



AGENDA PACKET



Monday, November 21, 2016 at 3:00 PM

**Atlantic County Library
40 Farragut Ave, Mays Landing, NJ**

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ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

**Atlantic County Library
40 Farragut Ave
Mays Landing, NJ
November 21, 2016 – 3:00 PM**

AGENDA

- I. Meeting called to order by Chairman
- II. Flag Salute
- III. Statement of Compliance with Open Public Meetings Act
 - A. Notice of this meeting was given by:
 - 1. Sending sufficient notice herewith to:
 - a. *The Press of Atlantic City*
 - b. *Courier Post*, Cherry Hill, New Jersey; and
 - 2. Filing advance written notice of this meeting with the Clerks/Administrators of all member municipalities; and
 - 3. Posting notice on the public bulletin boards of all member municipalities.
- IV. Roll Call
 - A. Fund Commissioners
 - B. Fund Professionals
 - C. Risk Management Consultants
 - D. Move up Alternates (if necessary)
- V. Approval of Minutes.....Pages 1-18
 - A. Adoption of the **October 26, 2016** minutes – **Motion – All in Favor**
 - B. Approval of the **October 26, 2016** Closed Session minutes – **Motion – All in Favor**

The Closed Session Minutes shall not be released to the public until the reason(s) for their remaining closed is no longer applicable and the Fund Solicitor has an opportunity to review them.
- VI. Closed Session – Resolution 2016- _____ Authorizing a Closed Session of the Atlantic County Municipal Joint Insurance Fund to discuss matters affecting the protection of safety and property of the public and to discuss pending or anticipated litigation and/or contract negotiations – **Motion -Roll Call**
 - A. Claims Review Committee Report – Closed Session Items
 - B. Professionals’ Reports
 - 1. Claims Administrator’s Report
 - 2. Executive Director’s Report
 - 3. Safety Director’s Report
 - 4. Solicitor’s Report
- VII. Reopen Public Portion of Meeting – **Motion – All in Favor**
- VIII. Claims Review Committee Report – Open Session Items
- IX. Authorization of Claims Payments – **Motion - Roll Call**
- X. Authorization to Abandon Subrogation (if necessary) – **Motion - Roll Call**
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- A. Fund Status
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- C. Payment Register – **Motion - Roll Call**
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- F. Reconciliation
- G. Summary Report by Check Amount

XX. Miscellaneous Business

- A. Motion to Authorize the Executive Director's Office to bind EPL/POL Coverage with QBE Insurance for the 2017 Fund Year – **Motion – All in Favor**
- B. Motion to Authorize the Executive Director's Office to bind Volunteers Directors & Officers Coverage with QBE Insurance for the 2017 Fund Year – **Motion – All in Favor**
- C. Motion to Authorize the Executive Director's Office to bind Cyber Liability Coverage with XL Insurance for the 2017 Fund Year – **Motion – All in Favor**
- D. Resolution amending Resolution 2016-09 "Adopting Fiscal Policies and Procedures" – **Motion – Roll Call**.....Page 176

<p style="text-align: center;">The Next Meeting will be held on Wednesday, December 21, 2016 at 3:00 PM, Atlantic County Library, 40 Farragut Ave, Mays Landing, NJ</p>
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XXI. Public Comment

- A. Motion to Open Meeting to Public Comment – **Motion - All in Favor**
- B. Motion to Close Meeting to Public Comment – **Motion – All in Favor**

XXII. Motion to Adjourn Meeting – **All in Favor**



THE FLANDERS HOTEL
716 East 11th Street
Ocean City, New Jersey

October 26, 2016–3:00PM

OPEN SESSION MINUTES

The regular meeting of the Atlantic County Municipal Joint Insurance Fund (ACM JIF) was held on October 26, 2016, at The Flanders Hotel, 716 East 11th St, Ocean City, New Jersey at 3PM, prevailing time. *Chair Smuz, Upper Township*, presiding. The meeting was called to order at 3:00 PM.

STATEMENT OF COMPLIANCE WITH OPEN PUBLIC MEETING ACT

Notice of this meeting was given by: (1) sending sufficient notice herewith to *The Press of Atlantic City* and the *Courier Post*, Cherry Hill, New Jersey; (2) filing advance written notice of this meeting with the Clerks/Administrators of all member municipalities of the Atlantic County Municipal Joint Insurance Fund; and (3) posting notice on the public bulletin boards of all member municipalities of the Atlantic County Municipal Joint Insurance Fund.

ROLL CALL

Those in attendance were:

Jessica Thompson, *Alt.*, **Absecon City**
Karen Blowers, **Brigantine City**
Joseph Santagata, **Buena Borough**
Neil Young, **Cape May City**
Heather Sparks, **Commercial Twp**
Rose Turner, **Corbin City**
Karen Seifrit, **Deerfield Twp**
Glenn Clarke, **Dennis Twp**
Bob Campbell, **Downe Twp**
Peter Miller, **Egg Harbor Twp**
Linda Kent, **Estell Manor City**
Cheryl Prakash, *Alt.*, **Galloway Twp**
Ingrid Perez, **HamiltonTwp**
Ed Beck, **Linwood City**
Rich Hirsch, **Longport Borough**
Julie Picard, **Lower Twp**
Lisa McLaughlin, **Margate City**
Connie Mahon, **Middle Twp**
Susan Robostello, **Millville City**
Dawn Stollenwerk, **Mullica Twp**
Scott Jett, **North Wildwood City**
Liz Woods, **Ocean City**
Stephen Wilkins, **Pleasantville City**

Kellie Seib, **Sea Isle City**
Lucy Samuelson, **Somers Point City** (*arrived 3:20*)
Teri Smuz, **Upper Twp**
Roy Spoltore, **Upper Deerfield Twp**
Susan Danson, *Alt.*, **Waterford Twp**
Chris Ridings, **West Wildwood City**
Dorothy Jo Ayres, **Weymouth Twp**
Patricia Feketics, **Wildwood Crest Borough**
Lisa Garrison, **Woodbine Borough**

Absent were:

Scott Wahl, **Avalon Borough**
Stephen O'Connor, **Cape May Point**
Patricia Gatto, **Folsom Borough**
Rachel Zaccaria, **Newfield Borough**
Jim Dickinson, **Northfield City**
Jim Craft, **Stone Harbor Borough**
James Goos, **Ventnor City**
Lauren Vitelli, **West Cape May Borough**
Chris Wood, **Wildwood City**

Also present were:

Paul J. Miola, Executive Director, *AJG Risk Management Services, Inc.*
Paul Forlenza, Deputy Executive Director, *AJG Risk Management Services, Inc.*
Chris Roselli, Claims Administrator, *Qual-Lynx*
Karen Beatty, Managed Care Provider, *Qual-Care*
Tracy Forlenza, Recording Secretary
Joanne Hall, Safety, *J.A. Montgomery Risk Control*
David DeWeese, Esquire, Fund Solicitor, *The DeWeese Law Firm, P.C.*
John Hansen, Treasurer
Valerie Smith, Wellness Director

Also present were the Risk Management Consultants from the following agencies:

C. J. Adams Company
J. Byrne Agency, Inc.
Fairview Insurance Agency
Gerber Insurance
Glenn Insurance
Thomas Heist Insurance Agency
Insurance Agencies, Inc.
Marsh & McLennan Agency
McMahon Agency, Inc.
William R. Mints Agency
Siracusa-Kauffman Insurance

Absent RMCs were:

AJM Insurance

Alamo Insurance
Atlantic Associates
BCA Insurance
Hardenberg Insurance

These minutes do not necessarily reflect the order in which some items were discussed.

MOVE UP ALTERNATES

In absence of Ms. Samuelsen, Somers Point, alternate Ms. Picard, Lower Twp., was moved to the Executive Board for voting purposes and Ms. Robostello will be Acting Secretary.

APPROVAL OF MINUTES – OPEN SESSION

Chair Smuz entertained a motion to approve the meeting minutes of the September 21, 2016 Executive Committee Meeting as presented.

Motion by Ms. Perez, seconded by Ms. Mahon, to approve the meeting minutes of the September 21, 2016 Executive Committee Meeting as presented. All in favor. Motion carried.

APPROVAL OF MINUTES – CLOSED SESSION

Confidential Closed Session Meeting Minutes were distributed to the Executive Committee Members.

Chair Smuz entertained a motion to adopt the Closed Session Meeting Minutes of the September 21, 2016 Meeting of the Fund as presented.

Motion by Mr. Hirsch, seconded by Ms. Mahon, to approve the Closed Session minutes of the September 21, 2016 Executive Committee Meeting as presented. All in favor. Motion carried.

The Closed Session meeting minutes of the September 21, 2016 meeting shall not be released to the public until the reason(s) for their remaining closed is no longer applicable and the Fund Solicitor has had the opportunity to review them.

Confidential Closed Session Meeting Minutes were collected.

CLOSED SESSION - RESOLUTION #2016-39

Be it moved by the Atlantic County Municipal Joint Insurance Fund that the public be excluded from this portion of the meeting to permit the Executive Committee to consider in closed session matters affecting the safety and property of the public and to discuss pending or anticipated litigation and/or contract negotiations and that the minutes covering these matters and the results of closed session will be released to the public when the reasons for discussing and acting on them in closed session no longer exists as required by the Open Public Meeting Act.

Chair Smuz entertained a motion to adopt *Closed Session Resolution 2016-39* as presented.

Motion by Ms. Perez, seconded by Ms. Mahon to adopt *Resolution 2016-39*.

ROLL CALL

Yeas:

Joe Santagata, **Buena Borough**
Ingrid Perez, **Hamilton Township**
Rich Hirsch, **Longport Borough**
Julie Picard, **Lower Township**
Connie Mahon, **Middle Township**
Susan Robostello, *Acting Sec*, **Millville City**
Teri Smuz, *Chair*, **Upper Township**

Nays:

None

Abstained:

None

All in favor. Motion carried by unanimous vote.

REOPEN PUBLIC PORTION OF THE MEETING

Chair Smuz entertained a motion to reopen the public portion of the meeting.

Motion by Ms. Mahon, seconded by Ms. Perez, to reopen the public portion of the meeting. All in favor.
Motion carried.

CLAIMS REVIEW COMMITTEE REPORT – OPEN SESSION ITEMS

Ms. Perez reported on the Claims Review Committee meeting minutes of October 13, 2016. She noted they are a handout to the membership and are self-explanatory.

She highlighted the following items:

September PARs

The Committee reviewed twenty-seven (27) claims at the October 13, 2016 meeting. Of the claims reviewed, eighteen (18) Workers' Compensation (8 Police, 2 Streets, 2 Fire, and 6 Other); six (6) General Liability; and three (3) Property PARs were approved for settlement or continuing defense.

The next meeting is November 10, 2016 at the Hamilton Township Municipal Building, Mays Landing.

Ms. Perez asked if there were any questions. No questions were entertained.

AUTHORIZATION OF CLAIMS PAYMENTS

Chair Smuz presented the claims for payment as discussed in *Closed Session*.

Chair Smuz asked if there were any questions at this time. No questions were entertained.

Chair Smuz entertained a motion to approve the claims for payment as discussed in *Closed Session*.

Motion by Ms. Mahon, seconded by Mr. Hirsch approve the claims for payment as discussed in Closed Session. They are as follows:

September 2016 PARs:

<i>Workers ' Compensation</i>	<i>General Liability</i>	<i>Property</i>
Z43966	X26668	Z44625
Z05390	X45657	Z44372
Z21364	X72441	Z45440
X91331	X74580	
Z36349	X94142	
X91384	Z12714	
Z03411		
Z44725		
Z42470		
Z41057		
X86679		
Z40238		
Z41505		
Z43047		
Z40100		
Z24308		
Z40532 (01-02)		
X92426 (01-02)		

ROLL CALL***Yeas:***

Joe Santagata, **Buena Borough**
 Ingrid Perez, **Hamilton Township**
 Rich Hirsch, **Longport Borough**
 Julie Picard, **Lower Township**
 Connie Mahon, **Middle Township**
 Susan Robostello, *Acting Sec*, **Millville City**
 Teri Smuz, *Chair*, **Upper Township**

Nays:

None

Abstain:

All in favor. Motion carried by unanimous vote.

ABANDON SUBROGATION

Chair Smuz entertained a motion for authorization to abandon subrogation attempts as discussed in *Closed Session*.

Motion by Ms. Robostello, seconded by Mr. Hirsch to abandon subrogation attempts as discussed in Closed Session. There was one (1) claim(s) for Abandonment of Subrogation.

<i>Qual-Lynx File #</i>
X92426 (01-02)

ROLL CALL

Yeas:

Joe Santagata, **Buena Borough**
Ingrid Perez, **Hamilton Township**
Rich Hirsch, **Longport Borough**
Julie Picard, **Lower Township**
Connie Mahon, **Middle Township**
Susan Robostello, *Acting Sec*, **Millville City**
Teri Smuz, *Chair*, **Upper Township**

Nays:

None

Abstain:

None

All in favor. Motion carried by unanimous vote.

CLAIMS ADMINISTRATOR'S REPORT

Lessons Learned from Losses – October

Mr. Roselli reported on the *Lessons Learned from Losses* which is included in the agenda packet. He noted that this month's lesson was about managing your own risk. He noted that risk management is a tool to help control cost, balance your budget, and keep your employees and others safe. Being your own risk manager is important. He noted to remember S.A.R.A. when aiming to provide a safer work environment which stands for **S**can, **A**nalyze, **R**esponse and **A**ssess.

Mr. Roselli asked if there were any questions. No questions were entertained.

The remainder of the Claims Administrator's report was provided in Closed Session.

MANAGED HEALTH CARE REPORT

Ms. Beatty reviewed the Managed Care Report for September 2016.

Lost Time v. Medical Only Cases

Ms. Beatty presented the ACM JIF Lost Time v. Medical Only Cases (Intake Report).

	<i>September</i>	<i>YTD</i>
<i>Lost Time</i>	2	37
<i>Medical Only</i>	48	426
<i>Report Only</i>	21	291
<i>Total Intakes(New Claims)</i>	71	754
<i>Report Only % of Total</i>	29.6%	38.6%
<i>Medical Only/Lost Time Ratio</i>	96:04	92:08
<i>Average Days to Report</i>	1.9	2.1

Transitional Duty Report

Ms. Beatty presented the *Transitional Duty Report*.

<i>Transitional Duty Summary Report</i>	<i>YTD</i>
<i>Transitional Duty Days Available</i>	8,385
<i>Transitional Duty Days Worked</i>	6,528
<i>% of Transitional Duty Days Worked</i>	77.9%
<i>Transitional Duty Days Not Accommodated</i>	1,857
<i>% of Transitional Duty Days Not Accommodated</i>	22.1%

PPO Penetration Report:

Ms. Beatty presented the self-explanatory *PPO Penetration Rate Report*.

<i>PPO Penetration Rate</i>	<i>Sept</i>	<i>YTD</i>
<i>Bill Count</i>	433	4,755
<i>Original Provider Charges</i>	\$399,230	\$6,735,616
<i>Re-priced Bill Amount</i>	\$148,951	\$2,167,090
<i>Savings</i>	\$250,279	\$4,625,770
<i>% of Savings</i>	62.7%	68.7%
<i>Participating Provider Penetration Rate- Bill count</i>	95.6%	96.1%
<i>Participating Provider Penetration Rate-Provider Charges</i>	94.9%	98.2%
<i>EPO Penetration Rate – Bill Count</i>	95.2%	92.5%
<i>EPO Penetration Rate –Provider Charges</i>	91.6%	94.3%

<i>Nurse Case Management</i>	<i>Sept</i>
<i>Monthly Total</i>	270

Ms. Beatty asked if there were any questions at this time. No questions were entertained.

SOLICITOR'S REPORT

Mr. DeWeese presented the following reports:

Closed Claims

Mr. DeWeese noted that there were three (3) case(s) closed in October. He noted that a synopsis can be found in the agenda packet and provided the following brief synopsis of each:

<i>Closed Case</i>	<i>Description</i>
<i>Braxton v. City of Brigantine</i>	Constitutional Rights. Defense Counsel, Thomas B. Reynolds, Esquire was assigned and filed a Dispositive Motion for Summary Judgment. Order granted on September 14, 2016. No payment made.
<i>Hilbert v. Borough of Wildwood Crest</i>	Trip and Fall. Defense Counsel, Erin R. Thompson, Esquire was assigned and filed a Stipulation of Dismissal with Prejudice after the Plaintiff failed to attend a scheduled IME. No payment made.
<i>Powell v. City of Pleasantville</i>	Trip and Fall. Defense Counsel, Robert Merenich, Esquire was assigned. He found the sidewalk was replaced recently and convinced the Plaintiff's attorney to execute a Stipulation of Dismissal which was filed on September 14, 2016. No payment made.

Mr. DeWeese asked if there were any questions. No questions were entertained.

General Liability File Status Report

Mr. DeWeese reported that he reviewed his full General Liability report with the Claims Review Committee noting there are 88 active files. He reminded any member if they would like their individual report of these claims to please contact his office.

Subrogation File Summary Report

Mr. DeWeese noted that there are 66 files totaling \$2.2 million of judgments actively being monitored for the JIF.

2016 Annual Defense Panel Report

Mr. DeWeese noted that his annual Defense Panel Report was distributed to the Claims Review Committee. He reported that (28) files were closed in the first (9) months of 2016 and of those (22) cases (79%) were closed with the Fund paying no money to the Plaintiff. He also stated that the savings using the Bona Fide Offer is consistent with the other years noting that the Fund saved \$6,548.06 in the first half of 2016.

Mr. DeWeese reported that (39) new General Liability cases have been filed which is consistent with prior years.

Mr. DeWeese stated that he is reviewing the Litigation Management Guidelines and will complete his review before the year's end for consideration of adoption in 2017.

