

**PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
OPEN SESSION MINUTES
MEETING – JANUARY 23, 2012
THE SENSATIONAL HOST
MAPLE SHADE TOWNSHIP
12:00 PM**

Meeting of Fund Commissioners called to order by Acting Chair Thomas Czerniecki. Open Public Meetings notice read into record.

ROLL CALL OF 2011 FUND COMMISSIONERS:

Thomas Merchel, Chairman	Township of Moorestown	Absent
Thomas Czerniecki, Secretary	Township of Evesham	Present
Gary LaVenja	Township of Maple Shade	Present
Joanne Diggs	Township of Willingboro	Present

SPECIAL FUND COMMISSIONERS:

None appointed Township of Evesham

FUND COMMISSIONER ALTERNATES:

Tom Shanahan	Township of Evesham	Absent
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APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services David N. Grubb, Bradford C. Stokes Nancy A. Ghani, Joeen Ciannella
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Treasurer	Thomas Tontarski
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Attorney	Kearns, Reale & Kearns, Esquires William Kearns, Esquire
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Claims Service	Scibal Associates Alice Lihou, Tracey Loreaux Donna Crossen, Kathie Tyler-Schohl
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Safety Director	J.A. Montgomery Risk Control Barry Sloane, Nan Sidders
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Managed Care Organization	QualCare Aubrie Vanduyne, Ellen Shannon
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Underwriting Manager	Conner Strong & Buckelew Joseph Hrubash
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ALSO PRESENT:

Scott Carew, 2012 Moorestown Fund Commissioner
Richard Brevogel, 2012 Willingboro Fund Commissioner
Betsy Ramos, Capehart & Scatchard
Eric Fingerman, Freeman, Barton, Huber & Sacks
Joe Zakhary, Capehart & Scatchard

William Cromie, Evesham Twp
John C. Gillespie, Parker McCay
Allen Zeller, Zeller & Wieliczko
Matt Wieliczko, Zeller & Wieliczko
Joseph Harvey
Prudence Higbee, Capehart Scatchard

PRESENTATION: Mr. David Grubb conducted a brief presentation on the MEL website, www.njmel.org, which is being updated to include information as stipulated by recent regulations.

Executive Director called the order of the 26th reorganization meeting of the Professional Municipal Management Joint Insurance Fund

APPROVAL OF MINUTES: NOVEMBER 28, 2011 - Open & Closed Minutes.

MOTION TO APPROVE OPEN & CLOSED MINUTES OF NOVEMBER 28, 2011:

Moved:	Commissioner Diggs
Second:	Commissioner LaVenia
Vote:	Unanimous

CORRESPONDENCE:

NONE

MOTION TO ADJOURN SINE DIE MEETING:

Moved:	Commissioner LaVenia
Second:	Commissioner Diggs
Vote:	Unanimous

EXECUTIVE DIRECTOR ASKED TO RUN ELECTIONS OF OFFICERS.

ELECTION OF 2012 CHAIRPERSON AND SECRETARY:

MOTION TO NOMINATE GARY LAVENIA, TOWNSHIP OF MAPLE SHADE, AS CHAIR:

Moved:	Commissioner Czerniecki
Second:	Commissioner Carew

Hearing no other nominations,

MOTION TO CLOSE NOMINATIONS FOR CHAIR AND AUTHORIZE SECRETARY TO CAST UNANIMOUS BALLOT FOR GARY LAVENIA AS 2012 CHAIR:

Moved:	Commissioner Czerniecki
Second:	Commissioner Carew
Vote:	Unanimous

MOTION TO NOMINATE SCOTT CAREW, TOWNSHIP OF MOORESTOWN, FOR SECRETARY:

Moved:	Commissioner LaVenia
Second:	Commissioner Czerniecki
Vote:	Unanimous

Hearing no other nominations,

MOTION TO CLOSE NOMINATIONS FOR SECRETARY AND AUTHORIZE SECRETARY TO CAST UNANIMOUS BALLOT FOR SCOTT CAREW AS 2012 SECRETARY:

Moved: Commissioner LaVenia
Second: Commissioner Czerniecki
Vote Unanimous

ATTORNEY ADMINISTERED OATH OF OFFICE TO OFFICERS AND FUND COMMISSIONERS.

