG  
Joe Harvey, Joe Harvey & Associates, LLC  
Joe Mirarchi, JA Montgomery  
Armand Bucci, Commercial Investigation

**APPROVAL OF MINUTES:** September 8, 2016

**MOTION TO APPROVE OPEN & CLOSED MINUTES FOR ABOVE REFERENCED MEETING**

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

**CORRESPONDENCE:**

None.

**TREASURER:**

Mr. Garofalo reported on the Bills List for the month and reviewed the report he distributed prior to the meeting detailing the financial portfolio of the Fund as well as the cash investments and imprest/transfers.

October 2016

<b>FUND YEAR</b>	<b>AMOUNT</b>
2015	\$1,617,106.89
2016	\$318,425.73
<b>TOTAL</b>	<b>\$1,935,532.62</b>

**MOTION TO APPROVE RESOLUTION # 21-16  
APPROVAL FOR PAYMENT OF OCTOBER 2016 BILLS LIST**

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

**MOTION TO ACCEPT CLAIMS/IMPREST TRANSFERS AS OF  
SEPTEMBER 2016 AS CERTIFIED BY THE TREASURER**

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

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

**EXECUTIVE DIRECTOR:**

**2017 BUDGET/PROCESS** - Mr. Sacco indicated that the proposed 2017 Budget would be introduced during this meeting. He informed the Board that the Finance Committee met on October 11, 2016 and thanked the members of the committee for their participation in preparing the budget. Prior to reviewing the proposed budget Mr. Sacco referred the Board to the Financial Fast Track Report as of August 31, 2016. He indicated that when the fund office began formulating the budget, Perma recognized a positive trend in the Ocean JIF. He reported that the Fund's surplus in 2013 is \$3.1 million, the surplus for 2014 is \$3 million, and the Fund's surplus for 2015 is \$2.1 million. Mr. Sacco then referred to the membership renewal letter from Chairman Pine that was sent to the membership in May and read, *"The strength of your Fund's financial results will allow the modeling of budget options that carefully utilize surplus and other strategies to meet the challenge of your year to year budget constraints."* He noted that the statement within the letter has come to fruition because of the excellent financial position of the Fund. Mr. Sacco added that the Fund currently has \$12.6 million in surplus and it is increasing. He then referred to the proposed 2017 budget that was distributed prior to the start of the meeting. He reported that the overall proposed budget has a decrease of 4.96% or slightly over \$1 million and reviewed it by line. Mr. Sacco noted that the large decrease is coming from the MEL Retro Premium budget line. He reminded the Board that the MEL bills the Ocean JIF 85% of what would normally be charged, which allows for flexibility. He noted that in the previous year the Ocean JIF funded for most of that amount and carried it forward. Mr. Sacco further noted that since there is a large amount of surplus it does not have to be funded at 100%. Mr. Sacco informed the Board that the property line is increasing by 7.48% and explained that the MEL has mandated that all local JIFs change their self insured retention from 50,000 to 100,000. He further explained that in the past, any property loss that the JIF had was capped at 50,000 but will now be capped at 100,000. He indicated that professional fees were capped at 2%. He once again advised that overall the projected 2017 budget is decreasing by \$1,003,037 or 4.96%. Mr. Sacco advised that assessment amounts still need to be determined and that the Finance Committee will meet again to discuss. Mr. Sacco asked if there were any questions or comments on the proposed budget. Mr. Avalone commented that the Treasurer's report displayed the strong cash position of the Fund and noted that cash flow is not a concern. He indicated that all of the favorable financial components will allow the Fund to assist the membership in various ways. Mr. Avalone advised that the strong cash position returns the Fund to producing investment income and can help extinguish any budget line difficulty without sacrificing the level of service. He added that the MSI budget line

was increasing 12.6% as there has been an increase in demand from the membership for additional training. Chairman Pine commented that he has seen quite an improvement in safety and an increase in members participating in trainings and noted that it is all part of managing their risk. He then commended Commissioner Gilsenan for his work as the Safety Committee Chairman. Commissioner Gilsenan thanked Chairman Pine and commended Mr. Mirarchi for all his work pertaining to safety. Mr. Sacco asked if there were any further comments or questions. Hearing none, Mr. Sacco asked for a motion to introduce the proposed 2016 budget and schedule a public hearing.