Mr. DeWeese also stated that he is recommending an increase in the defense panel rates for 2017. He noted that the fee increase was done in response to a survey of rates in other Funds across the state. He commented that Mr. Forlenza contacted the Actuary to ensure that this will not impact the JIF's loss funding budget for 2017.

Mr. DeWeese asked if there were any questions. No questions were entertained.

COMMITTEE REPORTS

Safety Committee - September 15, 2016

Ms. Picard reported that the Committee met on September 15, 2016. She highlighted the 2017 training schedule is being prepared. She also stated that the Safety Kickoff Breakfast will be on April 6, 2017 at Merighi's.

EPL/POL Claims Review Committee - September 21, 2016

Mr. Jett reported that the Committee met on September 21, 2016. He noted that they discussed the (6) year loss ratio of 78.9% and noted that 3 claims are accounting for \$8 million of the total incurred losses. He also reported that they discussed the delay with Summit Risk's slow response regarding coverage review of new claims. Mr. Jett reported that the increase for this coverage for 2017 is 7% and the Finance Committee will discuss the allocation of this increase further.

EPL Checklists - Mr. Jett reminded the members of the October 1, 2016 deadline for submitting their EPL checklists to PERMA. Mr. Miola noted that he will circulate an email to the non-compliant members.

Elected officials training - Mr. Jett stated that there are (4) four upcoming sessions of elected official training beginning in December at Merighi's, Nicolosi's and the session at the League of Municipalities on November 16th at 3:45pm for a \$250 credit per elected official that attends.

Cyber - Mr. Jett reported that Rutgers is working with the MEL and using findings from the Pivot Point surveys to develop better technology risk associated policies and procedures.

Media Pro - Mr. Jett stated that Media Pro will be considered to provide some online cyber training sessions for municipal employees.

Mr. Jett asked there were any questions at this time. Ms. Smuz inquired if the elected officials take the online training do they still receive the \$250 credit. Mr. Miola responded that the credit would apply; however, encouraged the in person training. No other questions were entertained.

NOMINATING COMMITTEE - October 13, 2016

Mr. Hirsch reported that the Committee held a conference call on October 13, 2016. He stated that they selected a Committee Chair, reviewed last year's minutes and reviewed the nominating charter. Some members felt that the makeup of Nominating Committee should be reviewed. Mr. Hirsch noted that the Nominating Committee Charter will be reviewed at the next Strategic Planning Committee on November 3, 2016. He stated that the Committee nominated an Executive Committee Chair, Secretary, 5 Executive Committee members and 7 alternates.

Mr. Hirsch stated that the 2017 Nomination Slate is on page 74 of the agenda packet and page 75 is a petition for nomination. He commented that it outlines the process of how to fill out the petition noting that it is due December 2, 2016.

Mr. Miller inquired why there were only six alternates listed. Mr. Forlenza stated that there was a seventh alternate, but they decided against being an alternate. He further stated that the Fund Bylaws state that there can be "up to" seven alternates.

FINANCE COMMITTEE-October 12, 2016

Budget -Ms. Stollenwerk reported that the Committee met and will finalize the numbers in early November for introduction of the 2017 Budget at the November Executive Committee meeting. She stated that the JIF budget reduction is approximately 5%. She noted the loss funding will decrease by 6.52% (about \$900,000) and the expenses have increased 1.4% which is from the fund professionals increases of 2%. She stated the MEL/Excess Premium increases are approximately 10% and the overall budget is decreasing approximately \$177,000 on a \$23 million budget.

Ms. Stollenwerk noted that no members qualify for the Retrospective Program for 2017. She stated that the assessment allocation will range from 20% reduction in loss funding to 2% increase for poor performing members who had loss ratios over 100%. She commented that about 37 members will receive loss funding reductions.

MEL - Ms. Stollenwerk reported that the MEL is experience rating the ACM JIF at 10% for 2017; an increase from 7.5% over last year. She stated that the ACM JIF MEL loss ratio is over 100% and the higher premium will be allocated across the poorer performing members.

Non-Compliant Members - Ms. Stollenwerk noted that there are currently six members who are not in compliance with the MEL EPL/POL Risk Management program which are: Dennis Twp, Stone Harbor, Waterford, West Wildwood, Wildwood and Woodbine. She urged these members to adopt those policies and turn in the necessary paperwork. She reminded them if they did not become compliant, they could have a higher deductible, higher co-insurance and a 20% surcharge. She also stated that going forward if the members submit the checklist prior to October 1, 2017, the surcharge will be removed for 2018.

Ms. Stollenwerk asked there were any questions at this time. No questions were entertained.

Ms. Stollenwerk reported that the MEL instituted a Retrospective Program for poor performance. She explained that the Fund will be billed 85% of the workers compensation and liability loss funding; however, are responsible for up to 125% of this loss funding. She stated that the 2017 Budget includes the full potential 125% obligation and the balance will be placed in a separate account until, and if, needed and will remain there for 10 years until released as surplus. She informed the members that the resolution to create the account to hold the balance of the MEL Retrospective funds is presented for consideration this evening.

Resolution 2016-40 Creation of a MEL Retro Account

Chair Smuz entertained a motion approving *Resolution 2016-40 Authorizing the creation of the MEL Retrospective Account* as presented.

Chair Smuz asked if there were any questions at this time. No questions were entertained.

Motion by Ms. Perez, seconded by Mr. Hirsch to approve Resolution 2016-40 Authorizing the creation of the MEL Retrospective Account.

ROLL CALL

Yeas:

Joe Santagata, **Buena Borough**
Ingrid Perez, **Hamilton Township**
Rich Hirsch, **Longport Borough**
Julie Picard, **Lower Township**
Connie Mahon, **Middle Township**
Susan Robostello, *Acting Sec*, **Millville City**

	Teri Smuz, <i>Chair, Upper Township</i>
<i>Nays:</i>	None
<i>Abstained:</i>	None

Motion carried by unanimous vote.

Resolution 2016-41 Authorizing a Contract with Investor's and Creation of an Account with M&T Bank

Ms. Stollenwerk stated that the Finance Committee recommends this Resolution authorizing the transition of banking and asset management services from TD Bank. She noted that the contract is for Investor's to provide banking services and Wilmington Trust for asset management services which will increase interest earnings significantly.

Chair Smuz entertained a motion approving *Resolution 2016-41 Authorizing a Contract with Investor's and Creation of an Account with M&T Bank* as presented.

Chair Smuz asked if there were any questions at this time. No questions were entertained.

Motion by Ms. Perez, seconded by Mr. Hirsch to approve Resolution 2016-41 *Authorizing a Contract with Investor's and Creation of an Account with M&T Bank*.

ROLL CALL	<i>Yeas:</i>	Joe Santagata, Buena Borough Ingrid Perez, Hamilton Township Rich Hirsch, Longport Borough Julie Picard, Lower Township Connie Mahon, Middle Township Susan Robostello, <i>Acting Sec</i> , Millville City Teri Smuz, <i>Chair</i> , Upper Township
	<i>Nays:</i>	None
	<i>Abstained:</i>	None

Motion carried by unanimous vote.

Ms. Stollenwerk asked if there were any questions. No questions were entertained.

WELLNESS DIRECTOR S REPORT

Ms. Valerie Smith noted that her report can be found in the agenda packet.

She provided ideas to members that they can use to help improve their health. Her report details the members having different upcoming activities and ideas. She discussed the upcoming health fairs some ideas for the use of the wellness money. She encouraged the members to reach out to her if they need ideas for spending their funds.

Ms. Smith noted that the October newsletter was sent via email and is on the website. She stated that October is National Liver Awareness month so she included information regarding liver disease. After listening to the Safety Director speaking about slips and falls at the workplace, Ms. Smith also included some information on preventing workplace falls.

Ms. Smith asked if there were any questions. No questions were entertained.

EXECUTIVE DIRECTOR S REPORT

Mr. Miola reviewed the Executive Director's Report found in the agenda packet with the membership. He highlighted the following items from his report:

Certificates of Insurance – Mr. Miola commented that these are in the agenda packet and asked that they be made part of the minutes of today's meeting.

2015 Safety Incentive Program – Mr. Miola noted that the report is in the agenda for the members review. He stated that the deadline to claim or encumber these funds is December 31, 2016. All encumbered funds have to be claimed by February 1, 2017.

2016 Optional Safety Budget – Mr. Miola noted that the report is in the agenda for the members review. He stated that the deadline to claim or encumber these funds is December 31, 2016. All encumbered funds have to be claimed by February 1, 2017.

2016 Wellness Incentive Program – Mr. Miola noted that the report is in the agenda for the members review. He stated that the deadline to claim or encumber these funds is December 31, 2016. All encumbered funds have to be claimed by February 1, 2017.

Employment Practices Liability Coverage – Mr. Miola reported that this spreadsheet can be found in the agenda packet and he asked that all members review.

EPL Allowance – Mr. Miola stated that the allowances can be found in the agenda packet. He reminded the members that they can use these funds to help offset the cost to update their policies or for training. These funds must be used by December 31, 2016.

EPL Authorized Contact List – Mr. Miola asked members to review this listing for the EPL Helpline.

Financial Fast Track – Mr. Miola reported that the JIF's surplus is about \$30 million as of August 31, 2016.

Regulatory Filing Checklists – Mr. Miola stated that the Fund is up to date with regulatory filings.

Monthly Activity Calendar – Mr. Miola commented that this is in the agenda packet and asked members to review.

Skateboard Park Approval Status – Mr. Miola reminded members that if they are building a new skate park or updating one, please contact the JIF for appropriate guidance to ensure coverage.

Capehart & Scatchard Updates – Mr. Miola asked members to review these updates as they deal with ADA and FMLA issues. He noted that there was an interesting article involving employees on light duty.

Statutory Bond Status – Mr. Miola reminded members that these bonds are only issued in the individual's name and not the position so please review for accuracy.

Elected Officials Seminars- Mr. Miola reported that Mr. Jett reported on the seminar dates and locations.

Quarterly Attendance –Mr. Miola asked the members to review the attendance sheet for accuracy.

New Member Activity- Mr. Miola noted that two (2) former members expressed interest in rejoining the JIF.

Mr. Miola asked if there were any questions at this time. No questions were entertained.

MEL/RCF REPORTS

MEL

Mr. Hirsch noted that the MEL report will be given verbally.

MEL 2017 Budget– Mr. Hirsch stated that the MEL introduced the preliminary budget for 2017 with the rate table reflecting an overall increase of .6%. He reported that actual budget hearing will be November 16th, 2016 at 5pm at the League of Municipalities in Atlantic City.

Legislative- Mr. Hirsch reported that there were two bills introduced S2663 and A4234 in support of permitting JIFs to join together and create a joint investment and cash management program further increasing investment income.

30th Anniversary of the MEL– Mr. Hirsch reported that on November 16th, 2016 at 6pm during the League of Municipalities Conference in Atlantic City the MEL will sponsor a reception.

RCF

2017 Budget - Mr. Hirsch noted that a budget hearing was held and no public comment was entertained. He noted the next meeting is January 4, 2017.

Mr. Hirsch asked if there were any questions at this time. No other questions were entertained.

SAFETY DIRECTOR'S REPORT

Ms. Hall stated that the Safety Director's Report can be found in the agenda. She highlighted the following items:

Safety Bulletin – Ms. Hall commented that two bulletin were released in September. The bulletins were on Office Safety and the other was on National Preparedness Month.

MSI Training– Ms. Hall asked members to review the listing on page 130 of the trainings.

2017 Course Requests – Ms. Hall noted that the 2017 calendar will be online in late November.

DPW Roundtable on October 27– Ms. Hall informed the members that DPW Roundtable (Importance of safety in everyday activities) was postponed until December 6, 2016 held in Egg Harbor Township Community Center.

Ms. Hall asked if there were any questions at this time. No other questions were entertained.

TREASURER'S REPORT

September Report

Mr. Hansen presented the Treasurer's Report for the period ending **September 30, 2016**. The report was made part of the agenda packet for members' review. Mr. Hansen presented the following information:

Investment Interest

Interest Income:		
Interest Received from Account Balances	\$2,714.49	
Investment Management Fee Charged	<1,764.98>	
Net Interest Received		\$949.51
Coupon Payment		\$35,000.00
Change in Realized Gain or Loss		\$9,340.00
Misc. rounding		<.01>
Net Gain in Interest		\$45,289.50

Interest Accrual:	
Beginning Interest Accrual	\$81,480.51
Change in Accrued Interest	\$6,229.16
Ending Interest Accrual	\$75,251.35

Investment Balance:	
Beginning of Month	\$38,508,695.00
End of Month	\$38,518,035.00
Investment called	0
Investment Purchased	0
Overall Yield	Positive .88%

Portfolio	
Less than one year (maturing in 2016)	1
1-2 Years (maturing in 2017)	5
2+ Years (maturing in 2018)	3

Receipt Activity for the Period:

	September	YTD
Subrogation Receipts	\$8,407.21	\$303,405.59
Interest	\$45,289.50	
Recovery	\$1,701.04	\$21,269.16
2016 Assessments	\$11,551	

Claim Activity for the Period

Claim activity for the month for claims paid by the Fund and claims payable by the Fund at month end are in the amount of \$821,774.59. A total of 584 checks were issued.

The claims detail is as follows:

	Sept
Direct Loss Payments	\$690,959.73
Claim Expenses	\$24,078.31
Legal Defense Costs	\$106,736.55
1 Voided Checks	<\$1,282.21>

Cash Activity for the Period-August

During the reporting month, the Fund's "Cash Position" changed from an opening balance of \$53,598,289.77 to a closing balance of \$52,565,726.13 showing a decrease in the Fund of \$1,032,563.64.

A.E.L.C.F. PARTICIPANT YEAR-END BALANCES

Member	9/30/16 audited– interest posted
Hamilton Township	\$30,046.38
Hammonton Town	\$55,740.83
Middle Township	\$50,070.00
Mullica Township	\$25,622.00
Pleasantville City	\$31,935.20
Upper Deerfield Township	\$19,619.55
Waterford Township	\$25,845.04

Upper Township	\$21,295.68
Stone Harbor	\$8,694.70
Total	\$268,869.68

AELCF/2015 & 2014 Dividends/Retro Program

Mr. Hansen noted that a report detailing the AELCF, 2015 & 2014 Dividends and the Retrospective Program is attached within his report.

Payment Register

Chair Smuz entertained a motion to approve the ***September 2016 Payment Register*** (Claims Activity) as presented.

Chair Smuz asked if there were any questions at this time. No questions were entertained.

Motion by Ms. Perez, seconded by Ms. Mahon to approve the ***September 2016 Payment Register*** (Claims Activity) as submitted by Mr. Hansen.

ROLL CALL

Yeas:

Joe Santagata, **Buena Borough**
Ingrid Perez, **Hamilton Township**
Rich Hirsch, **Longport Borough**
Julie Picard, **Lower Township**
Connie Mahon, **Middle Township**
Susan Robostello, *Acting Sec*, **Millville City**
Teri Smuz, *Chair*, **Upper Township**

Nays:

None

Abstained:

None

Motion carried by unanimous vote.

Bill List –October

For the Executive Committee's consideration, Mr. Hansen presented the ***October 2016 Bill List*** in the amount of **\$1,572,883.98**.

Chair Smuz asked if there were any questions at this time. No questions were entertained.

Chair Smuz entertained a motion to approve the ***October 2016 Bill List*** as presented.

Motion by Ms. Robostello, seconded by Mr. Hirsch, to approve the ***October 2016 Bill List***.

ROLL CALL

Yeas:

Joe Santagata, **Buena Borough**
Ingrid Perez, **Hamilton Township**
Rich Hirsch, **Longport Borough**
Julie Picard, **Lower Township**
Connie Mahon, **Middle Township**
Susan Robostello, *Acting Sec*, **Millville City**
Teri Smuz, *Chair*, **Upper Township**

Nays:

None

Abstained: None

Motion carried by unanimous vote.

MISCELLANEOUS BUSINESS

Resolution 2016-42 Release of Middle Township's share of AELCF

Chair Smuz noted that a resolution from Middle Township is found in the agenda packet. Chair Smuz entertained a motion approving *Resolution 2016-42 Authorizing the release of funds (\$26,428.28) from Middle Township's share of the Aggregate Excess Loss Contingency Fund* as presented.

Chair Smuz asked if there were any questions at this time. No questions were entertained.

Motion by Mr. Hirsch, seconded by Ms. Perez to approve *Resolution 2016-42 Authorizing the release of funds (\$26,428.28) from Middle Township's share of the Aggregate Excess Loss Contingency Fund*.

ROLL CALL

Yeas:

Joe Santagata, **Buena Borough**
Ingrid Perez, **Hamilton Township**
Rich Hirsch, **Longport Borough**
Julie Picard, **Lower Township**
Susan Robostello, *Acting Sec*, **Millville City**
Teri Smuz, *Chair*, **Upper Township**

Nays:

None

Abstained:

Connie Mahon, **Middle Township**

Motion carried by majority vote.

Resolution 2016-43 Support for Senate Bill 2663 and Assembly Bill 4234

Chair Smuz entertained a motion approving *Resolution 2016-43 Supporting Senate Bill 2663 and Assembly Bill 4234* as presented.

Chair Smuz asked if there were any questions at this time. No questions were entertained.

Motion by Mr. Hirsch, seconded by Ms. Mahon to approve *Resolution 2016-43 Supporting Senate Bill 2663 and Assembly Bill 4234*.

ROLL CALL

Yeas:

Joe Santagata, **Buena Borough**
Ingrid Perez, **Hamilton Township**
Rich Hirsch, **Longport Borough**
Julie Picard, **Lower Township**
Connie Mahon, **Middle Township**
Susan Robostello, *Acting Sec*, **Millville City**
Teri Smuz, *Chair*, **Upper Township**

Nays:

None

Abstained:

None

Motion carried by unanimous vote.