AGENDA TOPIC: REORGANIZATION

In June 2011, the board authorized the advertisement of RFQ's in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq. for fund years 2012, 2013 and 2014. Responses were received and reviewed in July 2011. Enclosed in the agenda with the reorganization resolutions was Resolution 1-12 reflecting the responses and establishing compensation for Fund Year 2012

Resolution 1-12 Appointing Professional Staff

1. PERMA as Administrator for the Professional Municipal Management Joint Insurance Fund for calendar year 2012 in the amount of \$98,881.48 as set forth specifically in the Agreement.
2. The law firm of Kearns, Reale & Kearns, with William John Kearns, Jr., Esquire, an Attorney at Law of the State of New Jersey and a Partner in the firm, as the designated attorney, as the Attorney (Solicitor) for the Professional Municipal Management Joint Insurance Fund for calendar year 2012 in the amount of \$17,988.54 for general legal services and the sum of \$15,322.71 for litigation management, plus expenses, as set forth specifically in the Agreement.
3. Thomas Tontarski as Treasurer for the Professional Municipal Management Joint Insurance Fund for calendar year 2012 in the amount of \$15,548.98 as set forth specifically in the Agreement.
4. The Actuarial Advantage, with Dennis R. Henry, FCAS, as its designated representative, as Actuary for the Professional Municipal Management Joint Insurance Fund for calendar year 2012 at a rate not to exceed \$34,206.44 without the specific approval of the Commissioners, as set forth specifically in the Agreement.
5. J.A. Montgomery Risk Control, with Joanne Hall as its designated representative, as Safety Director for the Professional Municipal Management Joint Insurance Fund for calendar year 2012 with a basic fee in the amount of \$15,722 as Safety Director and reimbursement of expenses for postage not to exceed \$500.00 as set forth specifically in the Agreement.
6. Bowman & Company with James Miles as its designated representative, as Auditor for the Professional Municipal Management Joint Insurance Fund for calendar year 2012 on the basis of an hourly fee schedule attached to the

Agreement, but not to exceed \$20,132.37 without the specific approval of the Commissioners, as set forth specifically in the Agreement.

7. TD Bank as Asset Manager for the Professional Municipal Management Joint Insurance Fund for a Contract term to be one year with a “30 –day cancellation clause” and shall be .08% of the market value of the FUND’s invested assets.
8. Scibal Associates as Claims Service Company for the Professional Municipal Management Joint Insurance Fund for calendar year 2012 in accordance with the fee schedule set forth in the Agreement in the amount of \$120,578.28 plus the actual cost of a performance bond as set forth specifically in the Agreement.
9. Conner Strong & Buckelew as Underwriting Manager for the Professional Municipal Management Joint Insurance Fund for calendar year 2012 in the amount of \$5,202 as set forth specifically in the Agreement.
10. QualCare as Workers’ Compensation Managed Care Organization for calendar year 2012 in the amount of \$79,566.07 as set forth specifically in the Agreement.
11. Murphy, Russo & McFadden as Internal Auditor for calendar year 2012 in the amount of \$3,739.20 as set forth specifically in the Agreement.

ORGANIZATION RESOLUTIONS

Resolution 2-12 Adopting Procedures in Compliance with the Open Public Meetings Act

The Professional Municipal Management Joint Insurance Fund hereby designates the Fourth Monday (unless otherwise noted) of each Month, in the Municipal Buildings of the member municipalities set forth for each date, specifically

February 27, 2012	Willingboro Township	2:00 PM
March 26, 2012	Willingboro Township	2:00 PM
April 23, 2012	Willingboro Township	2:00 PM
May 21, 2012	Willingboro Township	2:00 PM
June 25, 2012	Willingboro Township	2:00 PM
July 23, 2012	Willingboro Township	2:00 PM
September 24, 2012	Willingboro Township	2:00 PM
October 22, 2012	Willingboro Township	2:00 PM
November 26, 2012	Willingboro Township	2:00 PM
January 28, 2013	The Sensational Host	12:00PM

as the dates and places of its regular meetings and the meeting of January 28,2013, shall serve as the 2013 Reorganization Meeting; unless otherwise modified by Resolution all meetings shall begin at 2:00 PM

The following newspapers are hereby designated as the official newspapers for transmittal of all notices of the Professional Municipal Management Joint Insurance Fund required pursuant to the Open Public Meetings Act:

Burlington County Times
Maple Shade Progress

Resolution 3-12 Adopting Fiscal Policies and Procedures

DESIGNATION OF INTEREST RATES FOR DELINQUENT ASSESSMENT:

Interest Rate is 10%.

DESIGNATION OF BANK DEPOSITORIES: TD Bank, TD Bank Asset Management, the New Jersey Cash Management Plan, Wells Fargo Bank, Wells Fargo Unitized Trust (upon approval of appropriate authorities) and any bank authorized to do business in the State of New Jersey within the guidelines of GUDPA (Governmental Unit Depository Protection Act).

DESIGNATION OF AUTHORIZED SIGNATORIES: Any two of the following – Chairperson Gary LaVenja, Secretary Scott Carew and Treasurer Thomas Tontarski.

DESIGNATION OF SERVICE OF PROCESS: Bradford C. Stokes, PERMA Risk Management Services and/or the Account Manager so designated by the Executive Director.

