

**PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
OPEN SESSION MINUTES
MEETING – OCTOBER 28, 2013
984 TUCKERTON ROAD, MARLTON, NJ
EVESHAM TOWNSHIP
2:00 PM**

Meeting of Fund Commissioners called to order by Chairman Gary LaVenía. Open Public Meetings notice read into record.

ROLL CALL OF 2013 FUND COMMISSIONERS:

Gary LaVenía, Chairman	Township of Maple Shade	Present
Scott Carew, Secretary	Township of Moorestown	Present
William Cromie	Township of Evesham	Present
Richard Brevogel	Township of Willingboro	Present

SPECIAL FUND COMMISSIONERS:

Robert Wells	Township of Maple Shade	Absent
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APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services Bradford C. Stokes, Karen A. Read
Treasurer	Thomas Tontarski
Attorney	Kearns, Reale & Kearns, Esquires William Kearns
Claims Service	Qual Lynx Kathy Kissane
Safety Director	J.A. Montgomery Risk Control Glenn Prince
Managed Care Organization	QualCare Aubrey Vanduyn
Underwriting Manager	Conner Strong & Buckelew Joseph Hrubash

APPROVAL OF MINUTES: SEPTEMBER 23, 2013 - Open & Closed Minutes

MOTION TO APPROVE OPEN & CLOSED MINUTES FOR SEPTEMBER, 2013

Motion: Commissioner Cromie
Second: Commissioner Brevogel
Vote: Unanimous

CORRESPONDENCE:

NONE

EXECUTIVE DIRECTOR:

2014 BUDGET – Executive Director said Enclosed on **Page 11** please find the Proposed 2014 Budget for review and discussion. The draft proposed assessments were distributed and reviewed at the meeting. Executive Director said the 2014 Proposed Budget is \$3,653,177 which represents an increase of 2.78%. On the claims side property has driven the number up and the overall increase is at 2.48%. The MEL property has driven up the premiums as we sit here on the anniversary of Sandy and that coupled with Irene a few years ago but having said that the overall increase is 3.47% on total loss funds.

Executive Director distributed 2014 Assessments which reflects the overall budget increase of 2.78%. We are still in talks with Evesham about renewing in the Fund and we hope to know that in the next few weeks. If Evesham does not renew these numbers will change and we will have to amend the budget.

MOTION TO INTRODUCE THE 2014 BUDGET AND SCHEDULE A PUBLIC HEARING ON MONDAY, NOVEMBER 25, 2013 AT 2:00 PM AT EVESHAM TOWNSHIP

Motion: Commissioner Cromie
Second: Commissioner Brevogel
Vote: 3 Ayes, 0 Nays

MEMBERSHIP RENEWALS – Executive Director said renewal letters were mailed out in late August with a due date of October 15th. We have received Moorestown’s renewal and expect Maple Shade Township. Evesham Township has advised the Fund that they are exploring other options. If Evesham decides to move on then the Evesham Fire District will have to move along with them per the policy and procedures.

APPOINTING APPROVED COUNSEL – Executive Director said the Fund Attorney has requested the appointment of Douglas Heinhold, Esquire to be added to the Approved Counsel list to pursue subrogation claims. Because of pending subrogation, the Executive board was asked to vote on this via email and has approved this request. A motion to adopt resolution 13-21 should be made to formalize the board’s decision.

Attorney Kearns said we have found it to be beneficial to have one firm handle all of the subrogation litigation rather than having it assigned to our defense attorneys. Most defense attorneys would rather not handle this litigation anyway and Douglas Heinhold is interested and we ask for your approval by adopting a resolution to ratify the decision.

MOTION TO ADOPT RESOLUTION #13-21, APPOINTING DOUGLAS HEINHOLD TO THE APPROVED COUNSEL LIST OF THE PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND

Motion: Commissioner Cromie
Second: Commissioner Brevogel
Vote: 3 Ayes, 0 Nays

RCF REPORT – Executive Director the Residual Claims fund met on October 16, 2013 and adopted the 2013 Amended budget and the 2014 budget. Enclosed is a copy of Commissioner Carew’s report is included in the agenda booklet. (Appendix II). Executive Director said the RCF adopted the 2013 amended budget to reflect the transfer of fund year 2009 from the local JIFs. After a public hearing they adopted the 2014 Budget

EJIF - Executive Director said the EJIF met on October 16, 2013 at the Forsgate Country Club and adopted the 2014 budget. Commissioner Carew’s report is included in the agenda. Executive Director said the EJIF adopted their budget which reflected and increase of 2%. The EJIF also approved a dividend in the amount of \$450,000.

