

**OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND
MINUTES
NOVEMBER 10, 2016
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
Joseph Gilsean, 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	Gemma Armenia	Present
Underwriting Manager	Conner Strong & Buckelew	Edward Cooney	Absent
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
William Akers, Seaside Heights
Taylor Jacob, CSG
Joe Mirarchi, JA Montgomery
Armand Bucci, Commercial Investigation

APPROVAL OF MINUTES: October 13, 2016

MOTION TO APPROVE OPEN & CLOSED MINUTES FOR ABOVE REFERENCED MEETING

MOTION: Commissioner Laureigh
SECOND: Commissioner Gilsenan
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.

November 2016

FUND YEAR	AMOUNT
2016	\$150,359.32
TOTAL	\$150,359.32

**MOTION TO APPROVE RESOLUTION # 23-16
APPROVAL FOR PAYMENT OF NOVEMBER 2016 BILLS LIST**

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

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

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

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

EXECUTIVE DIRECTOR:

2017 BUDGET – Mr. Sacco reported that at the October Executive Committee meeting, the Fund introduced a budget for the Fund Year 2017. 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 indicated that the Public Hearing for the budget will be held at this meeting and asked for a motion to open the public hearing.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2017 BUDGET.

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

Mr. Sacco reported that the overall budget was decreasing by 4.95% or slightly over \$1 million. He further reported that the Finance Committee met and is recommending using a 5 year loss ratio average for member assessments this year since the budget was decreasing. Mr. Sacco explained that if members have a better loss ratio participated more in the savings and the members who had a higher loss ratio participate less in the savings. He asked if there were any questions on the budget or the assessments. Chairman Pine commented he is very pleased with the budget and the Fund's financial position. He further commented that the members should be very proud and thanked the professionals for their effort.

MOTION TO CLOSE THE PUBLIC HEARING.

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

MOTION TO ADOPT THE BUDGET FOR THE OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND AS PRESENTED FOR FUND YEAR 2017.

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

MOTION TO CERTIFY ANNUAL ASSESSMENTS, BASED UPON THE ADOPTED 2017 BUDGET FOR MEMBER MUNICIPALITIES.

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

2016 DIVIDEND RECOMMENDATION – Mr. Sacco reported that the Finance Committee met on October 24, 2016 and are recommending increasing this year’s dividend to \$1,000,000.

MOTION TO ADOPT RESOLUTION # 22-16 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$1,000,000.

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

RESIDUAL CLAIMS FUND (RCF) – Mr. Sacco reported that the RCF met on October 19, 2016 at 10:30 AM at the Forsgate Country Club and held its public hearing to adopt the amended 2016 Budget and the 2017 Budget and referred to Commissioner Shives’ report on the meeting.

E-JIF REPORT - Mr. Sacco reported that the EJIF also met on October 19, 2016 at 10:50 AM in the Forsgate Country Club as a public hearing to review the proposed 2017 Budget and referred to Commissioner Shives’ report on the meeting.

MEL 2017 BUDGET – Mr. Sacco reported that the MEL’s 2017 Budget was introduced on Wednesday, October 19, 2016 and indicated that the Public Hearing on the budget will be held on November 16, 2016. He then referred to Commissioner Shives’ report on the meeting.

INVESTMENTS LEGISLATION – Mr. Sacco referred to a resolution supporting legislation S-2663 and A-4234 which will allow joint insurance funds to invest in bonds of State and Federal agencies and to form joint cash management and investment programs enclosed within the agenda. He advised that the MEL, RCF and EJIF adopted resolutions in support of the legislation during their October 19, 2016 meeting and requested adoption of same by the local joint insurance funds and their members. He asked if there were any questions on the resolution. Hearing none, he asked for a motion to adopt.

MOTION TO APPROVE RESOLUTION #24-16 SUPPORTING LEGISLATION S-2663 AND A-4234 AND REQUEST MEMBERS TO ADOPT SAMPLE RESOLUTION IN SUPPORT OF SAME.

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

PAY TO PLAY 2017 – Mr. Sacco indicated that the Fund has advertised the RFQ for the Fund Attorney and Defense Panel positions and noted that the return date for the RFQ was November 1, 2016. He then referred to the results of the RFQ enclosed within the agenda booklet.

DUE DILIGENCE REPORTS - Mr. Sacco referred the Committee to the Financial Fast Track chart contained within the agenda booklet. He reported that the Fund increased its surplus by 98,000 and noted that the statutory surplus position is 12.7 million. He added that the Fund's excellent financial condition is the reason for the budget decrease and an increase in the dividend amount.

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 the Committee to the listing of upcoming MSI training days scheduled through the end of the year. Mr. Mirarchi then referred to recently released Safety Director's bulletins.

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 October contained within the agenda Packet.

List of Certificates made part of the Minutes.

RISK MANAGEMENT CONSULTANT:

Mr. Avalone reported that the October 1st deadline has passed for submission of the EPL checklist for the EPL Compliance program. He indicated that there is still a number of outstanding members and advised that if members have not submitted their EPL checklist signed by their municipal attorney they should contact his office immediately in order to qualify and/or maintain deductible and co-pay incentives.

Mr. Avalone referred to the invitation for the MEL’s annual reception at the League of Municipalities. He added that it is the MEL’s 30th anniversary.

Mr. Avalone informed the Board that there are 2 MEL Education Sessions at the League of Municipalities. He noted that this year’s elected officials training program will focus on Ethics for Local Government Officials. Mr. Avalone added that a session is scheduled at the League of Municipalities Conference for 3:45 pm in Atlantic City on Tuesday, November 15, 2016 and 3:45 pm Wednesday, November 16, 2016.