Next Meeting

Chair Smuz reminded the members that the next regular meeting will be held on **Monday, November 21, 2016 at 3:00 PM** at Atlantic County Library, 40 Farragut Ave, Mays Landing, NJ.

PUBLIC COMMENT

Chair Smuz entertained a motion to open the meeting to the public for comment.

Motion by Ms. Robostello, seconded by Mr. Hirsch, to open the meeting to the public. All in favor. Motion carried.

Chair Smuz entertained a motion to close the meeting to the public for comment.

Motion by Mr. Hirsch, seconded by Ms. Perez, to close the meeting to the public. All in favor. Motion carried.

MOTION TO ADJOURN

Motion by Ms. Mahon, seconded by Ms. Perez, to adjourn the October 26, 2016 meeting of the ACM JIF. Motion carried.

The meeting was adjourned at 3:56 PM.

Tracy Forlenza, *Recording Secretary* for

Susan Robostello, *Acting Secretary*

WORKERS' COMPENSATION 101

- The New Jersey Workers' Compensation Act provisions benefits to workers who are injured or contract a disease while in the course and scope of their employment regardless of their own negligence or that of a co-employee.
- Qual-Lynx adjusters work to confirm that there is an employment relationship, that the accident arose out of and in the course of employment and that there is a causal relationship of an injury or medical condition to an incident or exposure at the work place.
- Worker injuries account for over 75% of all of our claims
- Studies show that most injuries are preventable and can have a lifelong impact on the employee's work and home life.
- What we do after an employee is injured has a significant impact on the outcome.



WHAT CAN YOU DO?

- ü Report the claim as soon as possible to Qual-Lynx at 888-342-3839
- ü Maintain contact with the injured employee periodically which can help prevent them from getting an attorney.
- ü Investigate the accident promptly to help determine the root cause of the actions leading to the injury and secure any evidence or pictures. Any surveillance cameras or witnesses? Is there a 3rd party at fault (such as a faulty piece of equipment) that we can subrogate against to get money back for the JIF?
- ü Develop a Transitional Duty Policy which helps to reduce claim costs and raise employee morale.
- ü Make sure Supervisors Incident Report is completed and forwarded to Qual-Lynx

THINGS TO KEEP IN MIND

- Chainsaw Safety – njmel.org > safety > toolbox talks > Fall season > Chainsaw-General safety awareness
- Wood Chipper Safety – njmel.org > safety > toolbox talks > Fall season > Wood Chipper

NEXT MONTH

THE WONDERFUL WORLD OF SUBROGATION!!

- q Employee claims to have hurt themselves while stepping down from a work truck. Supervisor's investigation of the area and photos taken led to questions about the claim and its compensability. This led to surveillance which called the injuries claimed into question. This is likely leading to a Section 20 settlement of the matter and greatly reduced claim costs
- q Employee claims to have fallen walking into the building carrying several cups of coffee. No one saw it happen, but several heard it happen. Those that heard the claimant fall did not think about it at the time, but when completing the supervisor's incident report thought it was odd that no coffee spilled and the claimant did not appear to have just fallen. The incident seemed a little odd which led to further investigation which ultimately led to a denial of the claim.

**Atlantic County Municipal JIF
Managed Care Summary Report
2016**

Intake	October-16	October-15	2016 YTD	2015 YTD
# of New Claims Reported	59	62	813	817
# of Report Only	10	22	301	293
% Report Only	16.9%	35.5%	37.0%	35.9%
# of Medical Only	39	29	465	462
# of Lost Time	10	11	47	62
Medical Only to Lost Time Ratio	80:20	72:28	91:09	88:12
Average # of Days to Report a Claim	2.6	2.8	2.1	2.0

Nurse Case Management	October-16	October-15
# of Cases Assigned to Case Management	84	55
# of Cases >90 days	64	32

Savings	October-16	October-15	2016 YTD	2015 YTD
Bill Count	312	561	5067	5444
Provider Charges	\$351,225	\$828,496	\$7,086,841	\$6,113,857
Repriced Amount	\$121,722	\$283,552	\$2,288,813	\$2,141,911
Savings \$	\$230,590	\$544,996	\$4,856,360	\$3,941,769
% of Savings	65.7%	65.8%	68.5%	64.5%

Participating Provider Penetration Rate	October-16	October-15	2016 YTD	2015 YTD
Bill Count	96.5%	96.3%	96.1%	94.3%
Provider Charges	97.5%	97.1%	98.2%	96.1%

EPO Penetration Rate	October-16	October-15	2016 YTD	2015 YTD
Bill Count	91.7%	89.1%	92.5%	83.0%
Provider Charges	96.2%	87.6%	94.3%	85.3%

Transitional Duty Summary		2016 YTD	2015 YTD
% of Transitional Duty Days Worked		77.5%	72.8%
% of Transitional Duty Days Not Accommodated		22.5%	27.2%

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

NOVEMBER 2016 CLOSED CASES

1) **Biel v. City of Margate**-This matter involved the Plaintiff's allegations in a Superior Court of New Jersey, Atlantic County Complaint that on January 11, 2012 the Defendant, Gail Biel, was walking on Andover Avenue at or near the property known as 7405 Atlantic Avenue, in the City of Margate, when she was caused to trip and fall as a result of a deteriorated section of the roadway. A prior incident had occurred at the same location in December of 2011. The Plaintiff alleged that as a result of the incident, she has sustained a fracture of her right ankle. The Plaintiff further alleged that City of Margate was negligent in allowing the dangerous condition of the roadway to exist. The case was assigned to Thomas Smith, Esquire on January 22, 2014. Defense Counsel subsequently filed a Motion for Summary Judgment which was denied on February 20, 2015, and Defense Counsel's Motion for Leave to File an Interlocutory Appeal from the Order denying Defendant's Motion for Summary Judgment was also denied. The matter proceeded to an Arbitration Hearing on May 18, 2016, and the Arbitrators found the City 100% liable for the occurrence of the accident, and awarded the Plaintiff the sum of \$39,423.02. Defense Counsel filed an additional Motion for Summary Judgment which was denied on August 5, 2016. A Trial was scheduled for October 31, 2016; however, Defense Counsel was ultimately able to negotiate the settlement of this matter for a payment to the Plaintiff in the amount of \$20,000.00.

2) **Blitzstein v. City of Wildwood**-This matter involved the Plaintiff's allegations in a Superior Court of New Jersey, Atlantic County Complaint that on August 18, 2013 the Plaintiff, Beverly Blitzstein, was a passenger on Wildwood Tramcar No. 7 traveling northbound on the Boardwalk at East Schellenger Avenue, in the City of Wildwood, when the tramcar collided with a Wildwood Police Department Cart which was parked, unoccupied, partially on the tramcar path. The Plaintiff alleged that as a result of the accident, she sustained a herniated disc in her lower back. The case was assigned to James R. Birchmeier, Esquire on April 1, 2015 and he filed a Motion to Change Venue from Atlantic County to Cape May County was granted on May 29, 2015. The Tramcar is operated by a separate entity. A Defense IME and numerous Depositions were conducted. The matter proceeded to an Arbitration Hearing on June 16, 2016 and the Arbitrators placed 95% responsibility on the Co-Defendants and 5% on the City of Wildwood/City of Wildwood Police Department. The Arbitrators determined the full value of the Plaintiff's damages to be \$81,200.00. The basis for the liability assessment against the City was based on the allegation that the Wildwood Police Department Boardwalk golf cart was parked in the tramcar path with the door left open. A Settlement Conference was scheduled for September 14, 2016; however, Defense Counsel was able to negotiate the settlement of this matter on behalf of the City for payment to the Plaintiff in the amount of \$7,000.00.

3) Ertel v. Township of Egg Harbor-This matter involved the Plaintiff's allegations in a Superior Court of New Jersey, Middlesex County Complaint that on February 7, 2013, the Plaintiff, Frederick F. Ertel's motor vehicle was struck in the rear while he was stopped at a red traffic signal northbound on Tilton Road, at or near its intersection with Delilah Road, in the Township of Egg Harbor. It was alleged that an Egg Harbor Township Board of Education school bus being operated by the Defendant, Betty J. Swan, who was also traveling northbound on Tilton Road, failed to observe the vehicles in front of her which were stopped at the red traffic signal and the school bus violently struck the rear of a vehicle being driven by Defendant, Paula M. McGrath, whose vehicle was propelled into the rear of a vehicle being driven by Defendant, Michael McTiernan, whose vehicle was then propelled into the rear of the Plaintiff, Frederick F. Ertel's vehicle. The Plaintiff alleged that as a result of the accident, he has suffered serious and permanent injuries. The case was assigned to Thomas Smith, Esquire on July 7, 2015, and he provided notice to the Plaintiff's attorney in accordance with R. 1:4-8 to dismiss the frivolous Complaint against the Township of Egg Harbor based upon non-jurisdiction considering the Township does not own or maintain the Egg Harbor Township Board of Education school bus involved in the collision. In addition, Defense Counsel filed a Motion to Change Venue from Middlesex County to Atlantic County which was granted on August 21, 2015. Defense Counsel subsequently filed a Motion for Summary Judgment which was ultimately granted with prejudice on October 4, 2016.

4) Keenoy-Farrell v. Township of Middle-This matter involved the Plaintiff's allegations in a Superior Court of New Jersey, Cape May County Complaint that on August 16, 2014, the Plaintiff, Kerry Keenoy-Farrell, and her husband had booked a room at the Hyland Motor Inn located at 38 East Mechanic Street, in the Township of Middle, and that at the time of their arrival, the Hyland Motor Inn Management refused to accept their reservation because they were accompanied by their dog. The Hyland Motor Inn's business website indicated that the establishment was dog friendly. An alleged verbal argument ensued between the Plaintiff, her husband, and the Motor Inn's management, and the Plaintiff alleged that she and her husband subsequently left the premises and proceeded to drive back to their residence in New York. The Plaintiff further alleged that following the incident, the Hyland Motor Inn Manager contacted the Middle Township Police Department claiming that the Plaintiff's husband had smacked her in the face. The Plaintiff alleged that Police Officer Conte subsequently charged the Plaintiff with the 4th degree crime of Obstruction of the Administration of Law, N.J.S.A. 2C:29-1(a), and that the Plaintiff's Husband was charged with Aggravated Assault. The Plaintiff alleged that Police Officer Conte maliciously prosecuted the Plaintiff by virtue of presenting false evidence and facts to the Cape May County Prosecutor's Office. As a result of the incident, the Plaintiff claimed to have suffered violations of her constitutional rights, severe mental anguish, and significant financial loss. It was determined that Officer Conte (who is no longer employed by Middle Township) did not file the Criminal Complaint against the Plaintiff. The Cape May County Prosecutor's Office filed a direct indictment against the Plaintiff. The case was assigned to Robert Merenich, Esquire on March 23, 2016 and he was ultimately able to negotiate the settlement of this matter for a payment to the Plaintiff in the amount of \$2,000.00. A Stipulation of Dismissal with Prejudice was filed on September 26, 2016.

5) Blakely v. City of Pleasantville-This matter involved the Third-Party Plaintiff's allegations in a Superior Court of New Jersey, Atlantic County Third-Party Complaint that on January 18, 2013, the Plaintiff, Alonzo Blakely, slipped and fell as a result of an icy sidewalk in front of Johnny D's Pizzeria, in the City of Pleasantville. The Third-Party Plaintiff, Johnny D's Restaurant, alleged that the City of Pleasantville was negligent by allowing a dangerous condition to exist, and as a result, they alleged that the City was liable for the injuries sustained by the Plaintiff, Alonzo Blakely. The case was assigned to L. Patricia Sampoli, Esquire on May 18, 2015. The matter was ultimately resolved without any contribution from the City of Pleasantville. The entire settlement amount of \$33,000.00 was paid by the insurance carrier for Johnny D's. A Stipulation of Dismissal as to the insured was filed on October 11, 2016.

6) Rutkowski & PSC Home Restoration, Inc. v. City of Millville-This matter involved the Plaintiff's allegations in a Superior Court of New Jersey, Gloucester County Complaint that on January 26, 2011, the property which was owned by the Plaintiff at 131 North 3rd Street, in the City of Millville, was damaged by fire and a claim was presented and settled with the Plaintiff's Insurance Company. The Plaintiff further alleged that on July 31, 2012, the Plaintiff received notification from the City of Millville that the premises had been determined to be a nuisance and should be demolished at the earliest date. The Plaintiff's property was demolished on June 3, 2013. The Plaintiff claimed that the City of Millville wrongfully demolished the premises despite notice and evidence that the premises was in the course of renovation and repair and was not unreasonably dangerous, damaged or unfit and was capable of being repaired. The Plaintiff alleged that as a result of the actions of the City of Millville, she suffered financial damages and losses. The case was assigned to James R. Birchmeier, Esquire on October 8, 2014 and he filed Motion to change the venue from Gloucester County to Cumberland County which was granted on November 21, 2014. Defense Counsel subsequently filed a Motion for Summary Judgment which was denied on July 14, 2016 based upon the fact that the City could not produce sufficient proof that the Plaintiff received the proper notice of the proposed demolition of her home in accordance with the law. Defense Counsel was ultimately able to negotiate the settlement of this matter for a payment to the Plaintiff in the amount of \$50,000.00.

7) **Tavarez v. City of Cape May**-This matter involved the Plaintiff's allegations in a Superior Court of New Jersey, Cape May County Complaint that on July 23, 2013 the Plaintiff, Marielena Tavarez, was standing in knee depth water in a "swimming only" designated area of the ocean located across from the Mount Vernon Motel located at 300 Beach Avenue, in the City of Cape May, when she was struck by a woman riding a "boogie" board. The Plaintiff alleged that as a result of the incident, she has suffered a trimalleolar fracture of the left ankle requiring open reduction internal fixation surgery. The Plaintiff further alleged that the City of Cape May was negligent in its supervision and monitoring of the swimming and boogie board areas. The case was assigned to A. Michael Barker, Esquire on August 22, 2014. In addition, Investigator Kevin Nagle was retained to assist in this matter. Depositions and a Defense IME were conducted. Defense Counsel subsequently filed our Motion for Summary Judgment and Oral Argument on the Motion was heard on March 4, 2016. On March 15, 2016, an Order was entered granting in part Defense Counsel's Motion for Summary Judgment pursuant to R. 4:46-2 as it relates to immunity for a dangerous condition under N.J.S.A. §59:4-1; however, Summary Judgment was denied as being immune from liability for Plaintiff's claim of negligent supervision pursuant to N.J.S.A. 59:2-7 and N.J.S.A. §59:3-11. An Arbitration Hearing occurred on March 10, 2016 and a "no cause" for action was entered against the Plaintiff Tavarez. Plaintiff's Counsel filed a Trial de Novo and a Trial in the matter was rescheduled for September 19, 2016. Defense Counsel filed a Motion for Reconsideration which was denied on May 24, 2016 and Defense Counsel subsequently filed a Motion for Leave to File an Appeal on an Interlocutory basis which was also denied. The matter proceeded to a Settlement Conference before Judge Gibson on September 8, 2016 and Defense Counsel was ultimately able to negotiate the settlement of this matter for a payment to the Plaintiff in the amount of \$15,000.00.



STRATEGIC PLANNING COMMITTEE MEETING MINUTES

***Thursday, November 3, 2016 at 10:00am
Longport Borough's Municipal Building
Longport, NJ***

A meeting of the Strategic Planning Committee Meeting was held on Thursday, November 3, 2016 at 10:00 am in Longport, NJ. The Meeting was called to order at 10:10 am.

Those in attendance were:

Richard Hirsch, **Chair, Borough of Longport**
Heather Sparks, **Commercial Township**
Glenn Clarke, **Dennis Township**
Dorothy Jo Ayres, **Weymouth Township**
Lisa Garrison, **Woodbine City**
Paul Miola, CPCU, ARM, **Executive Director, AJG**
Paul A. Forlenza, **Deputy Executive Director, AJG**
Sheila Ortiz, **Account Representative, AJG**

Those unable to attend were:

Karen Seifrit, **Deerfield Township**
Roy Spoltore, **Upper Deerfield Township**
Patricia Feketics, **Wildwood Crest Borough**

These minutes may not represent the order in which some matters were discussed.

I. 2017 MEMBERSHIP RENEWALS - Update

Mr. Forlenza noted that all members up for renewal effective January 1, 2017 have renewed their membership with the Fund and Ms. Ortiz filed the agreements with DOBI & DCA on November 1, 2016.

II. MEMBERSHIP VISITATION PROGRAM

Mr. Forlenza stated that he and Mr. Miola have completed all renewing town visits with the exception of one member. He noted that he has scheduled a visit with Waterford Township for November 21, 2016. Those towns that did not want a visit were sent copies of the Membership Updates and asked that they please distribute to the members of the Governing Body.

Mr. Forlenza stated that the non-renewing members were also sent copies of the Membership Updates.

III. MEMBERSHIP GROWTH

Mr. Forlenza indicated that Buena Vista Township showed interested in re-joining the Fund after leaving the Fund six (6) years ago; therefore, he and Mr. Miola visited with their Mayor and RMC about six (6) weeks ago. Mr. Forlenza stated that currently Buena Vista insures their Fire

Districts through their insurance program; as a result. The fire districts' claims history has not been good. He noted that the Township has had approximately \$1 million of incurred loss over the last five (5) years. Approximately 85% of the incurred losses were from the Fire Districts. As a result, Buena Vista Township was looking to place coverage for their Fire Department elsewhere and have municipal operation covered through the JIF. Mr. Forlenza indicated that the Township's RMC was unable to place separate coverage for the Fire Districts; therefore, they will not make application to the Fund.

