

**PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
OPEN SESSION MINUTES
MEETING – MAY 19, 2014
984 TUCKERTON ROAD, MARLTON, NJ
EVESHAM TOWNSHIP
2:00 PM**

Meeting of Fund Commissioners called to order by Chair William Cromie. Open Public Meetings notice read into record.

ROLL CALL OF 2014 FUND COMMISSIONERS:

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| William Cromie, Chairman | Township of Evesham | Present |
| Richard Brevogel, Secretary | Township of Willingboro | Present |
| Scott Carew | Township of Moorestown | Absent |
| Jack Layne | Township of Maple Shade | Absent |

ALTERNATE FUND COMMISSIONERS:

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| Rosemary Flaherty | Township of Maple Shade | Present |
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SPECIAL FUND COMMISSIONERS:

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| Joanne Diggs | Township of Willingboro | Absent |
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APPOINTED OFFICIALS PRESENT:

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| Executive Director/Administrator | PERMA Risk Management Services Bradford C. Stokes, Karen A. Read Rachel Chwastek |
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| Treasurer | Thomas Tontarski |
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| Attorney | Kearns, Reale & Kearns, Esquires Skip Reale, Esquire |
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| Claims Service | Qual Lynx Kathy Kissane |
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| Safety Director | J.A. Montgomery Risk Control Glenn Prince |
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| Managed Care Organization | QualCare Aubrie Vanduyne |
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| Underwriting Manager | Conner Strong & Buckelew Joseph Hrubash |
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ALSO PRESENT:

Paul Thomas, Evesham Township Fire District
Jim Miles, Bowman & Company
Dennis Skalkowski, Bowman & Company

APPROVAL OF MINUTES: MARCH 24, 2014 - Open & Closed Minutes.

MOTION TO APPROVE OPEN & CLOSED MINUTES OF MARCH 24, 2014:

Moved: Commissioner Brevogel
Second: Commissioner Flaherty
Vote: Unanimous

CORRESPONDENCE:

NONE

EXECUTIVE DIRECTOR:

EMPLOYMENT PRACTICES LIABILITY 2014/2015 PROGRAM – Executive Director said In order to maintain current deductibles and co-payment provisions, members must update their EPL Programs and submit the checklist to the Fund office. XL Insurance has indicated any checklist submitted to the Fund office by the end of May will meet the deadline. A current listing of the EPL/POL compliance check list is provided within the Due Diligence Reports. (Please note at the time of the distribution of the agenda, additional checklists may have been received but not shown within the report.) Executive Director said one last session of Managers & Supervisors training is being scheduled in Willingboro. A notice will be sent to all members.

If you have not completed your program, please visit the MEL webpage for complete details – www.njmel.org and work with your municipal attorney to complete the Attorney Certification form by the end of May. Executive Director said we have not received the checklist from any of the municipalities at this time so please be sure to return them before the deadline. Executive Director said we will send a copy of the required checklist and information for compliance in the EPL/POL Program.

AUDIT AND ACTUARIAL VALUATION YEAR-END REPORTS – Executive Director said the financial audit for the period ending December 31, 2013 will be ready for review and approval at the June meeting and will be filed with the Department of Insurance and Community Affairs by the June 30th deadline.

Mr. Jim Miles and Dennis Skalkowski from Bowman & Company reviewed the draft of the Report on Audit of Financial Statements as of December 31, 2013. The Committee will review the draft and if the Committee has any questions they can be addressed before the final audit which will be up for adoption at the June meeting. Mr. Miles said he was very pleased to say there were no findings in the Summary Schedule of Prior Year Audit Findings.

ASSESSMENT BILLS: Executive Director said second assessment bills have been mailed out and are due on May 30th. Mr. Tontarski said we have received two of the assessment payments as of this date.