**MOTION TO INTRODUCE THE 2017 BUDGET FOR THE OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND IN THE AMOUNT OF \$19,231,008 AND SCHEDULE A PUBLIC HEARING FOR NOVEMBER 10, 2016 IN THE TOMS RIVER MUNICIPAL BUILDING AT 3:00PM.**

<b>MOTION:</b>	Commissioner Shives
<b>SECOND:</b>	Commissioner Laureigh
<b>ROLL CALL VOTE:</b>	Unanimous

**2016 DIVIDEND** - Mr. Sacco asked Chairman Pine's permission to table the dividend resolution until the November meeting as the Finance Committee needs ample time to study the recommendation.

**MOTION TO TABLE RESOLUTION # 22-16 UNTIL THE NOVEMBER 10, 2016 EXECUTIVE COMMITTEE MEETING**

<b>MOTION:</b>	Commissioner Shives
<b>SECOND:</b>	Commissioner Carney
<b>VOTE:</b>	Unanimous

**MEL 2017 BUDGET MEETING** - Mr. Sacco referred to Commissioner Shives' report on the September 7<sup>th</sup> meeting and informed the Board that the MEL's 2017 Budget will be introduced on Wednesday, October 19, 2016 in Jamesburg, NJ. He added that the public hearing on the MEL budget will be held on November 16, 2016 at 5:00 PM in the Convention Center in Atlantic City. Mr. Sacco also added that the MEL's nominating committee will be beginning its deliberations for the November meeting and noted that the Fund should nominate its 2017 representative 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**

<b>MOTION:</b>	Commissioner Laureigh
<b>SECOND:</b>	Commissioner Gilsenan
<b>VOTE:</b>	Unanimous

**E-JIF 2017 BUDGET MEETING** - Mr. Sacco advised that the E-JIF's 2017 budget was introduced on September 7, 2016 and referred to Commissioner Shives' report on the meeting. He added that the public hearing to adopt the 2017 budget will be held October 19<sup>th</sup> at 10:50AM in Jamesburg, NJ. Mr. Sacco further added that the Fund should nominate its 2017 representative to the E-JIF. Currently, Commissioner Shives is the E-JIF representative.

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

<b>MOTION:</b>	Commissioner Laureigh
<b>SECOND:</b>	Commissioner Gilsenan
<b>VOTE:</b>	Unanimous

**RESIDUAL CLAIMS FUND-** Mr. Sacco indicated that the Residual Claims Fund also introduced its 2017 budget at its September meeting and referred to Commissioner Shives' report on the meeting. He advised that the public hearing to adopt the 2017 budget will be held October 19<sup>th</sup> at 10:30AM in Jamesburg, NJ. He noted that the Fund should nominate its 2017 representative to the RCF. Currently, Commissioner Shives is the RCF representative.

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

<b>MOTION:</b>	Commissioner Laureigh
<b>SECOND:</b>	Commissioner Gilsenan
<b>VOTE:</b>	Unanimous

**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 the Committee to the listing of upcoming MSI training days scheduled through the end of the year. Mr. Mirarchi then referred to 2 recently released Safety Director's bulletins enclosed within the agenda booklet pertaining to National Preparedness Month and safety in the office environment.

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

**UNDERWRITING MANAGER:**

Mr. Thorpe informed the Board that Mr. Cooney was unable to attend the meeting. He then referred to the list of certificates issued for the month of September contained within the agenda Packet.

*List of Certificates made part of the Minutes.*

**RISK MANAGEMENT CONSULTANT:**

Mr. Avalone reported that the October 1<sup>st</sup> deadline has passed for submission of the EPL checklist for the EPL Compliance program. He advised that if members have not submitted their EPL checklist signed by their municipal attorney they should contact his office immediately.

Mr. Avalone referred to the MEL Excess Crime Coverage Bulletin enclosed within his report. He noted that it is important that members review this bulletin to be sure that employees in certain positions are properly bonded in accordance with the statutes as coverage is not automatic as an application process needs to be completed.

Lastly, Mr. Avalone referred to EJIF Bulletin 16-01 and the Environmental Alert that were recently released to the membership. He once again emphasized that the members should do their due diligence when it comes to these matters and that the EJIF offers a property screening as a first step in the due diligence process. Mr. Avalone noted that the property screen does not take the place of a Phase I or Phase II, but is an indicator of the level of particular risk on a particular property. He further noted that the EJIF does not cover liability from prior and/or existing pollution.