Mr. Forlenza reported that Middle Township Fire District is in the process of filling out an application to the Fund. He indicated that he told their RMC that it will be difficult to effectuate coverage for January 1, 2017; however, the Fire Districts currently policy does not renew until May 1, 2017.

Mr. Forlenza noted that he will keep this Committee informed of any updates.

IV. 2017 EXECUTIVE COMMITTEE MEETINGS

Mr. Forlenza reported that the Avalon Community Center has been reserved for the June, July and September meetings. He then mentioned that the Mays Landing Library has been reserved for the remaining dates in 2017.

V. FUND COMMISSIONER ATTENDANCE

Mr. Forlenza referred the Committee to page two (2) of the agenda packet to review the attendance spreadsheet from the Executive Committee Meetings through September. He then referred the Committee to an excerpt located on page five (5) of the agenda packet from the Committee's last meeting. At that time, the Committee indicated that a letter was not necessary; however, the Committee asked the Executive Director's office to contact several towns directly to advise them of the Fund's concern regarding their attendance. Mr. Forlenza reported that he reached out to Pleasantville, Newfield & Commercial Township. Mr. Miola spoke to Don Sullivan the Mayor of Newfield Borough. Mr. Sullivan assured him that he will address the attendance issue.

Mr. Forlenza then briefly reviewed the attendance records with the Committee. Following a brief review, Mr. Forlenza made a recommendation to the Committee that he would like review the attendance records through October and send a letter to those towns that have not met the Funds attendance criteria later this month or early December. In the letter, he will ask the governing body to consider appointing a new Fund Commissioner at their Reorganization Meeting that would be able to attend regularly scheduled meetings. The Committee agreed with Mr. Forlenza's recommendation.

VI. ELECTED OFFICIALS TRAINING / 2016 – 2017

Mr. Forlenza referred the Committee to an *Invitation* for the Elected Officials Training that will be held in conjunction with the BURLCO & TRICO JIFs. Invitations were e-mailed to all Municipal Clerks and Fund Commissioners on November 1, 2016. The trainings have been scheduled on the following dates:

- Wednesday, December 7, 2016, *Merighi's Savoy Inn, Vineland*
- Tuesday, January 31, 2017, *Nicolosi's Caterers, West Deptford*
- Thursday, February 16, 2017, *Merighi's Savoy Inn, Vineland*

- Wednesday, March 29, 2017, *O'Connor's, Eastampton*

Mr. Forlenza indicated that the MEL's Elected Officials Training Script is geared toward "Ethics" for the third year in a row. He would like to remove a portion of the "Ethics" material and add in a section on *Land Use and EPL* related issues. Mr. Forlenza asked the Committee for authorization to engage Michael Ward a Land Use Attorney to be a speaker at the Elected Officials Trainings. He also asked the Committee for authorization to reach out to Armando Riccio, an attorney who specializes in EPL related matters to also present. The Committee authorized the Executive Director's office to engage these two attorneys to present at the Elected Officials Training.

VII. 2017 CONFERENCES

Mr. Forlenza stated that the 2017 JIF Budget includes funding for two (2) positions for attendance at the upcoming 2017 conferences:

PRIMA: June 4-7, 2017 in Phoenix, AZ

(Paul Miola & Paul Forlenza will be presenters at the PRIMA Conference)

AGRIP: Spring Conference | March 5-8 in Orlando, FL

Fall Conference | October 1-4 in Baltimore, MD

Mr. Forlenza stated that email notifications will be sent in January 2017, to those with the highest priority to attend these conferences.

VIII. JIF RECORDS RETENTION

Mr. Forlenza mentioned that the Committee is aware that there have been discussions with the State Department of Records (previously known as DARM) regarding authorization to destroy JIF records. He indicated that he has been attempting to register the JIFs with Artemis and the Division does not recognize the JIFs as public entities. The Division's position is that the JIF records belong to the individual members and that the request for destruction has to be made by the individual members through Artemis.

Mr. Forlenza stated that he has also spoke with Dave Grubb from the MEL who is having a similar experience with the Division. Mr. Forlenza further indicated that Mr. Grubb has made some progress in regards to getting the Division to recognize that the JIF is correct; however, the Division is unsure how to rectify the situation. Mr. Forlenza stated that he will keep the Committee updated on his progress in this regard as it not only affects the JIF, but the Claims TPA and Managed Care provider as well.

IX. 2016 ANNUAL REPORTS

Mr. Forlenza noted that the 2016 Annual Reports "draft" is complete and will be distributed in December. As was done last year, the JIF will have 50 reports printed with each member receiving one (1) copy.

Mr. Forlenza stated that the Annual Report will also be available on the JIF website as in prior years.

X. DECEMBER DINNER MEETING

Mr. Forlenza indicated that the December Dinner Meeting will be held on December 21, 2016. He mentioned that the Executive Committee Meeting will be held at the Mays Landing Branch of

the Atlantic County Library at 3:00pm. The Dinner Meeting will begin at 4:15pm at the Sugar Hill Inn.

XI. ANNUAL PLANNING RETREAT

Mr. Forlenza mentioned that the Annual Planning Retreat Evaluation Summary will be presented and reviewed with the Committee at their next meeting. He then asked the Committee if they would like to hold a Retreat in 2017. Discussion ensued.

Following a brief conversation, the Committee agreed to hold the 2017 Retreat at the Flanders Hotel on October 25-26, 2017. Mr. Forlenza then asked the Committee if they would like to hold the October 2017 Executive Committee meeting at the conclusion of the first day of the Retreat. The Committee agreed to hold the Executive Committee meeting at the end of the first day of the Retreat (October 25th); however, the Committee members felt the meeting should be held at 3:00 PM as was done this year.

Mr. Forlenza stated that he would advertise the Executive Committee meeting for 3:00 PM on October 25, 2017.

XII. 30TH ANNIVERSARY

Mr. Forlenza referred the Committee to page eight (8) of the agenda to an excerpt from the Committee's last meeting. He noted that the Committee asked the Executive Director's office to purchase the hourglass which would be engraved on one side with the JIF Logo and other side would have the "30th Anniversary Logo". Mr. Forlenza also noted that the hourglasses would be provided during a luncheon in February or March prior to a JIF meeting.

Mr. Forlenza asked the Committee for suggested locations they would like to hold the luncheon. Discussion ensued.

Following a brief conversation, the Committee asked the Executive Director's office to research the "Great Bay Country Club" in Somers Point, NJ. Mr. Hirsh suggested having the Executive Committee Meeting at 11:00am and have the lunch celebration at 12:00pm. The Committee agreed with Mr. Hirsh's suggestion.

Mr. Forlenza asked the Committee who should be invited to the 30th Anniversary Celebration Luncheon. The Committee indicated that they would like the invitations to include the Fund Commissioners, Fund Professionals to include Dave Grubb and Joe Hrubash from the MEL.

Mr. Forlenza then mentioned that a resolution "celebrating" the Fund's 30th Anniversary will be provided to all JIF members at the re-org meeting. He referred the Committee to a sample "municipal resolution commemorating the 30th anniversary" included on page ten (10) that will be mailed to all members.

Mr. Hirsch suggested developing a "booklet" that would list all of the ACM JIF members and the dates they joined the Fund. The Committee agreed.

XIII. NOMINATING COMMITTEE CHARTER & SUCCESSION & ELECTION PLAN

Mr. Forlenza mentioned that at the ACM JIF Nominating Committee Meeting held on October 13, 2016 there were concerns raised during the meeting regarding the makeup of the Nominating Committee as designated in the Committee Charter. He indicated that one of the concerns was that members of the Nominating Committee were currently on the Executive Committee. This

concerned several members as these representatives were choosing themselves to be a part of the Executive Committee Slate.

Ms. Garrison asked if the current process disallows allows an Executive Committee Member to be a part of the Nominating Committee. Mr. Forlenza responded that it is not mentioned in the Nominating Committee Charter.

Mr. Forlenza then mentioned that the other concern was in regards to the eligibility requirements of Fund Commissioners to be a part of the Executive Committee. The requirements to be considered for nomination to the Executive Committee, or as an alternate to the Executive Committee, state that the Fund Commissioner must have served as an ACM JIF Fund Commissioner or as Fund Commissioner on a MEL affiliated JIF for three (3) years. Mr. Forlenza noted that this has been an issue due to a great deal of turnover in Fund Commissioners over the past several years. As a result, those Fund Commissioners that have been on the Executive Committee in the recent past have rotated back on to the Executive Committee.

Ms. Garrison indicated that every year she assumes that a member will just move up in positions; however, that may not always be the case. Mr. Hirsch responded that from year to year there are members that retire or chose not to take on the position of Fund Chair or Secretary. Discussion ensued.

Ms. Garrison commented that a Sub-Committee Chair should not be placed on the Executive Committee or be an Alternate. Mr. Forlenza stated that in prior years Sub Committee Chairs were not on the Executive Committee. This was done to spread the JIF responsibilities across more members. Mr. Hirsch asked if there are term limits for an Executive Committee members or Alternate. Mr. Forlenza responded that there are term limits for Executive Committee members.

Following a group discussion, Mr. Forlenza suggested that an Alternate Executive Committee members term limits would be no less than two (2) years and an Executive Committee member would have a three (3)-term limit. The Committee agreed with Mr. Forlenza's suggestions.

Mr. Hirsch then suggested that if the Chair of a sub-committee is currently on the Executive Committee or Alternate he recommends they appoint a representative to be a part of the Nominating Committee. Mr. Forlenza indicated that he will work on revisions to the Nominating Committee Charter language and revisit this discussion with the Committee in at their next meeting. The Committee Agreed.

XIV. JIF WEBSITE REVIEW

Mr. Miola indicated that during the Annual Planning Retreat a few members were unfamiliar where certain forms, contact information & operating documents, etc. were located on the JIF website. As a result, Mr. Hirsch asked that a review of the JIF website be presented at today's Strategic Planning Committee Meeting. Mr. Miola provided a brief overview of the website including where certain emergency contact information is located, MSI link as well as a review of the monthly calendar.

Mr. Forlenza mentioned that on a monthly basis member contact information from EXIGIS is downloaded to the JIF website. However, since the EXIGIS system has been locked for the past month, the website has not been updated. Once EXIGIS is unlocked current member contact information will be uploaded to the JIF website.

Mr. Hirsch asked if the members are utilizing the JIF Forum. Mr. Miola responded that the members have not been utilizing of the JIF Forum. Ms. Garrison commented that Municipal Clerks send out an e-mail to all fellow Clerks when a question arises.

Mr. Miola asked the Committee to submit any changes and/or updates to contact the Executive Director's office.

Mr. Miola asked if there were any questions. No questions were entertained.

Miscellaneous Business:

Mr. Forlenza indicated that next week he will be e-mailing the Model RMC RFQ to the members with a cover memo explaining how and why it was developed.

XV. NEXT MEETING

Mr. Forlenza indicated that the next meeting will be scheduled for the Spring of 2017. The Committee Agreed.

There being no further discussion, the meeting was adjourned at 11:20 AM.

File:	ACMJIF/General/Strategic Planning Committee	Tab: 11/03/2016
	ACMJIF/2016/Strategic Planning Committee	Tab: 11/03/2016

FUND YEAR 2017 DRAFT BUDGET

The attached \$22,720,566 JIF, MEL, and EPL/POL budget represents a 1.85% decrease over last year's combined annualized budget of \$23,149,109. As in past years, individual member assessments will fluctuate above or below the estimated range based on member claims experience as outlined in the JIF Assessment Allocation Policy. The 2017 draft JIF Budget of \$15,617,072 represents a decrease of 5.21% (-\$857,749) over last year's \$16,474,821 annualized budget. Budgeted loss funds decreased by \$894,903 (-6.47%). Operating Expenses increased \$37,154 (1.40%) over 2016, while the excess premiums, inclusive of the MEL and EPL/POL policies, are projected at \$7,103,494 in comparison to \$6,674,288 for 2016, an increase of \$429,206 (6.43%).

Revaluation Program

Beginning with Fund Year 2011, the Finance Committee implemented a program that allows the Fund to lower a good performing member's loss funding budget if they have been a "net giver" to the Fund over the most recent six-year period. The reasons for this review included ever-increasing pressure on the loss fund budget, tighter municipal budgets, and outside competition due to a prolonged soft insurance market. This program is thoroughly explained in the attached *Assessment Allocation Policy*. Each year, the Finance Committee reviews renewing members' pricing to make sure their assessment accurately reflects their loss exposure to the Fund. This Revaluation program continued in the development of the 2017 Budget.

Retrospective Assessment Program

Beginning in 2011, the Finance Committee also introduced a *Retrospective Assessment Program* that identifies members that are the driving force behind the Loss Funding increases year to year and removes the risk they place on the Fund by placing these members in a min/max loss-funding contract. This program is thoroughly explained in the attached *Assessment Allocation Policy*.

No Members qualify for the *Retrospective Assessment Program* for 2017.

BUDGET FACTORS

Loss Funds

Loss Funds represent money used for the payment of member claims.

Each summer, the Fund Actuary, Actuarial Advantage, reviews member exposures and loss experience and projects the total incurred claims for the Fund Year ahead. For Fund Year 2017, the Actuary recommended a 5.7% decrease in the overall loss funding budget utilizing anticipated exposure growth of 0% for Auto & General Liability and Workers' Compensation and 4% for Property coupled with an anticipated decrease in overall claims frequency.

Some of the key factors affecting the loss funding portion of the budget are as follows:

1. **Workers' Compensation** loss funding decreased 3.52% (-\$267,295). Over the past several years, the Fund has implemented a number of cost control measures that have helped to stem the increase in workers' compensation claims. Cost control measures include monitoring the number of days it takes each member to report a claim, the use of transitional duty days, and the use of the Fund's managed care EPO. Each of these items is tracked and reported to the membership on a monthly basis. 2017 also marks the third year that the Fund has invested in a Wellness Program. Numerous national studies indicate that healthy employees are less likely to suffer a workers' compensation claim; and, when they are injured, the injury is less severe

and the employee recovers faster. In addition, the Fund has recognized a decrease in its lost time accident frequency over the past several years resulting. This trend is an indication that the Fund's emphasis on safety training and management of claims is paying off; however, the Fund is aware that medical and wage inflation continues to put pressure on the workers' compensation claims costs and the Fund budget.

2. **General Liability** loss funding decreased 12.73% (-\$338,524). The reduction is a credit to the members who are making good use of the various liability risk control programs offered by the Fund. In addition, the Fund continues to encourage its members to include model indemnification, defense, and hold harmless language in all municipal contracts including inter-local service agreements. Fund members also have access to a TULIP (Tenant User Liability Insurance Program) that allows private users of municipal facilities to secure short term, low cost, liability insurance policies over the internet. These policies automatically name the municipality as an *Additional Insured* and provide an added layer of protection to the members. Our claims adjusters are continuing to do a fine job in investigating, settling, and defending liability claims brought against our members. In addition, the Fund's defense attorneys continue to be successful in defending our members in these matters. Finally, it should be noted that the total number of active liability claims remains low in comparison to prior years indicating that the Fund's risk management programs and aggressive defense of claims is paying off.
3. **Auto Liability** loss funding, while not a major component of Loss Funds, is decreasing 7.78% (-\$30,470). Although accidents involving police and other emergency response vehicles continue to be a major factor driving this line of coverage, the efforts of the Safety Director and Fund members in controlling this risk are resulting in savings. The Safety Director is continuing to monitor losses in this line of coverage and develop additional strategies to help reduce accidents.
4. **Property** loss funding is decreasing 2.56% (-\$25,849). After several years of increases in this line of coverage, the Fund is recognizing a small reduction in this area for 2017. Over the past several years, the Fund has seen an increase in the number of property claims exceeding the Fund's SIR and hitting the MEL and excess layer. The Excess Property carrier, Zurich, initially proposed a 30% rate increase for 2017; however, reduced it to a 4.1% increase due to all MEL affiliated JIFs increasing their SIR to \$100K and the MEL increasing their retention to \$400K allowing Zurich to attach at \$500K.
5. **Other Loss Funding Budget Changes** – The Committee opted to remove the Loss Fund Contingency line of \$122,665 for 2017 as it was originally intended to be a short-term budget "stability" placement during the development of the 2014 Budget.

Workers' Compensation

For the past ten years, the insurance industry as a whole has experienced some troubling trends in workers' compensation that has had an impact on local Joint Insurance Funds and the MEL. These trends include increased medical costs, indemnity costs, and an expanding definition of compensability. Each of these has contributed to the skyrocketing cost of workers' compensation claims. Generally, the Fund has not experienced a material increase in the frequency of workers' compensation claims during this period; and, remarkably, the severity of the claims has reduced over the short term.

This recent trend is an indicator of our members' continuing efforts to report claims on a timely basis, utilize transitional duty programs, and strengthen their safety programs to stem the rising costs of workers' compensation claims; however, the Fund is constantly searching for additional methods to curb these costs. As mentioned earlier, during the 2015 Fund Year, the Fund appointed a Wellness Director who is working

with the members to develop or enhance existing municipal Wellness Programs. So far, the Wellness Director has been well received by the members as she assists them in developing local wellness programs.

Operating Expenses

The operating expense portion of the budget has increased by \$37,154 (1.40%) and is comprised of the costs required to operate the Fund. Funding for all other professional fees averaged an increase of 2.00%. It is noteworthy to point out that the Fund's operating expenses represent approximately 11% of the combined JIF, MEL, and EPL/POL budget, which is significantly below the typical 30-40% insurance industry-operating ratio and well below the 20% average operating expense ratios for pools nationwide.

MEL

The JIF participates in the Municipal Excess Liability Joint Insurance Fund to provide catastrophic protection over its local loss fund budget. For 2017, the MEL Budget is projected to increase by 0.6% prior to exposure growth. A copy of the proposed 2017 MEL Budget and rate table is enclosed.