MEL - Executive Director the MEL’s 2014 budget was introduced on October 16, 2013 at 11:15 am in the Forsgate Country Club. The public hearing to adopt the 2014 Budget will be held on November 20, 2013 at 5:00 pm in the Atlantic City Convention Center, Room 205. Enclosed is a copy of Commissioner LaVenias report is included in the agenda booklet. Executive Director said the MEL introduced the 2014 budget reflecting an overall increase of 4%. Driving the increase was a 26.5% increase in the excess property premium. The budget is due for adoption at it’s November 20th meeting down at the League. The Model Personnel Committee will be finalizing the updated Employees Practices Compliance Program including the Personnel Manual. All members procedural manual is due for an update.

MEL BULLETIN 13-24 - Executive Director said on **Page 13** is a Bulletin that was distributed from the Underwriting Manager regarding MEL Property Program Renewal Changes. Underwriting Manager said one of the changes is the increase in the premium which is north of 20% that is a direct result of Sandy which is estimated at \$75 million total loss right now which followed losses from Irene which was estimated at \$15 million. Another change being made is changing the policy form which is a good thing. This form is broad form – broader than some competitors are offering, but not as broad as the form we had in place. One major change is “property in the open” which will be excluded for flood quake and wind. Property in the open represents about \$25 million of the \$75 million in loss and is probably the biggest responsible portion of that loss that my cause us to go over our aggregate of \$50 million. We are also in the market looking at higher flood limits. We are hoping to get some quotes above \$50 million. Mr. Hrubash said we do have one specialty JIF - the Housing Authority JIF and we are out in the marketplace looking possibly to separate them from the MEL so they can have their own aggregate since they have their own unique portfolio of property.

ELECTED OFFICIALS TRAINING – Executive Director said this year’s elected officials training program will focus on Implementing Effective Risk Management for Local Officials. There are two sessions scheduled at the League of Municipalities Conference. Other sessions will be conducted later this fall and winter. Maple Shade has requested a session in December. We are working on a date and that information will be distributed. Attorney Kearns said it would be beneficial if we could combine some of the towns and do their Elected Officials training together rather than holding a session in each town.

SAFETY EXPO – Executive Director said for the eighth year, the MEL is working with the New Jersey Utility Authorities Joint Insurance Fund (NJUA) to conduct its Annual Safety Expo which includes MEL member town’s water & sewer employees. A session was held at the Camden County Emergency Services Training Center and very well attended. The next one is on November 8th at the Middlesex County Fire Academy. Executive Director said the first Expo session was a very good learning experience. There are eight different courses and if anyone is interested in sending their employees to the next session on November 8, 2013.

EMPLOYMENT PRACTICES LIABILITY 2013/2014 PROGRAM – Executive Director said every two years, the MEL updates its Employment Practices Compliance Program, including the Model Personnel Manual and training programs. XL Insurance asked the MEL to continue this program noting its value in loss control. A notice on the 2013/2014 program will be distributed to members in the coming few months. In addition to the annual training provided to Elected Officials, the 2013/2014 EPL cycle will also include training for Managers/Supervisors and Police Chief Command personnel. The compliance deadline is normally May 1st and we will distribute the information on the updates shortly.

EJIF ENVIRONMENTAL ENGINEER – As a follow-up to the EJIF September report reviewed at our last meeting, the EJIF board appointed two firms, T&M Associates and First Environmental, to serve as Environmental Engineer and service members by geographic location. The PMM Fund will be serviced by T&M Associates; contact information is:

Mr. Christopher Gulics, T&M Associates
11 Tindall Road
Middletown, NJ 07748
(732) 671-6400 Work (908) 347-7531 Mobile
cgulics@tandmassociates.com

We have enclosed another copy of the bulletins issued by the E-JIF concerning the underground piping associated with some Above Ground Storage Tanks and the discontinuation of coverage for unregulated tanks that exceed the 20 year age limit by January 1, 2014. (**Appendix III**)

Executive Director said the deadline for the testing of underground piping associated with Above Ground Storage Tanks was July 15, 2013 and we have had a fairly slow response on this and it is a requirement which still needs to be completed. EJIF is offering a \$400 credit once the test has been completed. We will send a reminder to the towns that still need to complete the testing. Executive Director said a memo on the discontinuation of coverage on the Underground Storage Tanks that are unregulated and over 20 years old was included in the agenda. It is imperative that these tanks are removed since coverage on these tanks will drop on January 1, 2014.

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 reviewed the Financial Fast Track report at the statutory surplus stands at \$547,000 as of August 31, 2013. Executive Director reported on the Loss Ratio report and our actuary's targeted number for September was 36.50% and the Fund stands at 47.6% which is a little off from the actuary's projection. Executive Director said the Lost Time Accident Frequency at of September 30, 2013 is at 2.95, which is well above the State average. Executive Director said the few claims that we have where employees are continuing to be out of work are effecting this rate.