DESIGNATION OF CUSTODIAN OF RECORDS: The Executive Director of the Professional Municipal Management Joint Insurance Fund is hereby designated as the custodian of the records which shall be maintained at the office of the Administrator located at 250 Pehle Avenue-Suite 701 Saddle Brook NJ 07663.

Resolution 4-12 Appointing Defense Panel Attorneys

Executive Committee of the Professional Municipal Management Joint Insurance Fund, assembled in a public session on January 23, 2012, that the following law firms and attorneys are hereby designated as approved defense attorneys for the Professional Municipal Management Joint Insurance Fund:

Workers Compensation Claims:

John Geaney - Capehart Scatchard

Michael Huber & William Freeman – Freeman, Barton, Huber & Sacks

General Liability Claims:

Betsy Ramos - Capehart Scatchard

John Gillespie – Parker McCay

Allen Zeller – Zeller & Wieliczko LLP

Michael Armstrong – Michael Armstrong & Associates

Resolution 5-12 Designation the Executive Director as the Public Agency Officer

The Commissioners of the Professional Municipal Management Joint Insurance Fund, assembled in public session on January 23, 2012, that the Executive Director shall be the Public Agency Compliance Officer for purposes of the Affirmative Action regulations issued by the New Jersey Department of the Treasury, and that communications to him may be addressed to

Bradford C. Stokes

PERMA Risk Management Services

250 Pehle Avenue-Suite 701

Saddle Brook NJ 07663

Resolution 6-12 Establishing the 2012 Plan of Risk Management

Fund Underwriter reviewed the 2012 Risk Management Plan and confirmed coverage noting that there were two changes in excess carriers, which were highlighted in the plan.

MOTION TO APPROVE RESOLUTIONS 1-12 thru 6-12:

Moved: Commissioner Czerniecki
Second: Commissioner Carew
Roll Call Vote: 4 Ayes – 0 Nays

Organizational Resolutions Made Part of Minutes.

EXECUTIVE DIRECTOR: Mr. Grubb said that Brad Stokes would be taking over as Executive Director for the fund as was discussed over the past few months. Mr. Stokes thanked the board the appointment and said is looking forward to working with the group.

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.

CASH & INVESTMENT PLAN: The JIFs, HIFs and MEL issued a Request for Proposals for Banking Services and Asset Manager during 2011. Responses included an option to form a “unitized trust”. The Investment Committee is seeking quotes to secure a legal opinion on the permissibility of a Unitized Trust – which is expected to result in an increase in earnings.

As part of renewal resolutions, the fund office has recommended entering into a one-year contract with TD Bank, with a 30 day cancellation clause, so that we may consider the Unitized Trust, if deemed permissible. Enclosed in the agenda was TD Bank’s pricing proposal and Compensating Balance Requirements – effective January 1, 2012.

RESIDUAL CLAIMS FUND 2012 REORGANIZATION MEETING: The Residual Claims Fund’s 2012 Reorganization meeting was held on January 4, 2012 at 10:30 a.m. at the Forsgate Country Club. Enclosed in the agenda was a copy of Commissioner Carew’s report on the meeting.

E-JIF 2012 REORGANIZATION MEETING: The E-JIF 2012 Reorganization meeting was held on January 4, 2012 at 10:50 am in the Forsgate Country Club. Enclosed in the agenda was a copy of Commissioner Carew’s report on the meeting.

MEL 2012 REORGANIZATION MEETING: The MEL 2012 Reorganization meeting was held on January 4, 2012 at 11:15 am in the Forsgate Country Club. Enclosed in the agenda was a copy of Commissioner LaVenja’s report on the meeting.

EMPLOYMENT PRACTICES LIABILITY (EPL) PROGRAM: 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. Enclosed in the agenda was a copy of the correspondence mailed to members in November. Please visit the webpage www.njmel.org for model documents.

2012 ASSESSMENTS: The 2012 Assessments were mailed via certified mail to all member towns on/about December 14th. First Installment payments were due to the Treasurer, Tom Tontarski, by January 15, 2012.

SPECIAL FUND COMMISSIONER: With the Fund's membership at four, the bylaws require the appointment of a Special Fund Commissioner in an effort to avoid trying votes in Fund elections. For 2012, Moorestown has the privilege of this appointment.

RECORDS RETENTION & DISPOSITION SCHEDULE: The fund office has recently determined that liability claims can not be destroyed sooner than 20 years after expiration of coverage year. All future requests to destroy liability claim records will follow this schedule.

HURRICANE IRENE (CAT 59) POSSIBLE ADDITIONAL REIMBURSEMENTS FROM FEMA: FEMA has informed us that if a JIF Member has submitted a claim to FEMA, then they may also be eligible to receive up to 100% of the insurance proceeds received for mitigation(preventing the conditions that caused the loss in the first place). So, if a member has a claim where the JIF pays them \$50,000.00, they may also be eligible to receive an additional \$50,000 from FEMA for work that will help prevent that same cause of loss in the future.