The MEL has implemented a Retrospective Program on all member JIFs in addition to an experience rating process based on the prior ten years MEL experience for WC and Liability claims funding. As the ACM JIF has been a net "taker" from the MEL over the prior ten years, the JIF will receive a 10.0% experience rating penalty applied to their WC and Liability claims funding. Under the Retrospective Program, each JIF will be invoiced 85% of WC and Liability claims funding while being contractually bound to a value (100% to 125%) based on the prior ten years MEL experience. Each JIF will be contractually bound to the Retrospective Program for the respective Fund Year for ten (10) years. Again, as the ACM JIF has been a net taker to the MEL over the prior ten years, the maximum obligation under the Retrospective Program is 125%. The Finance Committee has opted to fund this line up to 125% of the maximum obligation and transfer any potential liability into the MEL Retrospective Claims Fund Account recently authorized by the ACM JIF.

Overall, the net impact on the MEL Assessment produces a budget increase of \$265,622 (6.12%).

EPL

Effective January 1, 2016, the JIF entered into a contract for EPL/POL Coverage with QBE Insurance. The proposal from QBE was for two (2) years (2016 & 2017) and included a guaranteed 5% statewide rate increase for 2017.

Texas Underwriters (an intermediary for QBE) allocated the 5% increase for 2017 on a JIF by JIF basis utilizing five and a half years' experience valued as of June 30, 2016. The poor performance in the EPL/POL line of coverage resulted in an ACM JIF premium increase of 7%. The basis by which the premium is allocated across the membership has been left up to the Fund; although the insurer must approve the allocation process and member assessments. Over the past several years, the Fund's Finance Committee has phased in a process in which the member's EPL premiums will be determined based upon their performance resulting in increases in member EPL premiums of 2.0% to 60%.

In developing the 2017 POL premiums, the Committee applied EPL premium increase to the existing POL rate and applied it to the member population as utilized by the MEL.

Volunteer, Directors and Officers Liability Coverage remains with QBE at expiring rates.

Cyber Liability Coverage (a \$600 per Member fee) will remain with XL Insurance with a 15% rate decrease for 2017.

The Fund also implemented a 20% surcharge for all members who are non-compliant with the MEL EPL/POL Plan of Risk Management Program as of January 1, 2017. The surcharge affects one member resulting in a \$7,409 budget line item.

All of the above factors results in an overall increase of 6.67% or \$145,833 in the EPL/POL premium for 2017.

Risk Management Consultant Fees

Members of the Fund contract independently with their respective Risk Management Consultant. The fees associated with these services are built into member assessments and the expense is passed through the Fund budget.

FUND YEAR 2017 BUDGET

The attached draft budget is being submitted for your review and consideration. A Budget Hearing will be held at the December 21, 2016 Executive Committee meeting.

FUND YEAR 2017 ASSESSMENT STRATEGY

Each year the Finance Committee refines the process by which member assessments are determined to make sure that members are paying their equitable share of the overall Fund Budget. Details outlining the process are documented in the *2017 Assessment Allocation Strategy*. The Finance Committee will make its final 2017 assessment allocation recommendation at the November Executive Committee Meeting. The 2017 JIF loss funding assessments, which is the largest single component of a member's annual assessment, range from decreases of -20% for renewing members with a six year average loss ratio below 30%, to a decrease of -6.52% for new members (less than three years) with no experience with the ACM JIF. Members with a six-year average loss ratios above 150% will receive a 5% increase in their loss funding assessment.

We will ask the Fund to certify the assessments at the December Executive Committee meeting.

MEL/RCF DIVIDENDS

As members are aware, the MEL will not release a dividend this year. This is due to the continued strain on the MEL's surplus resulting from Public Officials and Employment Practices Liability losses prior to the program being transitioned to the commercial insurance market and an increase in the number of claims that exceed local Funds' SIRs.

JIF DIVIDENDS

The Finance Committee made a recommendation to release varying amounts of surplus from Fund Years 2000 through 2012. In arriving at the amount of surplus to be released, the Finance Committee continued its practice of examining the financial development of the most current years so as to guarantee future consistent releases of surplus to the membership while providing a cushion against unforeseen events. After examining its current surplus position, the Committee recognized the significant increase in the Fund's surplus position in the most recent 18 months and recommended a release of \$2,500,000, which is \$750,000 more than last year. Even with this increase, the Committee is confident that the JIF will have a cushion against unforeseen events and will be able to release consistent amounts of surplus for years to come. Following the Finance Committee's recommendation, the Executive Committee authorized the release of JIF surplus at its September 2016 Executive Committee meeting. Members again have the option to take the JIF dividend in the form of a check, have them credited to their Fund Year 2016 JIF/MEL/EPL-POL assessment, apply the funds to the Aggregate Excess Loss Contingency Fund, or apportion the funds to one or more of the available options.

File: ACM/2017/Budget Development
ACM/2017/Budget

Tab: Budget Message
Tab: Budget Message

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
FUND YEAR 2017 BUDGET
\$300K SIR (WC/GL/AL) - \$100K SIR (PR)

	ANNUALIZED 2016	PROPOSED 2017	CHANGE \$	CHANGE %
PROPERTY (\$100K SIR)	1,010,999	985,150	(25,849)	-2.56%
GENERAL LIABILITY	2,659,024	2,320,500	(338,524)	-12.73%
AUTO LIABILITY	391,720	361,250	(30,470)	-7.78%
WORKERS' COMPENSATION	7,584,095	7,316,800	(267,295)	-3.52%
DEDUCTIBLE	2,054,250	1,944,150	(110,100)	-5.36%
LOSS FUND CONTINGENCY	122,665	-	(122,665)	-100.00%
TOTAL CLAIM LOSS FUNDS	13,822,753	12,927,850	(894,903)	-6.47%
CLAIMS ADMINISTRATION	814,503	819,421	4,918	0.60%
SAFETY PROGRAMS	133,005	134,750	1,745	0
- Optional Safety Budget	29,750	29,750	-	0.00%
- Safety Incentive Program	100,000	100,000	-	0.00%
- Safety Training	3,255	5,000	1,745	53.61%
PROFESSIONAL SERVICES	451,647	472,379	20,732	4.59%
- Actuary	44,990	45,665	675	1.50%
- Administrative Consultant	40,697	41,511	814	2.00%
- Attorney	119,617	122,009	2,392	2.00%
- Auditor	18,375	18,550	175	0.95%
- Safety Director / Loss Control	193,800	210,000	16,200	8.36%
- Treasurer	22,850	23,100	250	1.09%
- Underwriting Manager	11,318	11,544	226	2.00%
ADMINISTRATION	856,625	873,758	17,133	2.00%
CLAIMS AUDITOR	11,000	11,000	-	0.00%
EPL CONSULTING & TRAINING	29,725	29,725	-	0.00%
EXPOSURE DATA MGMT SYSTEM	14,280	15,000	720	5.04%
PAYROLL AUDITOR	13,120	13,407	287	2.19%
POLICE DEFENSE & TRAINING	17,000	17,000	-	0.00%
PROPERTY APPRAISER	55,000	50,000	(5,000)	-9.09%
WELLNESS/WELLNESS INCENTIVE	102,000	102,000	-	0.00%
CONTINGENCY	75,000	75,000	-	0.00%
MISCELLANEOUS	79,163	75,782	(3,381)	-4.27%
- AGRI/PRIMA	10,000	10,000	-	0.00%
- Annual Planning Retreat	12,000	12,000	-	0.00%
- Fidelity Bond (Admin/TPA/Treasurer)	3,000	3,000	-	0.00%
- JIF Website	5,500	5,500	-	0.00%
- Legal Notices	2,000	2,000	-	0.00%
- Meeting Expense	10,000	10,000	-	0.00%
- Office Supplies	2,500	2,500	-	0.00%
- Other	10,000	10,000	-	0.00%
- Performance Bond (TPA)	4,500	2,000	(2,500)	-55.56%
- Postage/Copies/Fax	7,000	6,000	(1,000)	-14.29%
- Printing	4,500	4,500	-	0.00%
- Record Retention Service	2,200	2,200	-	0.00%
- Recording Secretary	5,963	6,082	119	2.00%
TOTAL EXPENSES	2,652,068	2,689,222	37,154	1.40%
SUB TOTAL JIF BUDGET	16,474,821	15,617,072	(857,749)	-5.21%
MUNICIPAL EXCESS LIABILITY JIF	4,336,983	4,602,605	265,622	6.12%
- MEL Excess WC & Liability	3,311,527	3,477,103	165,576	5.00%
- <i>MEL Excess Property</i>	<i>1,025,456</i>	<i>1,125,502</i>	<i>100,046</i>	<i>9.76%</i>
- Property	1,000,456	1,100,502	100,046	10.00%
- Fidelity	25,000	25,000	-	0.00%
EPL/POL PREMIUM	2,185,815	2,331,772	145,957	6.68%
EPL/POL COMMISSION - AJG	75,745	80,854	5,109	6.74%
EPL/POL COMMISSION - CONNER STRONG	75,745	80,854	5,109	6.74%
EPL/POL SURCHARGE	-	7,409	7,409	100.00%
SUB TOTAL PREMIUMS	6,674,288	7,103,494	429,206	6.43%
SUB TOTAL JIF & EXCESS BUDGET	23,149,109	22,720,566	(428,543)	-1.85%
RISK MANAGEMENT CONSULTANTS	685,973	677,656	(8,317)	-1.21%
TOTAL JIF BUDGET	23,835,082	23,398,222	(436,860)	-1.83%

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

ASSESSMENT ALLOCATION STRATEGY

Prepared By:
Arthur J. Gallagher Risk
Management Services
Fund Administrator

Adopted: Fall 1993
Revised: Fall 1996
Re-Adopted: Fall 2003-2009
Revised: Fall 2010 – 2013
Re-Adopted: Fall 2013
Revised: Fall 2014 - 2015

Revised: Fall 2016

BUDGET DEVELOPMENT

BUDGET PROCESS

The ACM JIF budget process begins in June each year when the RMCs are asked to update their member **exposures** (e.g. insurable property values, vehicle lists, appropriations, payrolls, etc.). This data is required by the Actuary in order to calculate the **loss fund** demands for the new budget year. Beginning with the 2013 Renewal process, the Fund implemented an on-line exposure data management system that provides members and their Risk Management Consultants with real time direct access to their exposure data. The system allows members to update their exposure data throughout the year and complete the Annual Renewal Process in a fraction of the time compared to prior years. The system also allows Fund Professionals direct access to the exposure information and will increase the accuracy of the Fund's Underwriting data.

In July, all vendors are invited to submit renewal proposals for the coming Fund Year so that the Finance Committee can anticipate the Fund's operating expense budget. In 2015, the Fund amended its long standing *Professional Evaluation Policy* to require that at least once every three years each vendors' performance is evaluated against the specific services as outlined in the *Scope of Services* section of their professional services contract with the Fund. Following the evaluation process, the Committees then make their recommendations regarding contract renewal. This change documents the members' opinion of the services provided and allows for a regular evaluation of the services provided ensuring they still meet the needs of the membership. It is important to note that the Policy continues to contain a provision that any Committee can recommend to the membership the issuance of an RFQ or RFP for a vendor if deemed appropriate. Finally, it is important to note that with few exceptions, the Fund continues to appoint its Fund Professionals utilizing a non fair and open process in accordance with NJSA 19:44A-20.1. The membership continues to believe that forbidding Fund Professionals from making political contributions to elected officials in member towns is appropriate.

BUDGET COMPONENTS

The budget consists of four major categories that are described below:

- A. **Loss Funds** - Portion of budget developed by an actuarial review based upon the JIF's aggregate exposures, claims history, and risk factors. Takes into account all costs associated with the payment of members' claims on an accrual basis. The JIF fully funds losses to "Ultimate" expected payout.

B. Operating Expenses - Pays all expenses associated with operating the Fund. Includes all contract vendors such as claims adjustment, attorney, safety, actuary, auditor, etc. and contemplates miscellaneous meeting, administrative, and contingency expenses.

C. EPL/POL Premiums – In recognition of the ongoing statewide poor loss experience for members in the Employment Practices Liability line of coverage, in the Fall of 2010, the MEL, who had previously provided this coverage, decided to place this coverage in the commercial market. While the MEL acts as the lead negotiator with the commercial market to provide uniform coverage terms on behalf of the MEL affiliated JIF's, the Fund Administrator will bind the coverage on behalf of the Fund. The premium for this coverage will be collected as part of each member's assessment and will be paid directly to the commercial insurer by the JIF.

D. MEL Assessment – The JIF belongs to the Municipal Excess Liability Joint Insurance Fund (MEL). The MEL provides excess property, liability and workers' compensation coverage beyond the JIF SIR. This budget item is developed by the MEL and transmitted to the JIF in November.

ASSESSMENT ALLOCATION STRATEGY

Once the JIF budget is developed, a formula for allocating individual members' shares must be developed. For an assessment allocation formula to be successful it must be easily understood, easy to administer, and perceived as fair and equitable by the members. The Finance Committee meets each year and establishes the formula that will be used.

The JIF currently uses a loss ratio methodology to allocate the annual budget. Each member's expiring assessment is adjusted by a set percentage that correlates to a range of loss ratios. Loss ratio is defined as the ratio that loss dollars incurred bears to the member loss fund contributions. During the Fall of 2010, the Fund Administrator and Actuary recommended utilizing a six-year average loss ratio rather than the three-year average loss ratio used in prior years to depict a better overall picture of a member's Loss Ratio performance. During the Fall of 2016, the Finance Committee opted to utilize a five-year average loss ratio in an effort to stay consistent with competing Funds. The five-year loss ratio (excluding the current year), valued as of June 30th of the current year, is used in the formula for determining a member's percentage increase in loss funds for the upcoming year. Members with lower loss ratios will receive a lower percentage increase than

members with higher loss ratios. This percentage will vary each year based upon the percentage increase in the JIF budget. Members with less than three years' experience may receive an increase equivalent to the overall JIF budget increase. An anomaly loss, which is one loss that accounts for more than 50% of a member's total losses for the five-year period, would have their proposed assessment dropped by one category. Members with anomaly losses are usually small members and the reduction of a single category does not have an impact on the assessment strategy.

Beginning with Fund Year 2011, the Fund implemented a *Reward/Revaluation Program* for Renewing Members who over the past five years (excluding the current year) have been a net giver to the Fund. This concept is more fully discussed on **pages 6 and 7**.

Also beginning with Fund Year 2011, the Finance Committee opted to introduce a *Retrospective Assessment Program* that identifies those members that are the driving force behind the Loss Funding increases year to year and remove the risk they place on the Fund by capping these members in a min/max contract. This concept is more fully discussed on **pages 7 and 8**.

In the Fall of 2016, the Finance Committee determined that no Members met the established criteria for the Retrospective Assessment Program in the 2017 Fund Year.

The following table is indicative of the current strategy:

6 Year Average Loss Ratio				Increase in Loss Funds	Members Affected
ABOVE	150%			5.00%	0
BETWEEN	125%	and	150%	0.00%	3
BETWEEN	100%	and	125%	0.00%	1
BETWEEN	70%	and	100%	-3.00%	8
NEW MEMBERS LESS THAN 3 YEARS				-6.52%	0
BETWEEN	50%	and	70%	-6.00%	7
BETWEEN	30%	and	50%	-8.00%	4
BELOW			30%	-10.00%	4
RENEWING MEMBERS WITH LR BETWEEN 70% & 100%				-6.00%	5
RENEWING MEMBERS WITH LR BETWEEN 50% & 70%				-12.00%	5
RENEWING MEMBERS WITH LR BETWEEN 30% & 50%				-15.00%	1
RENEWING MEMBERS WITH LR < 30%				-20.00%	3
					41

Risk Management Consulting Fees are negotiated individually by each member and are added to the member's assessment after the above factors are applied.

The following pages present a history of past Assessment Allocation Strategies.

THE EARLY YEARS - EQUALIZATION

During its early years, the JIF allocated assessments using a simple formula called "equalization". Under this scenario each member's renewal assessment rose by approximately the same amount as the JIF budget regardless of changes in their operations or their claims experience. Many pools use this approach during their formative years and the ACM JIF was no exception.

EXPOSURES - In comparing the JIF's membership data over time, however, it became apparent that some members' exposures were changing at a different rate than others. For example a growing municipality may have had to build a new municipal building while another member eliminated their entire police department. The result was that growing members received subsidies at the expense of the other members. This concept is more fully discussed on **pages 11 and 12**.

EXPERIENCE - A review of the members' claims histories also revealed the potential for inequities. One member, for example, may have incurred a relatively low ratio of claims compared to their budgeted assessment while others incurred higher claims ratios. Clearly, the "Equalization" strategy offered no inducement to control losses and, in fact, may have rewarded members with poor experience. This issue is more fully discussed below.

After several years of "Equalization" the Finance Committee realized that if this strategy continued, inequities would develop and the JIF could lose members. Unfortunately, the first to leave the JIF would be those members whose good experience was subsidizing the JIF.

1993 - COMBINED ALLOCATION STRATEGY

In 1992, after reviewing all of the above facts, the Finance Committee recommended that an Assessment Allocation Strategy be adopted which incorporated both an Exposure Allocation and Experience Rating strategy taking all of the above factors into consideration. This strategy took effect with the 1993 Fund Year.

1997 - 2010 EXPERIENCE BASED ALLOCATION STRATEGY

In the Fall of 1996, the Finance Committee again examined the relationship between members' assessments and their claims experience. The Committee agreed that the Combined Allocation strategy did not place enough weight upon a members' claims history. The Committee therefore recommended that a more simplified assessment allocation method be adopted in which members' renewal

assessments are modified based upon their preceding three full year's claims experience. The Finance Committee recommended that the chart, which appears on **page 13**, be simplified and that members' overall three-year claims experience be used in lieu of individual lines of coverage. That is the strategy in effect today.