NEW E-JIF EMERGENCY REPORTING POSTERS – Executive Director said enclosed in the agenda is a copy of the new E-JIF Emergency Reporting Poster to be placed in every member municipality. T&M Associates and First Environment will be distributing these posters to the membership. To request posters, JIF members may contact T&M Associates at 732-671-6400.

FINANCIAL DISCLOSURE FORM – Executive Director said enclosed you will find a copy of the statement release from the Department of Community Affairs regarding the filing of the 2014 Financial Disclosure Form. The state is revising its on-line filing procedure again in 2014. The state has asked local public entities to distribute personal identification numbers (PINs) to their officials by May 16th. The deadline for filing the form for public officials is June 13th. Executive Director said we will be emailing the PIN number to all Fund Commissioners, Treasurer and Fund Attorney.

We emailed Commissioners a listing of how the JIF is spelling their name. Please contact the Fund office if it needs to be amended to match other agency spellings. The process is easier if the official's name is spelled the same way each time.

2015 RENEWAL APPLICATINS – ONLINE UNDERWRITING DATABASE – Executive Director said as previously reported, the MEL contracted with Exigis to develop an online underwriting database for members and/or their risk managers to add/amend schedules online thereby eliminating the annual paper Renewal Application process. Currently, the MEL's underwriting data is being uploaded to the online database and will be reviewed for accuracy. Training webinars are being scheduled. Executive Director said he had a chance to see the program and it very impressed. It will be a great tool to keep inventory of vehicles and property. We will be sending information on this on-line program shortly.

SEARCH & SEIZURE PROGRAM – Enclosed please find information and registration form for a program geared towards law enforcement officers to review changing laws with respect to search and seizure. Executive Director also distributed information to members on Train the Trainer Program for Crossing Guards.

DUE DILIGENCE REPORTS: Included in the agenda were the Financial Fast Track, Pure Loss Ratio Report, Claims Analysis by Fund Year, Claims Activity Report, Lost Time Frequency Report, Interest Rate Summary Comparison Report, and Regulatory Compliance Report.

Executive Director said the Financial Fast Track and we have had a significant swing on our statutory surplus for the month of February the surplus was at \$857,658 and in March we are down to \$155,216. This is clearly due to five or six claims we have been talking about since January. Executive Director said he has spoken to Kathy Kissane regarding this and there were a couple big claims from 2013 and one large claim that has really threw our retention for 2014. We will continue to monitor. Kathy Kissane said the good thing is that it wasn't due to any new claims but the same ones. Executive Director reviewed the Expected Loss Ratio Analysis and said the actuary had us targeted at 9.41% and we are at 34.71% which is due to the property claims from the winter.

Executive Director's Report Made Part of Minutes.

ATTORNEY: NONE

TREASURER:

Payment Of April 2014 Vouchers Resolution 14-10

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| Fund Year 2013 | 28.97 |
| Fund Year 2014 | 156,238.08 |
| Total | 156,267.05 |

Payment Of May 2014 Vouchers Resolution 14-11

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|----------------|------------------|
| Fund Year 2013 | 3,000.00 |
| Fund Year 2014 | 42,502.91 |
| Total | 45,502.91 |

MOTION TO APPROVE RESOLUTION 14-10 VOUCHER LIST FOR THE MONTH OF APRIL AND 14-11 FOR THE MONTH OF MAY AS SUBMITTED

Motion: Commissioner Brevogel
Second: Commissioner Flaherty
Vote: 3 Ayes – 0 Nays

Confirmation of Claims Payments/Certification of Claims Transfers for the Month of March 2014:

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|--------------|-------------------|
| 2010 | 27,415.49 |
| 2011 | 21,926.21 |
| 2012 | 28,907.64 |
| 2013 | 73,421.12 |
| 2014 | 24,286.19 |
| TOTAL | 175,956.65 |

Confirmation of Claims Payments/Certification of Claims Transfers for the Month of April 2014:

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|--------------|-------------------|
| 2010 | 2,698.47 |
| 2011 | 24,758.37 |
| 2012 | 7,401.94 |
| 2013 | 28,821.81 |
| 2014 | 261,237.37 |
| TOTAL | 324,917.96 |

Treasurer's Report Made Part of Minutes.