*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 booklet. She informed the Committee that through the month of September, there has been a savings of \$2,234,513.93 or 54.68% on the medical billing for Workers' Compensation claims.

**OLD BUSINESS:**

None

**NEW BUSINESS:**

None

**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 Gilsenan  
**SECOND:** Commissioner Shives  
**VOTE:** Unanimous

**MOTION TO ADJOURN EXECUTIVE SESSION:**

**MOTION:** Commissioner Laureigh  
**SECOND:** Commissioner Gilsenan  
**VOTE:** Unanimous

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

**Workers Compensation**

Z41634  
Z41177  
Z17164  
Z39543  
X36503  
X67792

**GL, AL, and Property claims**

X67350  
Z26277  
X82035  
Z06863  
X99207  
Z42664  
X65724  
Z43699  
Z43604  
Z06285

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

**MOTION TO ADJOURN MEETING:**

<b>MOTION:</b>	Commissioner Shives
<b>SECOND:</b>	Commissioner Laureigh
<b>VOTE:</b>	Unanimous

Meeting Adjourned at: 3:25 PM

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

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- Secretary



# OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 21-16

OCTOBER 2016

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 CLOSED**

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
<b>001111</b>			
001111	MEL RESIDUAL CLAIMS FUND	2016 ASSESSMENT - CLOSURE OF FY 2012	1,617,106.89
			<b>1,617,106.89</b>
		Total Payments Closed Year	1,617,106.89

**FUND YEAR 2016**

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
<b>001112</b>			
001112	HARVEY CEDARS BOROUGH	POLICE RE-ACCREDITATION GRANT 9/2016	3,750.00
			<b>3,750.00</b>
<b>001113</b>			
001113	OCEAN TOWNSHIP	POLICE ACCREDITATION GRANT - 09/2016	20,000.00
			<b>20,000.00</b>
<b>001114</b>			
001114	QUAL-LYNX	OUTSIDE ADJUSTER - 10/2016	5,488.33
001114	QUAL-LYNX	CLAIMS ADMIN - 10/2016	56,377.42
			<b>61,865.75</b>
<b>001115</b>			
001115	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 10/2016	10,105.25
			<b>10,105.25</b>
<b>001116</b>			
001116	PERMA	POSTAGE FEE 09/2016	26.69
001116	PERMA	EXECUTIVE DIRECTOR FEE 10/2016	24,009.00
			<b>24,035.69</b>
<b>001117</b>			
001117	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 10/2016	3,701.25
			<b>3,701.25</b>
<b>001118</b>			
001118	CITTA, HOLZAPFEL & ZABARSKY PC	LITIGATION MANAGEMENT - 09/30/2016	13,707.25
001118	CITTA, HOLZAPFEL & ZABARSKY PC	ATTORNEY FEE 09/30/2016	3,462.16
			<b>17,169.41</b>
<b>001119</b>			
001119	CONSOLIDATED SERVICES GRP, INC	MANAGED CARE SERVICES - 10/2016	23,654.75
			<b>23,654.75</b>
<b>001120</b>			
001120	WILLIAM GAROFALO	TREASURER FEE 10/2016	2,865.00
			<b>2,865.00</b>

<b>001121</b>			
001121	ASBURY PARK PRESS	ACCT: ASB-028930 - 10/1/16 ADV_ATTORNEY	83.00
			<b>83.00</b>
<b>001122</b>			
001122	ALLSTATE INFORMATION MANAGEMNT	ACCT: 411 - ACT & STOR - 08/31/2016	60.56
			<b>60.56</b>
<b>001123</b>			
001123	CONNER STRONG & BUCKELEW	RMC INSTALLMENT - 4TH QTR 2016	149,992.00
			<b>149,992.00</b>
<b>001124</b>			
001124	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 10/2016	943.07
			<b>943.07</b>
<b>001125</b>			
001125	EXECU-TECH, INC.	MONTHLY WEBSITE MAINTENANCE FEE 10/16	200.00
			<b>200.00</b>
		Total Payments FY 2016	318,425.73

**TOTAL PAYMENTS ALL FUND YEARS \$ 1,935,532.62**