2006 – MODEL OPERATING EXPENSES

In the Fall of 2005, the Finance Committee examined the way JIF Operating Expenses were allocated to the members. While the above "Experience Based Allocation Strategy" appeared equitable, it was recognized that members' share of JIF Operating Expenses should not be affected by their loss ratio. Therefore, in consultation with the Fund Administrator, The Finance Committee adopted an Assessment Allocation Strategy that applies the above "Experience Based Allocation Formula to **LOSS FUNDS ONLY** and proposes that a members' Operating Expenses be allocated more in line with their actual cost to the Fund. Therefore, those expenses that are directly attributable to a member (Direct Expenses) e.g. Optional Safety Budget, EPL Consulting Service, Loss Control Service, etc. will be charged to a member's assessment. Those expenses that cannot be directly attributable to a member (Indirect Expenses) such as Actuarial Fees, Claims Audit Fees, Financial Audit Fees, etc. shall be charged to a member's assessment in the same proportion that their Loss Fund Contributions, Property Values, or Payroll figures, whichever bases is most appropriate, bear to the entire JIF. Thus, if a member contributes 5% to the JIF Loss Fund budget, they will receive a 5% share of a specified JIF Indirect Operating Expense.

2011 – SIX-YEAR LOSS RATIO, REWARD / REVALUATION PROGRAM & RETRO ASSESSMENT PROGRAM

In the Fall of 2010, the Finance Committee undertook an in depth analysis to determine whether the Three Year Average loss ratio was still a good indicator of a member's exposure to the Fund. The Fund Actuary reviewed the current process utilized to decide member loss funding assessments and rendered an opinion that even though the Three Year loss ratio was a good indicator of a member's overall performance the utilization of a longer time period, six or nine years, would be a more accurate indicator of a member's long term performance in the Fund. Based upon this analysis, the Finance Committee decided to utilize a six year average loss ratio when determining the Fund's Assessment Allocation Strategy and adjustments to member's assessments on an annual basis.

In conjunction with this change, the Finance Committee also decide to implement a program that allows the Fund to reduce a good performing member's loss funding budget if they have been a "net giver" to the Fund over the same six year period. Beginning with the 2011 Fund Year, the Finance Committee examined each member

during their Renewing Year to make sure that their assessment accurately reflects their exposure to the Fund. In cases where a good performing member is a net giver to the Fund over the preceding six year period (not inclusive of the current year), the Finance Committee will consider reducing the member's loss funding assessment to better reflect their exposure to the Fund. The Finance Committee recognizes that failure to provide financial relief to the good performing members will cause them to become over assessed and an attractive member to a competing Fund. The Fund recognizes that if good members leave the Fund a greater financial burden will be placed on the remaining members. This process continues to repeat itself until all the good members have left the Fund leaving the Fund with only poor performing members resulting in "adverse selection." This program allows for the Fund to remain competitive in the pricing of the good performing members.

Beginning in Fund Year 2011, the Finance Committee also opted to introduce a *Retrospective Assessment Program* that identifies those members that are the driving force behind the Loss Funding increases year to year and remove the risk they place on the Fund by capping these members in a min/max contract.

Each year the Fund performs an analysis of the each member's performance over the prior three and six year periods to determine those members that are having the greatest negative impact on the Fund's surplus position. Once these members are identified, the Fund Actuary re-prices these members as if they were stand-alone members in the Fund. The Fund can then reduce the amount of the Loss Funding Budget by the difference between the member's loss funding assessment and the Actuary's loss funding assessment or a percentage amount as determined by the Finance Committee. Each remaining member of the Fund is then slotted into their appropriate assessment increase/decrease category based upon their performance.

Those members in the *Retrospective Assessment Program* are then given an increase equal to the increase in the loss funding budget had they remained in the original loss funding formula. The difference between the Actuary's stand alone pricing, or a percentage amount as determined by the Committee, and the poor performer(s) pricing with the standard increase becomes the obligation of the poor performing member(s) should the funding be needed to offset losses incurred by this member. Members participating in the *Retrospective Assessment Program* are required to adopt a resolution and accompanying Policy Endorsement that outlines the member's minimum and maximum loss funding allocation under the program.

Those members in the *Retrospective Assessment Program* have their incurred losses evaluated at 18, 30, and 42 months after the inception of the Fund Year to determine if they are obligated to pay any of the additional loss funding between

the amount the originally contributed to the Fund and their maximum loss funding assessment as determined by the Finance Committee. Any additional loss funding due from a member enrolled in this program can be billed to the member at any time following the conclusion of the Fund Year. All additional loss funds due and owing under this program must be paid to the Fund at the time the Fund transfers the obligations of the Fund Year to the Residual Claims Fund or the member leaves the Fund.

The *Retrospective Assessment Program* benefits both the good and poor performing members of the Fund. Poor performing members benefit in that they are able to spread potentially large increases in loss funding over a number of years easing a potential burden on their local budget, providing them time to address claims and loss issues, and providing a financial incentive to improve their performance. Good performing members of the Fund also benefit in that they are no longer supplementing the poor performing members since the Actuary reduces the loss funding budget by the total amount between the minimum and maximum obligations of those members in the *Retrospective Assessment Program*. As a result, the assessment allocation strategy for the good performing members is lower than it would be if the poor performing members were included in the strategy. For those members that were selected for the *Retro Assessment Program* that elected not to participate, will be given a Loss Funding Increase significantly higher than what was proposed in the Assessment Strategy breakout before considering taking into consideration the *Retro Assessment Program*.

2017 – FIVE-YEAR LOSS RATIO

In the Fall of 2016, the Finance Committee undertook an in depth analysis to determine whether the Six-Year Average loss ratio was still a good indicator of a member's exposure to the Fund. While the Fund Actuary believes the utilization of a longer time period, six or nine years, would be a more accurate indicator of a member's long term performance in the Fund, the competing Funds utilize three or five years. Based upon this analysis, the Finance Committee decided to utilize a five year average loss ratio when determining the Fund's Assessment Allocation Strategy and adjustments to member's assessments on an annual basis.

2012 – EXCESS PROPERTY PREMIUM ALLOCATION

The Finance Committee undertook an in depth analysis of the allocation of Excess Property Premiums. Excess Property Premiums have been included in the JIF Loss Funding portion of the budget; so therefore, members receive a proportionate share of the Excess Property Premiums based on their proportionate share of the JIF Loss Funding Budget. During the analysis, significant variances arose when comparing the Excess Property Premiums to those determined by the MEL (rate

times exposure based). In preparation for the 2012 Budget, the Finance Committee opted to remove the Excess Property from the Loss Funding portion of the Budget and include it with the Excess Coverages. In doing so, the Finance Committee elected to transition from the proportionate share allocation to the MEL allocation by utilizing one fourth of the MEL Premium and allocating the remaining funds based on a proportionate share of Loss Funds (as done in years past). It will take four years to transition to the MEL's allocation process.

2013 – EXCESS PREMIUM ALLOCATION

Beginning in 2013, the MEL implemented several changes to how excess premiums are calculated. Population is used by the MEL as the basis for the allocation of Liability premiums. Beginning in 2013, the MEL phased in changes in population from the 2000 census to the 2010 census data over a three year period (1/3 - 1/3 - 1/3). The ACM JIF members experienced an increase in population of 5.54% which will have an impact on member assessments. Also, beginning in 2013, the MEL began experience rating member JIFs based upon the JIF's performance over the prior five years at the MEL level. As the ACM JIF has had a negative impact on the MEL over the prior five years, the JIF will be impacted by an experience factor subject to review on an annual basis.

2016 – 2017 - EXCESS PREMIUM ALLOCATION

Beginning in 2016, the MEL implemented a *Retrospective Program* on all JIFs in the MEL System in addition to continuing to experience rate JIFs based on the prior ten years' MEL experience for WC and Liability claims funding. As the ACM JIF has been a net taker to the MEL over the prior ten years, the JIF will see an experience rating increase in their WC and Liability claims funding (7.5% for 2016, 10% for 2017). Under the Retrospective Program, each JIF will be invoiced 85% of WC and Liability claims funding while being contractually bound to a value (100% to 125%) based on the prior ten years' MEL experience. Each JIF will be contractually bound to the *Retrospective Program* for the respective Fund Year for ten (10) years. As the ACM JIF has been a net taker to the MEL over the prior ten years, the maximum obligation under the *Retrospective Program* is 125%. The Finance Committee has opted to fund this line up to 125% of the maximum obligation and transfer any potential liability into a Residual Claims Fund account in the ACM JIF.

2013 – 2014 - EPL/POL PREMIUM ALLOCATION

Due to the deteriorating performance in this line of coverage over the prior six years, the MEL, on behalf of its member JIF's, negotiated EPL/POL coverage with a private insurer. As part of this negotiation, the JIF secured a premium guarantee for Fund Years 2011 and 2012 based upon the 2010 member assessments.

In prior years, the MEL allocated member premiums strictly as a rate (police vs. non-police) multiplied by employee counts. However, members that were poor performers in this line of coverage were surcharged by the MEL. These surcharges carried through to the specific members during the 2011-2012 JIF Premium lock with the private insurer. For the 2013 Fund Year, in an effort to transition to a process that emphasized recent claims experience, the Finance Committee decided to allocate fifty percent (50%) of the JIF premium across the membership based on a rate (police vs. non-police) multiplied by employee counts and the remaining fifty percent (50%) allocated based on the member's six year loss experience. For the 2014 Fund Year, the Finance Committee allocated fifty percent (25%) of the JIF premium across the membership based on a rate (police vs. non-police) multiplied by employee counts and the remaining fifty percent (75%) allocated based on the member's six year loss experience. For the 2015 Fund Year, the Finance Committee fully transitioned to an allocation based on the member's six year loss experience.

In 2013, the private insurer offered a two year renewal (2013-2014) on a JIF by JIF basis allowing the JIF to allocate the premiums across the membership. The 2013 and 2014 JIF Premium was based on 75% of the prior year Premium, 12.5% on performance from the prior five years and 12.5% exposure growth in employee counts. All specific member surcharges were removed; however, the JIF is still responsible for the overall JIF premium inclusive of the surcharge amount. In an attempt to bring equity to the process by which member EPL/POL premiums are determined, the Finance Committee requested that the private insurer provide the Committee with rates for population, and employee counts along with other mediating factors that should be applied depending on population sizes, performance, etc. The Committee applied the formulas provided by the private insurer noting some significant changes in assessments from 2012 to 2013.

Finally, it should be noted that beginning in 2013 Volunteer, Directors and Officers Liability Coverage was added to the EPL/POL policy along with a Premium for Cyber Liability (a per Member fee).

2015 - EPL/POL PREMIUM ALLOCATION

The Fund's overall 2015 EPL/POL Premiums were determined based upon the member's performance from January 1, 2011 through June 30, 2014. The basis by which the premium is allocated across the membership has been left up to the Fund; although the insurer must approve the allocation process. As noted above, the Committee has been phasing in a process in which the Member's EPL premiums will be determined based upon their performance. The 2015 Fund Year is the first year the Committee used the members' performance only to allocate EPL premium increases.

In developing the 2015 POL premiums, the Committee utilized the existing POL rate as previously established, applied a 10% rate increase and applied it to the member population as utilized by the MEL.

2016 – 2017 - EPL/POL PREMIUM ALLOCATION

Following a 21% statewide increase in 2015, the private insurer sought a 15% rate increase for 2016. Based upon the proposed rate increase, a recent acquisition of the insurer by a larger insurance company, and the loss of key personnel involved in their pool business, the MEL decided to look at other coverage options for 2016.

In recognition of these factors, in the Fall of 2015, the MEL decided to place this coverage with QBE Insurance as the key personnel who implemented the pool program in 2011 are currently working for QBE. QBE has a contractual relationship with Texas Underwriters and utilize the same TPA, Summit Risk, which results in no changes for the JIF Members except the carrier.

The Fund's EPL/POL Premiums were determined based upon the JIF's performance from January 1, 2011 through June 30 of the preceding year. The basis by which the premium is allocated across the membership has been left up to the Fund; although the insurer must approve the allocation process. As noted above, the Committee allocates the Member's EPL premiums based upon their performance. It should be noted that the Fund's overall Assessment for EPL/POL coverage will increase in 2017 due to the JIF's continuing poor performance in this line of coverage.

In developing the POL premiums, the Committee utilized the existing POL rate as previously established and applied it to the member population as utilized by the MEL.

It is important to note that Volunteer's Directors and Officers coverage was also moved to QBE Insurance effective January 1, 2016 while the Cyber Liability Coverage remains with the current insurer.

EXPOSURE ALLOCATION STRATEGY

An "exposure" unit is a measure of the magnitude of a loss exposure. For example property values are a measure of the risk of fire. The greater a member's property values, the greater the potential loss.

Appropriations, on the other hand, are traditionally viewed as the measure of liability risk for municipalities. The greater the appropriations, the more activities there are and the higher the likelihood of injury and thus the more likely a law suit to develop.

The exposure unit, therefore, serves as a yardstick to measure the cost of risk and can be easily measured and utilized used to allocate assessment contributions.

The JIF self-insures four areas of risk:

1. Property
2. Liability
3. Automobile
4. Workers' Compensation

Each of these areas of risk is easily measured through the use of exposure units.

PROPERTY

The Finance Committee recommended that total insurable values be used to allocate property insurance costs. Neither the actuary nor the excess carriers differentiate between buildings, contents, equipment, etc. and we have seen no trend in our losses to weight any one item more heavily than the other. The following example describes how the formula actually works.

Example: If the JIF members have a total of \$100,000,000 in insurable property values and member "A" has \$10,000,000 in insurable values then Member "A" will be allocated 10% of the property loss funds.

LIABILITY

In allocating liability costs, the Finance Committee elected to use appropriations. Both the actuary and other JIFs rate on this basis. Neither the actuary nor other JIFs charge for any special exposures such as Police, Fire, etc. Our review of liability claims supports this approach.

Example: If the JIF members have total appropriations of \$100,000,000 and member "A" has appropriations of \$5,000,000 then member "A" will be allocated 5% of the liability loss funds.

AUTOMOBILE

In this area, vehicle counts were used. Again, neither the actuary nor the excess carriers differentiate between types of vehicles. Our instinct tells us that police cars should have a greater potential for loss, however, further analyses indicates that this affects the potential value of the loss not the frequency, and is therefore more of an issue for the excess carrier than it is for us.

Example: If the JIF members own 500 vehicles and member "A" owns 25 vehicles then member "A" will be allocated 5% of the automobile loss funds.

WORKERS' COMPENSATION

Traditionally, workers' compensation payrolls have been separated into categories of employment with different rates for each; "police", "Clerical, etc. Our analyses and recommendation was to support this more traditional approach. The

Committee, therefore decided to accept the Workers' Compensation Rating bureau "relativities" and assign these weights to the workers' compensation assessment allocation formula.

Example: If the "Manual" Workers' Compensation premium for the JIF as a whole is \$2,000,000 and member "A" has a "Manual" Workers' Compensation premium of \$200,000 then member "A" will be allocated 10% of the workers' compensation loss funds.

EXPERIENCE RATING

For any assessment allocation to be successful it must recognize the potential for some members to incur more claims than others relative to their assessments. Addressing this issue can eliminate the problems associated with the perception that the Fund is subsidizing some members' claims experience at the expense of others.

One method, studied by the Fund, is a simplified experience-rating program that does not impose harsh penalties on members but recognizes adverse claims experience over time. This is accomplished through the application of an experience adjustment factor. The experience adjustment factor is determined from a chart that lists the appropriate factor for a given loss ratio in each line of coverage offered by the JIF. The experience adjustment factor is applied to the member's assessment by line of coverage. The chart below illustrates this concept:

Line of Coverage	Assessment	Experience Factor	Modified Assessment
Property	\$ 2,500.00	.90	\$ 2,250.00
Liability	\$15,000.00	.95	\$14,250.00
Automobile	\$12,000.00	.94	\$11,280.00
Workers' Comp.	\$20,000.00	1.02	\$20,400.00
Total	\$49,500.00	N/A	\$48,180.00

Since it takes several years for claims to develop to their full potential, the Committee may decide to defer experience rating on members until they have been in the JIF for three full years.

OPERATING EXPENSE ALLOCATION

The JIF's operating expenses are broken down into two categories:

- A. Allocated - These expenses can be directly attributed to a specific member's participation in the JIF. An example of this type of expense is the Safety Director who charges a fee based upon the size of the member.

- B. Unallocated - These expenses that cannot be directly attributable to a member (Indirect Expenses) shall be charged to a member's assessment in the same proportion that a member's individual exposure relates to the Fund total. Examples of exposure data that are used to distribute unallocated operating expenses across the membership include Loss Fund Contributions, Property Values, and Payroll figures, whichever basis is most appropriate. Thus, if a member has 5% of the total property values for the Fund, this member will pay 5% of the total property appraisal costs for that year.

Under this assessment strategy, the JIF charges allocated operating expenses directly to the members. Unallocated expenses are spread across the membership based upon the individual member's share of the exposure to the total for the Fund.

RISK MANAGEMENT CONSULTING FEES

Risk Management Consulting Fees are negotiated individually by each member and are added to the members' assessment after all of the above factors and the Cap Strategy (described below) are applied.

CAP STRATEGY

The Finance Committee realized that one of the major reasons member municipalities formed a JIF was to avoid the harsh cycles associated with the traditional insurance market. Without some type of capping mechanism in place, members' assessments could swing wildly from one year to the next. That is why a capping strategy was developed.