For example, a member had about \$120,000 in damages from Hurricane Irene. To help prevent a similar loss in the future, the member installed French drains around the building designed to help usher the water away from the building instead of it getting into the basement. This additional preventive work cost approximately \$40,000-\$50,000. If reported to FEMA, the member may be eligible to receive a reimbursement for the cost of this work from FEMA.

Therefore, it is important that if you have submitted a project worksheet to FEMA for Hurricane Irene, that you include the cost of any work done to prevent a similar loss in the future. For example, beams you may have constructed, retaining walls, French drains, etc.

FINANCIAL DISCLOSURE STATEMENTS: PERMA will be mailing Financial Disclosure forms for each Fund Commissioner. We would encourage all Fund Commissioners to complete these forms and provide two copies with original signatures to the Fund office on or before April 1, 2012. In accordance with State regulations, the Fund must file these disclosures with the Department of Community Affairs.

2011 CLAIMS REPORT: Executive Director said that a report summarizing the 2011 claims will be provided for the board's review.

Executive Director's Report Made Part of Minutes.

ATTORNEY: Fund Attorney thanked the board for reappointment. Fund Attorney reviewed a recent decision, *Polzo v. Essex County*, which dealt with whether Essex County was responsible for the death of a bicyclist who lost control of her bicycle while riding over a depression in the shoulder of an Essex County road. Fund Attorney said the decision was a good victory for local governments.

TREASURER: Fund Treasurer thanked the board for reappointment.

Confirming Payment Of December 2011 Vouchers

Fund Year 2010	1,250.00
Fund Year 2011	36,385.93
Total	37,635.93

Payment Of January 2012 Vouchers Resolution 7-12

Fund Year 2010	1,250.00
Fund Year 2011	198,207.70
Fund Year 2012	239,364.51
Total	438,822.21

Confirmation Of Claims Payments/Certification Of Claims Transfers for the Month of November 2011:

Closed Years	0.00
2007	0.00
2008	73,099.58
2009	28,200.05
2010	19,022.67
2011	162,018.04
TOTAL	282,340.34

Confirmation Of Claims Payments/Certification Of Claims Transfers for the Month of December 2011:

Closed Years	0.00
2007	0.00
2008	116,058.87
2009	164,281.03
2010	35,186.51
2011	144,592.22
TOTAL	460,118.63

MOTION TO CONFIRM DECEMBER 2011 PAYMENTS, APPROVE RESOLUTIONS 7-12 VOUCHER LIST FOR THE MONTH OF JANUARY AS SUBMITTED AND MOTION TO APPROVE CERTIFICATION OF CLAIMS/CONFIRMATION OF CLAIM PAYMENTS FOR THE MONTHS OF NOVEMBER 2011 AND DECEMBER 2011 AS PRESENTED:

Motion: Commissioner Carew
Second: Commissioner Czerniecki
Vote: Unanimous

Treasurer's Report Made Part of Minutes.

UNDERWRITING MANAGER: Underwriting Managed thanked the board for reappointment.

REPORT: Certificates issued for the period 10/20/11 to 11/16/11 and 11/17/11 to 12/19/11 included in the agenda for review.

SAFETY DIRECTOR: Safety Director thanked board for reappointment.

REPORT: November and December Activities Report were included in the agenda. Safety Director said three members had qualified for the 2011 Safety Incentive Program and distributed awards to Willingboro, Maple Shade and Evesham.

Monthly Activity Report/Agenda Made Part of Minutes.

MANAGED CARE: Managed Care Provider thanked board for reappointment.

REPORT: December report included for information. Report indicated 1 new injury requiring medical management and a savings of 55.4% for December and an overall savings of 59.5% for the year.

Monthly Activity Report Part of Minutes.

CLAIMS ADMINISTRATOR: Claims Administrator thanked the board for reappointment and said their report was for Closed Session.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

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

Moved: Commissioner Czerniecki
Second: Commissioner Carew
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Moved: Chairman LaVenia
Second: Commissioner Carew
Vote: Unanimous

**MOTION TO APPROVE CLAIM PAYMENTS AS DISCUSSED IN EXECUTIVE
SESSION:**

Moved: Commissioner Carew
Second: Commissioner Czerniecki
Roll Call Vote: 4 Ayes – 0 Nays

MOTION TO ADJOURN MEETING:

Moved: Commissioner Carew
Second: Commissioner Czerniecki
Vote: Unanimous

MEETING ADJOURNED: 1:30pm

NEXT REGULAR MEETING: February 27, 2012

Willingboro Township 2:00PM

Nancy A. Ghani, Assisting Secretary for
SCOTT CAREW, SECRETARY