Mr. Avalone reminded the Board that during the March 2016 meeting the Executive Committee approved authorization for David Millard, Esq. to conduct EPL training throughout the Ocean JIF for fund year 2016. Mr. Avalone recommended using Mr. Millard for Elected Officials Trainings for 2017 as he does an excellent job and adds material that is pertinent to the subject. Mr. Sacco added that there are sufficient funds in the budget to cover his fee. Mr. Avalone further added that Mr. Millard would conduct 3 sessions at the most and asked for a motion to approve the action.

MOTION TO AUTHORIZE MR. DAVID MILLARD TO CONDUCT ELECTED OFFICIALS TRAININGS FOR OCEAN JIF MEMBERS FOR A FEE OF \$1,000 PER SESSION NOTTO EXCEED 3 SESSIONS

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

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 October, there has been a savings of \$2,544,855.16 or 55.43% on the medical billing for Workers’ Compensation claims.

OLD BUSINESS:

Mr. Sacco informed the Board that the December meeting is cancelled and the next meeting would be January 12, 2017.

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 Laureigh
SECOND:	Commissioner Gilsean
VOTE:	Unanimous

MOTION TO ADJOURN EXECUTIVE SESSION:

MOTION:	Commissioner Laureigh
SECOND:	Commissioner Carney
VOTE:	Unanimous

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

Workers Compensation

- Z30222
- Z30144
- X67195
- Z41177
- Z43487
- Z23280
- Z39542
- Z43484
- Z38495
- Z18542
- Z38786

GL, AL, and Property claims

X70791

X67366

X71298

Z09137

X65724

Z44576

X89640

Z45354

X86925

Z44277

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

MOTION TO ADJOURN MEETING:

MOTION:	Commissioner Gilsenan
SECOND:	Commissioner Laureigh
VOTE:	Unanimous

Meeting Adjourned at: 3:17 PM

NEXT MEETING: January, 2017 3:00 PM
 Toms River Municipal Building
 33 Washington Street
 Toms River, NJ 08754

- Secretary

RESOLUTION NO. 22-16

**RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE OCEAN COUNTY MUNICIPAL
JOINT INSURANCE FUND
AUTHORIZING REFUND OF THE CLOSED 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 Closed 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:

Closed Fund Year Account	\$ 1,000,000
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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, 2015. The aforementioned refund monies shall be allocated, as required and necessary, from the Closed 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

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 23-16

NOVEMBER 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 2016

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001126			
001126	SHIP BOTTOM FIRE COMPANY	REIMB DUP 2ND INSTALLMENT PAYMENT	6,240.04
			6,240.04
001127			
001127	QUAL-LYNX	OUTSIDE ADJUSTER - 11/2016	5,488.33
001127	QUAL-LYNX	CLAIMS ADMIN - 11/2016	56,377.42
			61,865.75
001128			
001128	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 11/2016	10,105.25
			10,105.25
001129			
001129	PERMA	POSTAGE FEE 10/2016	49.74
001129	PERMA	EXECUTIVE DIRECTOR FEE 11/2016	24,009.00
			24,058.74
001130			
001130	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 11/2016	3,701.25
			3,701.25
001131			
001131	CITTA, HOLZAPFEL & ZABARSKY PC	LITIGATION MANAGEMENT - 10/2016	13,202.75
001131	CITTA, HOLZAPFEL & ZABARSKY PC	ATTORNEY FEE 10/2016	3,462.16
			16,664.91
001132			
001132	CONSOLIDATED SERVICES GRP, INC	MANAGED CARE SERVICES - 11/2016	23,654.75
			23,654.75
001133			
001133	WILLIAM GAROFALO	TREASURER FEE 11/2016	2,865.00
			2,865.00
001134			
001134	ALLSTATE INFORMATION MANAGEMNT	ACCT: 411 - ACT & STOR 09/30/2016	60.56
			60.56
001135			
001135	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 11/2016	943.07
			943.07

001136
001136

EXECU-TECH, INC.

MONTHLY WEBSITE MAINTENANCE FEE 11/2016

200.00
200.00

Total Payments FY 2016

150,359.32

TOTAL PAYMENTS ALL FUND YEARS \$ 150,359.32

Ocean County Municipal Joint Insurance Fund

Resolution #26-16

A RESOLUTION SUPPORTING S-2663 and A-4234

Whereas: Almost all local units of government and Boards of Education in New Jersey secure insurance through governmental entities known as joint insurance funds (hereinafter JIFs),

Whereas: Existing law limits JIFs to investments otherwise authorized for local governmental entities and Boards of Education,

Whereas: Insurance mechanisms such as JIFs have different cash flow needs than local government and Boards of Education,

Whereas: Existing law greatly limits the potential investment earnings, currently less than 1% on investments of approximately \$1 billion,

Whereas: S-2663 and A-4234 would permit JIFs to invest in debt obligations of any governmental entity established under the laws of the State of New Jersey and federal agencies or governmental corporations,

Whereas: While the range of investments permitted by S-2663 and A-4234 is still very conservative, it would save the taxpayers at least \$10 million per year,

Whereas: S-2663 and A-4234 would also reduce interest expense for local units of government and Boards of Education by creating an additional purchaser of their bonds, and

Whereas: S-2663 and A-4234 would also permit JIFs to join together and create a joint investment and cash management program further increasing investment income.

NOW THEREFORE BE IT RESOLVED by the Ocean County Municipal Joint Insurance Fund (hereinafter FUND) that:

1. The FUND urges the Legislature to adopt S-2663 and A-4234,
2. The FUND urges its members to adopt the attached resolution
3. A copy of this resolution shall be sent to all area legislators as well as the Governor, Commissioner of the Department of Banking and Insurance and the Commissioner of the Department of Community Affairs.
- 4.

OCEAN COUNTY MUNICIPAL JOINT INSURANCE FUND