A capping strategy begins with a decision to set an upward percentage limit on the amount of any individual member's assessment increase. Naturally, the imposition of a cap on individual members' assessments will create some compression within the overall assessment allocation strategy. This must be addressed in order for the sum of the members' assessments to equal the budget figure for the JIF. In some cases this could mean that a member whose assessment formula results in a decrease could actually receive a modest increase in their assessment. The trade-off in this scenario is that all members know that they are being protected from large increases should their experience turn sour in a particular year.

**ACM JIF - 2017 Budget
Assessment Certification**

Absecon City	444,826
Avalon Borough	464,364
Brigantine City	854,283
Buena Borough	232,281
Cape May City	704,664
Cape May Point Borough	39,908
Commercial Township	78,304
Corbin City	24,962
Deerfield Township	80,222
Dennis Township	198,811
Downe Township	38,873
Egg Harbor Township	1,871,388
Estell Manor City	45,942
Folsom Borough	44,180
Galloway Township	1,310,549
Hamilton Township	1,079,594
Linwood City	515,725
Longport Borough	270,512
Lower Township	928,171
Margate City	759,384
Middle Township	784,861
Millville City	1,646,973
Mullica Township	209,547
Newfield Borough	84,275
North Wildwood City	589,314
Northfield City	388,189
Ocean City	2,245,997
Pleasantville City	1,519,397
Sea Isle City	942,337
Somers Point City	493,648
Stone Harbor Borough	353,784
Upper Deerfield Township	153,544
Upper Township	419,207
Ventnor City	986,909
Waterford Township	483,648
West Cape May Borough	75,078
West Wildwood Borough	85,497
Weymouth Township	55,374
Wildwood City	1,341,124
Wildwood Crest Borough	496,619
Woodbine Borough	55,954
41	23,398,222



2017 NOMINATION SLATE

Chair: **Lucy Samuelson**, Somers Point

Secretary: **Connie Mahon**, Borough of Wildwood Crest

Executive Committee: #1 **Ingrid Perez**, Hamilton Township

#2 **James Goos**, Ventnor City

#3 **Julie Picard**, Lower Township

#4 **Scot Jett**, City of North Wildwood

#5 **Chris Ridings**, City of West Wildwood

Alternates: #1 **Scott Wahl**, Borough of Avalon

#2 **Steve Wilkins**, City of Pleasantville

#3 **Chris Wood**, City of Wildwood

#4 **James Craft**, Borough of Stone Harbor

#5 **Lisa McLaughlin**, City of Margate

#6 **Rich Hirsch**, Longport Borough

#7 **Vacant**

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND WELLNESS DIRECTOR'S REPORT

Prepared For: Municipal Fund Commissioners, Safety Coordinators, and Risk Managers

Prepared By: Valerie Smith MS, Wellness Director

Contact Information: acmjifwellness@gmail.com 609-251-7811

October - November Activities

Waterford: Nutrition & Weight Loss Powerpoint presentation This was part of their employee wellness month.

Estell Manor: Shop Rite dietician will be doing cooking demonstrations to highlight fresh produce raised in their public gardens. This event will be open to general public also.

Sea Isle City: Will be hosting 2nd annual Municipal Health Fair on January 27, 2017.

Galloway Twp: Will be having a Healthy Eating & Employee Exercise presentation on December 7, 2016

Health Fairs

- Egg Harbor Twp - 10/28
- Upper Twp - 10/26
- Ocean City - 10/26
- Margate, Longport, Ventnor - 10/27
- Northfield City - 10/27

November Notes

In Good Health Newsletter: The November edition was emailed out and is posted on the ACMJIF website. November is "Diabetes Awareness Month". 29 million people (9.3%) have diabetes. Another 86 million, one in three adults have pre diabetes, where blood sugar levels are higher than normal, but not high enough to be considered diabetes.

The **Move It Monday Exercise:** How much activity is necessary to work off the calories from all that candy!

The year is quickly coming to a close, please consider having a wellness event for your municipality. I am available to assist.



To: Fund Commissioners

From: Paul J. Miola, CPCU, ARM, Executive Director

Date: November 21, 2016

Re: Executive Director's Report

A. Lost Time Accident Frequency Report (pgs. 69-70)

The September 2016 Lost Time Accident Frequency Summary and the Statewide Recap for September 2016 is enclosed for your review.

B. Certificates of Insurance (pgs. 71-73)

Summaries of the Certificates of Insurance issued during October 2016 are attached for your review.

C. 2015 Safety Incentive Program Awards (pg. 74)

A letter from our office describing how to collect your 2015 Safety Incentive Awards money was e-mailed on or about February 9, 2016. A report detailing the available balances for each member is attached for your review. **Please note that the deadline to claim or encumber these funds is December 31, 2016. All encumbered funds have to be claimed by February 1, 2017.**

D. 2016 Optional Safety Budget (pg. 75)

A reporting detailing the available balance for each member participating in the 2016 Optional Safety Budget is attached for your review. Instructions on claiming these funds were e-mailed to participating members on or about February 2, 2016. If you have any questions on how to collect your 2016 Optional Safety Budget funding, please contact our office. **Please note that the deadline for claiming or encumbering these funds is December 31, 2016. All encumbered funds must be claimed by February 1, 2017.**

E. 2016 Wellness Incentive Program Allowance (pg. 76)

A report detailing the available balance for each member for the 2016 Wellness Incentive Program is attached for your review. Instructions on claiming these funds were e-mailed to all members on or about January 20, 2016. If you have any questions on how to utilize your 2016 Wellness Incentive Program funding, please contact Valerie Smith, Wellness Director, or our office. **Please note that the deadline for claiming or encumbering these funds is December 31, 2016. All encumbered funds must be claimed by February 1, 2017.**

F. Employment Practices Liability Coverage – (pg. 77)

A compliance status report regarding the Employment Practices Liability Coverage is attached for your review. Each member should review this report carefully to insure its accuracy. If you believe the report to be inaccurate regarding your town, please contact PERMA directly.

G. EPL Allowance (pg. 78)

The JIF has provided each member with **\$725** of funding that can be used by each member for employment practices related expenses. These expenses include employment related training that the member would like to arrange for its personnel. Additional employee training can be effective mechanisms for members looking to manage their employment liability risks. If you need additional information regarding this program, please contact our office.

H. EPL Helpline – Authorized Contact List (pgs. 79-80)

With the placement of the member's EPL/POL coverage in the commercial insurance market, the insurance company QBE has implemented an EPL Helpline for the member's use. There is no restriction on the number of calls or amount of time that members can contact this service. Members can appoint two representatives to use this service. Appointments must be made by Resolution of the Governing Body. **Please note that Municipal Solicitors can not be appointed as Helpline Contacts.** Enclosed, please find the most recent list of authorized contacts for the EPL Helpline. These are the only representatives authorized to access this service. Please contact the Executive Director's Office with any questions.

I. Financial Fast Track Report (pg. 81)

The Financial Fast Track Report as of September 30, 2016 is attached for your review. The report is generated by PERMA and provides a "snapshot" of the JIF's financial status. The JIF's surplus position as of September 30, 2016 was **\$ 31,017,626.**

J. Regulatory Filing Checklists (pgs. 82-83)

Enclosed please find two regulatory filing checklists that we provide each month as part of our due diligence reporting on behalf of the JIF. These checklists provide an outline of required reporting to the Departments of Banking and Insurance and Community Affairs on an annual and a monthly basis, and the status of the items listed.

K. Monthly Activity Calendar (pgs. 84-85)

Attached for your review is the monthly activity calendar for the months of November/December.

L. Skateboard Park Approval Status (pg. 86)

Enclosed, please find a spreadsheet depicting the current status of all approved skateboard parks or those currently under construction by a member municipality. The MEL has established a process, outlined in MEL Coverage Bulletin **16-09**, that must be followed by all members who wish to construct a skateboard park and have the Atlantic JIF and MEL provide said facility with coverage. Any member with a park currently under construction or in the review process should review the enclosed spreadsheet to be sure that it accurately depicts the current status of your facility. All members considering construction of a skateboard park should contact the Executive Director's office prior to moving forward.

M. Capehart & Scatchard Updates (pgs. 87-95)

John Geaney, Esq. of the law firm of Capehart & Scatchard periodically provides updates on court cases dealing with workers' compensation, ADA and FMLA issues. Copies of his latest updates are included for your information.

N. Statutory Bond Status (pg. 96)

Attached for your review is the latest listing of Statutory Bonds issued by the MEL for JIF members. This list should be reviewed for accuracy. Any questions on the status of an application or a listed bond should be directed to Cate Kiernan at PERMA. Cate can be reached at 201-518-7031.

O. Elected Officials - Invite (pg. 97-98)

Again, this year, the Fund will be sponsoring Elected Officials training. The MEL will reduce each member's 2017 Workers Compensation loss funding premium by \$250 for each municipal elected official who attends one of the training sessions by March 31, 2017. This credit will also be extended to the member's CEO (i.e. Municipal Manager or Administrator) this year. The total credit is limited to 25% of a member's Workers Compensation funding premium. A Save the Date was emailed out to all Clerks, Fund Commissioners, and RMC's on or about September 9, 2016. Invitations/RSVP's for the sessions were e-mailed to all Municipal Clerks and Fund Commissioners on or about November 1, 2016. The trainings have been scheduled on the following dates:

December 7, 2016 - Merighi's Savoy Inn, Vineland
January 31, 2017 - Nicolosi's Catering, West Deptford
February 16, 2017 - Merighi's Savoy Inn, Vineland
March 29, 2017 - O'Connor's American Bar & Grille, Eastampton

P. 2016 Dividend Distribution Notice

On or about November 9, 2016 each member eligible to receive a portion of this year's dividend distribution should have received a notice via email from our office. Members were asked to complete the necessary paperwork directing how they would like to receive their portion of the dividend and return it to the Executive Director's office no later than December 16, 2016. Any questions should be directed to Tracy Forlenza at 856-446-9143.

Q. Inclement Weather Policy

Please note that the Fund has adopted an Inclement Weather Policy, a copy of which is available on the JIF website www.acmjif.org. Should it become necessary to cancel a meeting, pursuant to the policy, the Executive Director's office will attempt to contact the Fund Commissioners via e-mail, direct telephone contact or posting a message to the Fund's website (www.acmjif.org). In addition, members can also call 856-446-9148 for a pre-recorded message announcing the cancellation of a meeting.

R. New Member Activity

There is no new member activity at this time.

Atlantic County Municipal Joint Insurance Fund

2015 SIP Qualifiers Award

Member	Opening	January	February	March	April	May	June	July	August	September	October	November	December	Paid in	Total YTD	Ending	Encumbered
Municipality	Balance	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2017	Expenses	Balance	Funds
Absecon	1,900.00														0.00	1,900.00	
Avalon	2,150.00														0.00	2,150.00	
Brigantine	2,400.00				2,400.00										2,400.00	0.00	
Buena	1,900.00														0.00	1,900.00	
Cape May	2,400.00														0.00	2,400.00	
Cape May Point	1,650.00			1,650.00											1,650.00	0.00	
Commercial	1,650.00														0.00	1,650.00	
Corbin City	1,650.00				400.00	75.00			460.00		715.00				1,650.00	0.00	
Deerfield	1,650.00														0.00	1,650.00	
Dennis	1,900.00											1,900.00			1,900.00	0.00	
Downe	1,650.00														0.00	1,650.00	
Egg Harbor Twp.	2,650.00														0.00	2,650.00	
Estell Manor	1,650.00				1,650.00										1,650.00	0.00	
Folsom	1,650.00			1,650.00											1,650.00	0.00	
Galloway	2,400.00														0.00	2,400.00	
Hamilton	2,400.00			2,400.00											2,400.00	0.00	
Linwood	2,150.00														0.00	2,150.00	
Longport	1,900.00											1,151.81			1,151.81	748.19	
Lower	2,400.00										2,304.40				2,304.40	95.60	
Margate	2,400.00								2,400.00						2,400.00	0.00	
Middle	2,400.00														0.00	2,400.00	
Millville	2,650.00														0.00	2,650.00	
Mullica	1,900.00			1,900.00											1,900.00	0.00	
Newfield	1,650.00														0.00	1,650.00	
North Wildwood	2,400.00														0.00	2,400.00	
Northfield	2,150.00				2,150.00										2,150.00	0.00	
Ocean City	2,650.00										2,650.00				2,650.00	0.00	
Pleasantville	2,650.00									787.24		767.15			1,554.39	1,095.61	
Sea Isle City	2,400.00									548.97					548.97	1,851.03	
Somers Point	2,150.00				2,150.00										2,150.00	0.00	
Stone Harbor	2,150.00								2,150.00						2,150.00	0.00	
Upper Twp.	2,150.00							1,888.17				85.39			1,973.56	176.44	
Upper Deerfield	1,900.00			1,900.00											1,900.00	0.00	
Ventnor	2,400.00														0.00	2,400.00	
Waterford	2,150.00											1,241.39			1,241.39	908.61	
West Cape May	1,650.00														0.00	1,650.00	
West Wildwood	1,650.00														0.00	1,650.00	
Weymouth	1,650.00														0.00	1,650.00	
Wildwood	2,650.00			2,650.00											2,650.00	0.00	
Wildwood Crest	2,150.00			2,150.00											2,150.00	0.00	
Woodbine	1,650.00											1,650.00			1,650.00	0.00	
Total By Line	\$85,650.00	0.00	0.00	14,300.00	8,750.00	75.00	0.00	1,888.17	5,010.00	1,336.21	5,669.40	6,795.74	0.00	0.00	43,824.52	41,825.48	

Must be Claimed or Encumbered by December 31, 2016. All Encumbered Funds Must be Claimed by February 1, 2017

Atlantic County Municipal Joint Insurance Fund																	
2016 Optional Safety Budget																	
Member	Opening	January	February	March	April	May	June	July	August	September	October	November	December	Paid	Total YTD	Ending	Encumb.
Municipality	Balance	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2017	Expenses	Balance	Funds
Absecon City																	
Avalon Borough	\$1,500.00														\$0.00	\$1,500.00	
Brigantine City	\$2,000.00											\$2,000.00			\$2,000.00	\$0.00	
Buena Borough																	
Cape May City	\$2,000.00									\$1,573.29					\$1,573.29	\$426.71	
Cape May Point																	
Commercial Township																	
Corbin City																	
Deerfield Township	\$1,000.00														\$0.00	\$1,000.00	
Dennis Township	\$1,250.00											\$1,250.00			\$1,250.00	\$0.00	
Downe Township																	
Egg Harbor Township																	
Estell Manor City																	
Folsom Borough																	
Galloway Township																	
Hamilton Township	\$2,000.00														\$0.00	\$2,000.00	
Linwood	\$1,500.00														\$0.00	\$1,500.00	
Longport Borough																	
Lower Township	\$2,000.00														\$0.00	\$2,000.00	
Margate City																	
Middle Township																	
Millville City																	
Mullica Township																	
Newfield Borough	\$1,000.00														\$0.00	\$1,000.00	
North Wildwood City																	
Northfield City	\$1,500.00				\$795.00			\$291.23							\$1,086.23	\$413.77	
Ocean City	\$2,500.00										\$2,149.22				\$2,149.22	\$350.78	
Pleasantville City	\$2,500.00														\$0.00	\$2,500.00	
Sea Isle City	\$2,000.00			\$1,112.25					\$301.30	\$586.45					\$2,000.00	\$0.00	
Somers Point City																	
Stone Harbor	\$1,500.00								\$1,500.00						\$1,500.00	\$0.00	
Upper Deerfield Township																	
Upper Township																	
Ventnor City																	
Waterford Township	\$1,500.00											\$1,500.00			\$1,500.00	\$0.00	
West Cape May	\$1,000.00														\$0.00	\$1,000.00	
West Wildwood																	
Weymouth Township	\$1,000.00														\$0.00	\$1,000.00	
Wildwood City	\$2,500.00								\$1,000.00		\$584.40	\$587.64			\$2,172.04	\$327.96	
Wildwood Crest Borough																	
Woodbine Borough																	
Total By Line	\$30,250.00	\$0.00	\$0.00	\$1,112.25	\$795.00	\$0.00	\$0.00	\$291.23	\$2,801.30	\$2,159.74	\$2,733.62	\$5,337.64	\$0.00	\$0.00	\$15,230.78	\$15,019.22	
Must be Claimed of Encumbered by December 31, 2016. All Encumbered Funds Must be Claimed by February 1, 2017																	

**Atlantic County Municipal Joint Insurance Fund
2016 WELLNESS INCENTIVE PROGRAM ALLOWANCE**

Member Municipality	Opening Balance	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016	Sept. 2016	October 2016	November 2016	December 2016	Total YTD Expenses	Encumbered	Paid in 2017	Ending Balance
Absecon	800.00													0.00			\$800.00
Avalon	1,000.00													0.00			\$1,000.00
Brigantine	1,500.00									229.48				229.48			\$1,270.52
Buena	600.00													0.00			\$600.00
Cape May City	1,000.00													0.00			\$1,000.00
Cape May Point	275.00													0.00			\$275.00
Commercial	275.00													0.00			\$275.00
Corbin City	275.00							240.27						240.27			\$34.73
Deerfield	275.00							233.50						233.50			\$41.50
Dennis	600.00											600.00		600.00			\$0.00
Downe Township	275.00													0.00			\$275.00
Egg Harbor Twp.	1,500.00													0.00			\$1,500.00
Estell Manor	275.00													0.00			\$275.00
Folsom	275.00					219.34								219.34			\$55.66
Galloway	1,000.00													0.00			\$1,000.00
Hamilton	1,000.00													0.00			\$1,000.00
Linwood	800.00													0.00			\$800.00
Longport	800.00													0.00			\$800.00
Lower	1,000.00										1,000.00			1,000.00			\$0.00
Margate	1,500.00					180.00						1,320.00		1,500.00			\$0.00
Middle	1,000.00					258.68			904.98					1,163.66			-\$163.66
Millville	1,500.00													0.00			\$1,500.00
Mullica	600.00													0.00			\$600.00
Newfield	275.00													0.00			\$275.00
North Wildwood	1,000.00				175.75	56.39	57.05	107.77	109.65	96.84	72.79	76.93		753.17			\$246.83
Northfield	800.00													0.00			\$800.00
Ocean City	1,500.00										1,500.00			1,500.00			\$0.00
Pleasantville	1,500.00									383.81		518.81		902.62			\$597.38
Sea Isle City	1,000.00													0.00			\$1,000.00
Somers Point	1,000.00													0.00			\$1,000.00
Stone Harbor	1,000.00							1,000.00						1,000.00			\$0.00
Upper Deerfield	600.00													0.00			\$600.00
Upper Twp.	800.00											800.00		800.00			\$0.00
Ventnor	1,500.00													0.00			\$1,500.00
Waterford	800.00													0.00			\$800.00
West Cape May	275.00													0.00			\$275.00
West Wildwood	275.00	22.07		26.83	30.61		38.50			56.49		79.53		254.03			\$20.97
Weymouth	275.00													0.00			\$275.00
Wildwood	1,500.00											1,500.00		1,500.00			\$0.00
Wildwood Crest	1,000.00													0.00			\$1,000.00
Woodbine	275.00													0.00			\$275.00
Total By Line	\$33,500.00	\$22.07	\$0.00	\$26.83	\$206.36	\$714.41	\$95.55	\$1,581.54	\$1,014.63	\$766.62	\$2,572.79	\$4,895.27	\$0.00	\$11,896.07		\$0.00	\$21,603.93

Must be used by December 31, 2016

**Municipal
Joint Insurance
Fund** 
South Jersey Communities Securing Their Future
P. O. Box 530, Marlton, New Jersey 08053

To: Municipal Clerks
Fund Commissioners

From: Kris Kristie, Sr. Account Representative

Date: November 1, 2016

Re: Elected Officials Seminar

It is time once again to extend an invitation to the JIF Elected Officials for this year's training program. This year's program will focus on public official's liability; specifically, land use matters, as well as employment practices liability and ethics. The goal of this training is to make our Elected Officials aware of the potential impact of their actions on their municipality, and potential personal exposure, while acting in official capacity.