Executive Director's Report Made Part of Minutes.

ATTORNEY: Attorney Kearns said the United States Court of Appeals Circuit has just ruled that the City of Houston and the District of Columbia government are not authorized to trade mark their seals. Attorney Kearns is checking in with some people that do intellectual property law to see if you can copyright it to get some protection their. Attorney Kearns will let the Fund know when he receives a determination on this matter.

TREASURER:

Payment Of October 2013 Vouchers Resolution 13-20

Fund Year 2013	\$34,286.60
Total	\$34,286.60

Confirmation of Claims Payments/Certification of Claims Transfers for the Month of December 2012:

Closed Years	0.00
2009	2,222.98
2010	6,096.02
2011	14,020.92
2012	3,909.37
2013	45,469.96
TOTAL	71,719.25

MOTION TO APPROVE RESOLUTION 13-20 VOUCHER LIST FOR THE MONTH OF OCTOBER AS SUBMITTED AND APPROVE CERTIFICATION OF CLAIM/CONFIRMATION OF CLAIM PAYMENTS FOR SEPTEMBER 2013

Motion: Commissioner Carew
Second: Commissioner Cromie
Roll Call Vote: 4 Ayes – 0 Nays

Treasurer's Report Made Part of Minutes.

UNDERWRITING MANAGER REPORT: Underwriting Manager said Certificates issued for the period 9/21/13 to 10/18/13 was included in the agenda for review.

SAFETY DIRECTOR:

REPORT: Safety Director said a loss control visit was conducted at the Willingboro Police Department on October 4, 2013 and that report is forthcoming. In addition to that we met with the Maple Shade Police department on October 15, 2013 to discuss the SIP and compliance. We were able to assist them with some checklists and a variety of formats that will be beneficial to them in the future.

Monthly Activity Report/Agenda Made Part of Minutes.

MANAGED CARE:

REPORT: Report indicated 10 new injury requiring medical management and a savings of 54% for September.

Ms. Vanduyne referred to reports that were reported in the agenda which included Intake Reporting by Injury, Top 10 Providers, Charges by Specialty, Top 10 Claims.

Monthly Activity Report Part of Minutes.

CLAIMS ADMINISTRATOR:

REPORT: Claims Manager said in light of adding the subrogation attorney Qual-Lynx wanted to advise the members of what we prefer to do with the subrogation policy and make sure everyone is agreement with their policy. Typically Qual-Lynx has discretion up to a certain dollar amount to determine or not whether it needs to be brought before the Fund to waive subrogation. Ms. Kissane discussed this with Brad Stokes and Mr. Kearns and what they proposed is that Qual-Lynx has the discretion up to \$2,500. For amounts up to \$2,500 to \$10,000 they would be sent to Attorney Kearns with a copy to Brad Stokes with Qual-Lynx recommendations. Anything beyond \$10,000 would be brought before the JIF Executive Committee since we have contractual authority up to \$10,000 anything over that amount would be brought before the Committee.

Attorney Kearns would recommend approval of that policy with Qual Lynx in that claims under \$2500 going after subrogation there is nothing you would really collect back on than so it makes not sense to pursue it.

MOTION TO APPROVE THE RECOMMENDATION FROM QUAL LYNX ON SUBROGATION POLICY

Motion: Commissioner Cromie
Second: Commissioner Brevogel
Roll Call Vote: 4 Ayes – 0 Nays

Report Part of Minutes.

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

Moved: Commissioner Carew
Second: Commissioner Brevogel
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Moved: Commissioner Brevogel
Second: Commissioner Cromie
Vote: Unanimous

MOTION TO APPROVE AVERHART CLAIM PAYMENT AS DISCUSSED IN EXECUTIVE SESSION:

Moved: Commissioner Cromie
Second: Commissioner Brevogel
Roll Call Vote: 4 Ayes – 0 Nays

MOTION TO APPROVE GUILIANO CLAIM PAYMENT AS DISCUSSED IN EXECUTIVE SESSION:

Moved: Commissioner Carew
Second: Commissioner Brevogel
Roll Call Vote: 3 Ayes – 1 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN MEETING:

Moved:	Commissioner Brevogel
Second:	Commissioner Carew
Vote:	Unanimous

MEETING ADJOURNED: 3:01 pm

NEXT REGULAR MEETING: November 25, 2013

Evesham Township 2:00PM

Karen A. Read, Assisting Secretary for
WILLIAM CROMIE, SECRETARY