UNDERWRITING MANAGER REPORT: Underwriting Manager's report listed 8 certificates issued for the period 02/21/14 to 04/21/14 included in the agenda for review.

Underwriting Manager said in Appendix II of the agenda is a copy of the MEL Bulletin 14-03 if you recall at one of the prior meetings it was mentioned that all of the MEL Bulletins were posted on the website back in January the only one that was missing was the Property Bulletin and we held out on this because we were ironing out the details on the new policy form and there were still a handful of

items that we were hammering out through negotiations. We now feel confident putting out this Bulletin and anything with a shaded area denotes a change or clarification over the expiring policy. A few key items many of the changes were to address and preserve our flood aggregate which still likes it may be pierced from the Sandy claims. The Sandy Claim is currently reserved at \$75 million of which most is flood. In order to protect our aggregate the MEL authorized the purchase of at \$25 million excess of \$50 million so we now have a total of \$75 million in flood aggregate statewide for our program. The new policy form addresses some of the issues that arose in Sandy in terms of adjusting some ambiguous wording that was interpreted broadly by the insurance carrier. We have new sub limits including a sub limit for vehicles and outdoor property. The policy for will be included in the member manual when all of the other policies are sent out.

Underwriting Manager reviewed the memorandum that was distributed from Kathleen D. Wilkenson the MEL Technical Writer regarding the Crime Policy Revisions. Underwriting Manager said most of the changes to the Crime Policy were cosmetic in nature other changes included moving endorsements into the body of the policy. We are bringing these changes to the Committee's attention because the new revised form will be part of the member manual and we wanted to be sure that the JIF Executive Committee was on notice. Executive Director said no action is needed on this.

SAFETY DIRECTOR:

REPORT: Safety Director reviewed the Safety Director report and said the Fast Track to Safety Program and two Tool Box Talks were included in the Safety Director's Report. Safety Director said the Comprehensive Playground Inspections Programs were initiated last month in Evesham and Willingboro was pleased with the maintenance program in place at this time. In response to Commissioner Carew, Safety Director said this includes all of the playgrounds. Commissioner Brevogel asked if the Right to Know information can be made available online. Safety Director said he will look into how the central files for Right to Know information should be maintained and if online files would be consistent with the regulations. Executive Director said we are working on the Safety Tab on the website and we will see if we can set up a link.

Monthly Activity Report/Agenda Made Part of Minutes.

MANAGED CARE:

REPORT: April report included for information. Report indicated 6 new injury requiring medical management and a savings of 54% for April.

Monthly Activity Report Part of Minutes.

CLAIMS ADMINISTRATOR:

REPORT: Claims Manager's said her report was for closed session to discuss four payment authorization requests.

Report Part of Minutes.

RESOLUTION - EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES: PERSONNEL - SAFETY & PROPERTY OF PUBLIC LITIGATION

Moved: Commissioner Brevogel
Second: Commissioner Flaherty
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Moved: Chairman Brevogel
Second: Commissioner Flaherty
Vote: Unanimous

MOTION TO APPROVE CLAIM PAYMENTS FOR MAY AS DISCUSSED IN EXECUTIVE SESSION AND REAFFIRMING THE APPROVAL OF APRIL CLAIM PAYMENTS:

Moved: Commissioner Brevogel
Second: Commissioner Flaherty
Roll Call Vote: 3 Ayes – 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN MEETING:

Moved: Commissioner Carew
Second: Commissioner Flaherty
Vote: Unanimous

MEETING ADJOURNED: 2:54pm

NEXT REGULAR MEETING: June 23, 2014

Evesham Township 2:00PM

Karen A. Read, Assisting Secretary for
RICHARD BREVOGEL, SECRETARY