As in the past, the New Jersey Municipal Excess Liability Joint Insurance Fund (MEL) will reduce each member's 2017 MEL Loss Funding by \$250 for each municipal Elected Official who completes the course by May 1, 2017. This credit is also extended to the member's CEO (i.e. municipal manager/administrator). The maximum credit for each member is 25% of the member's 2017 MEL workers' compensation loss funding assessment.

The schedule of local Elected Official's training seminars is listed below. You are welcome to attend any of the sessions listed. To register, please complete the attached form and return it to Sheila Ortiz at our office.

Locally, the dates & location of this training is as follows:

Registration for all seminars is 5:30 PM – 6:00 PM. Seminars are from 6:00pm – 8:00 pm

Wednesday, December 7, 2016 – Merighi's Savoy Inn, Vineland

Tuesday, January 31, 2017 – Nicolosi's Caterers, West Deptford

Thursday, February 16, 2017 – Merighi's Savoy Inn, Vineland

Wednesday, March 29, 2017 – O'Connor's, Eastampton

Please feel free to contact my office if you have any questions.

cc: Risk Management Consultants

PLEASE RESPOND NO LATER THAN 2 WEEKS PRIOR TO ANY TRAINING DATE!

ELECTED OFFICIALS RISK MANAGEMENT SEMINAR

REGISTRATION FORM

Please Print

Course Date/Location: _____

Name: _____

Title: _____

Municipality: _____

Contact: _____

Phone Number: _____

Fax: _____

E-Mail: _____

Forward the completed form to:

Ms. Sheila Ortiz

Arthur J. Gallagher Risk Management Services

PO Box 530

Marlton, NJ 08053

E-Mail: Sheila_Ortiz@ajg.com

Fax: (856) 446-9149



Municipal Excess Liability Joint Insurance Fund

9 Campus Drive – Suite 216
Parsippany, NJ 07054
Tel (201) 881-7632
Fax (201) 881-7633

Date: October 19, 2016
To: Atlantic County Municipal Joint Insurance Fund
From: Commissioner Hirsch
Subject: October MEL Report

2017 Rate Table & Budget – Board of Fund Commissioners introduced a 2017 Rate Table and a 2017 Budget - reflecting an overall increase of .6% when applying the 2016 exposures and limits against the 2016 rate table to provide a comparison. Public Hearing scheduled for Wednesday, November 16, 2016 at 5:00 pm in Room 305 at the Atlantic City Convention Center.

Management Committee: Minutes of the Committee's September 6th and September 28th distributed to the Board. Committee also met just prior to the Fund Commissioner meeting and agreed to schedule interviews with the three firms that responded to the Fund's RFQ for Marketing Consultant. Brown & Brown, Acrisure LLC & Brown and Princeton Strategic Communications responded to RFQ.

Emergency Cleanup and Restoration Services: In 2015, the MEL advertised an RFQ to add qualified vendors for Emergency Cleanup and Restoration Services and have since periodically updated the existing list that is posted to the MEL webpage. Board approved the addition of Harrison Restoration dba Servpro Nutley Bloomfield to the list.

Safety & Education Committee: Committee's minutes of its October 12th submitted for information. Board accepted the Committee's recommendation and approved an expenditure of \$2,400 to begin to use First Net's (Learning Management System) NextGen to add "branding" for each JIF and a "Quick Course" program to be implemented in January of 2016.

Legislative Committee: The committee is scheduled to meet on November 16th during the NJSLOM convention. Committee Chairman said S2663 (Sweeney) and A4234 (Burzichelli) have been introduced in the legislature. Bills would allow certain joint insurance funds to invest in bonds of state and federal agencies and to form a joint cash management plan and investment program. The Board adopted a Resolution in support of the bills and will also ask

local JIFs to adopt similar resolutions. Executive Director asked Commissioners to contact their legislators to express support for the bill.

30th Anniversary: 2017 marks the 30th anniversary of the Municipal Excess Liability Joint Insurance Fund; copies of a brochure announcing this and other achievements is being distributed to members.

RCF Report: The RCF met on September 7, 2016 and introduced the amended 2016 Budget and the 2017 Proposed Budget. The public hearing on the RCF budget will be held on October 19, 2016 at 10:30 AM in the Forsgate Country Club. A copy of Commissioner Cottman's report on the RCF Board's September meeting was distributed for information.

Claims Committee: Minutes of the Claims Review Committee's September were submitted to Fund Commissioners. Committee will meet immediately following the Board meeting.

Underwriting: Underwriting Manager said the 2017 renewal is progressing favorably and has almost concluded.

OPRA – Fund Attorney said he and Brad Stokes of Perma, have been working well together in responding to OPRA requests.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND				
2017 BUDGET FOR RATE DEVELOPMENT				
MUNICIPALITIES ONLY - CURRENT DATA				
		A	B	B-A
		BUDGET	BUDGET	
	APPROPRIATIONS	2016 RATES	2017 RATES	\$
	I. CLAIMS AND EXCESS INSURANCE PREMIUMS	MUNIS ONLY	MUNIS ONLY	CHANGE
				CHANGE
	CLAIMS			
	Excess Liability:			
1	To 500K	2,523,640	2,523,640	0
2	1.25MIL Ex 500K	3,332,119	3,332,119	(0)
3	Excess WC	7,869,811	7,279,575	(590,236)
4	Excess Property to 500K*	2,098,446	2,365,680	267,234
5	Aggregate Excess LFC	15,435	15,435	-
6	JIF Faithful Performance Bond	181,884	181,884	-
7	Statutory Bonds	283,000	283,000	-
8	Sub Total	16,304,335	15,981,333	(323,002)
9	PREMIUMS			
10	3.25MIL ex 1.75 MIL	4,780,635	4,876,248	95,613
11	Optional Excess Liability	1,653,189	1,653,189	(0)
12	Optional Excess POL/EPL	838,099	838,099	0
13	Excess WC	2,527,306	2,464,124	(63,183)
14	Excess Property	6,458,631	6,725,632	267,001
15	Boiler and Machinery	562,926	562,926	-
16	Loss Fund Contingency	397,510	397,510	-
17	Sub Total	17,218,297	17,517,728	299,431
18	Total Claims & Premiums	33,522,632	33,499,061	(23,571)
19				
20	II. EXPENSES			
21	Claims Adjustment	990,422	1,010,231	19,808
22	Property Adjustment	160,000	163,200	3,200
23	Administration	982,676	1,002,330	19,654
24	Loss Fund Management	147,900	150,858	2,958
25	Actuary	48,170	49,133	963
26	Attorney	43,352	44,219	867
27	Deputy Attorney	1,446	1,475	29
28	Attorney - OPRA	16,320	16,646	326
29	Auditor	27,625	28,178	553
30	Treasurer	24,424	24,912	488
31	Underwriting Manager	508,472	518,641	10,169
32	Reinsurance Manager	293,622	299,494	5,872
33	Safety and Education Committee	194,275	194,275	-
34	Computer Services	138,010	138,010	-
35	Legislative Committee	26,409	26,409	-
36	Internal Audit Committee	57,856	57,856	-
37	Strategic Planning Committee	28,928	28,928	-
38	Coverage Committee	38,318	38,318	-
39	Communications Committee	119,079	119,079	-
40	Misc Expense	(347,915)	(147,915)	200,000
41	Subtotal	3,499,389	3,764,278	264,889
42				
43	MEL Safety Institute	902,123	902,123	-
44	Total Appropriations	37,924,144	38,165,461	241,318

MEL RATE TABLE								
MUNICIPALITIES/PREMIUMS		RATING BASE						
					2016	2017	CHANGE \$	CHANGE%
AL/GL	CLAIMS	Layer:						
		0 EX 500K	(1)	(1)	-	-	-	
		100K EX 400K	(1)	(1)	0.1878	0.18785	-	0.0%
		150K EX 350K	(1)	(1)	0.3820	0.38199	-	0.0%
		200K EX 300K	(1)	(1)	0.5618	0.56175	-	0.0%
		250K EX 250K	(1)	(1)	0.7415	0.74151	-	0.0%
		300K EX 200K	(1)	(1)	1.0336	1.03362	-	0.0%
		1.25MIL EX 500K	(1)	(1)	0.8539	0.85386	-	0.0%
LFC		Clash Coverage/LFC	(1)	(1)	0.0874	0.087372	-	0.0%
AL/GL	PREMIUMS	3.25 MIL EX 1.75 MIL	(1)	(1)	1.1047	1.126765	0.0221	2.0%
					SUBJECT TO MINIMUM PREMIUMS			
AL/GL	OPTIONAL EXCESS							
		2 MIL EX 5 MIL	(1)	(1)	0.1650	0.1650	-	0.0%
		5 MIL EX 5 MIL	(1)	(1)	0.3327	0.3327	-	0.0%
		10 MIL EX 5 MIL	(1)	(1)	0.4977	0.4977	-	0.0%
		15 MIL EX 5 MIL	(1)	(1)	0.5890	0.5890	-	0.0%
					SUBJECT TO MINIMUM PREMIUMS			
POL	OPTIONAL EXCESS							
		1MIL EX 2MIL	(1)	(1)	0.0571	0.0571	-	0.0%
		2MIL EX 2MIL	(1)	(1)	0.0946	0.0946	-	0.0%
		3MIL EX 2MIL	(1)	(1)	0.1217	0.1217	-	0.0%
		4MIL EX 2MIL	(1)	(1)	0.1436	0.1436	-	0.0%
		8MIL EX 2MIL	(1)	(1)	0.2872	0.2872	-	0.0%
WC		Layer:						
	CLAIMS							
					FY2016	FY2017		
		1800K EX 200K	(3)	(3)	0.00507	0.004687	(0.0004)	-7.5%
		1750K EX 250K	(3)	(3)	0.00437	0.004043	(0.0003)	-7.5%
		1,700K x 300K			0.00363	0.003354	(0.0003)	-7.5%
		1650K EX 350K			0.00319	0.002955	(0.0002)	-7.5%
		1600Kx400			0.00295	0.002729	(0.0002)	-7.5%
		1550Kx450			0.00263	0.002429	(0.0002)	-7.5%
		1500k EX 500k			0.00227	0.002103	(0.0002)	-7.5%
		1450k EX 550k						
		1400k EX 600k			0.00118	0.001177	-	0.0%
		1350k EX 650k						
		1300k EX 700k						
		1250k EX 750k			0.00133	0.001333	-	0.0%
	PREMIUM		(3)	(3)	0.000989	0.000964	(0.0000)	-2.5%
PROPERTY					-	-		
	CLAIMS	Property 200K EX 50K	(4)	(4)	0.0209	0.0238	0.0029	13.9%
		Property 150K EX 100K	(4)	(4)	0.010	0.0117	0.0014	13.6%
		Property 100K EX 150K	(4)	(4)		0.0058	0.0058	
		Property 50K EX 200K	(4)	(4)		0.0023	0.0023	
		Property 250K EX 250K	(4)	(4)	0.005	0.0115	0.0063	119.6%
	PREMIUM	Excess Property	(4)	(4)	0.0644	0.0671	0.0027	4.1%
		Boiler and Machinery	(4)	(4)	0.0056	0.0056	-	0.0%
		Faithful Performance Bond	(2)	(2)	6.3405	6.3405	-	0.0%
					0.0548	0.0548		
EXPENSE FACTOR					0.0965	0.0965	-	0.0%
MSI					26.01	29.09	3.0800	11.8%
(1) Rate per capita (2010 Census)								
(2) Rate per employee								
(3) Rate per \$100 payroll								
(4) Rate per \$100 value								
DATA FOR SP EXPOSURES DISTRIBUTION								
SPECIAL EXPOSURES:								
WATER UTILITY					0.01120	0.01120	-	0.00%
ELECTRIC UTILITY(1) Payroll to 1MIL					0.01955	0.01955	-	0.00%
ELECTRIC UTILITY(2) Payroll over 1MIL					0.00200	0.00200	-	0.00%
		50K EX 150K	0.00%					
		300K EX 200K	67.85%					
		500K EX 500K	32.15%					
			100.00%					

Municipal Excess Liability Joint Insurance Fund

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 a very 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 Board of Fund Commissioners of the Municipal Excess Liability Joint Insurance Fund (hereinafter MEL) that:

1. The MEL urges the Legislature to adopt S-2663 and A-4234,
2. The MEL urges its member JIFs and member local units and BOEs to adopt the attached resolution
3. A copy of this resolution shall be sent to all legislators as well as the Governor, Commissioner of the Department of Banking and Insurance and the Commissioner of the Department of Community Affairs.

SENATE, No. 2663

STATE OF NEW JERSEY

217th LEGISLATURE

INTRODUCED OCTOBER 7, 2016

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Allows certain joint insurance funds to invest in bonds of State and federal agencies and to form joint cash management and investment programs.

CURRENT VERSION OF TEXT

As introduced.

An Act concerning certain joint insurance funds and amending and supplementing P.L.1983, c.372 and P.L. 1983, c.108.

Be It Enacted by the Senate and General Assembly of the State of New Jersey:

1. Section 3 of P.L.1983, c.372 (C.40A:10-38) is amended to read as follows:

3. a. The commissioners of a joint insurance fund shall have the powers and authority granted to commissioners of individual local insurance funds under the provisions of subsections a., b., c., and e. of N.J.S.40A:10-10.

b. The commissioners may invest and reinvest the funds, including workers' compensation funds, as authorized under the provisions of subsection b. of N.J.S.40A:10-10. The commissioners may, subject to the cash management plan of the joint insurance fund adopted pursuant to N.J.S.40A:5-14, delegate any of the functions, powers and duties relating to the investment and reinvestment of these funds, including the purchase, sale or exchange of any investments, securities or funds to an investment or asset manager. Any transfer of investment power and duties made pursuant to this subsection shall be detailed in a written contract for services between the joint insurance fund and an investment or asset manager. The contract shall be filed with the Commissioner of Banking and Insurance and the Commissioner of Community Affairs. Compensation under such an arrangement shall not be based upon commissions related to the purchase, sale or exchange of any investments, securities or funds. In addition to the types of securities in which the joint insurance fund may invest pursuant to section 8 of P.L.1977, c.396 (C.40A:5-15.1), a joint insurance fund may invest in debt obligations of any governmental entity established under the laws of the State of New Jersey and federal agencies or government corporations.

c. The commissioners may transfer moneys held in the fund to the Director of the Division of Investment in the Department of the Treasury for investment on behalf of the fund, pursuant to the written directions of the commissioners, signed by an authorized officer of the joint insurance

fund, or any investment or asset manager designated by them. The commissioners shall provide a written notice to the director detailing the extent of the authority delegated to the investment or asset manager so designated to act on behalf of the joint insurance fund. Moneys transferred to the director for investment shall be invested subject to section 8 of P.L.1977, c.396 (C.40A:5-15.1), and in accordance with the standards governing the investment of other funds which are managed under the rules and regulations of the State Investment Council. In addition to the types of securities in which the joint insurance fund may invest pursuant to section 8 of P.L.1977, c.396 (C.40A:5-15.1), a joint insurance fund may invest in debt obligations of federal agencies or government corporations with maturities not to exceed 10 years from the date of purchase, excluding mortgage backed or derivative obligations, provided that the investments are purchased through the Division of Investment and are invested consistent with the rules and regulations of the State Investment Council.

d. Moneys transferred to the director for investment may not thereafter be withdrawn except: (1) pursuant to the written directions of the commissioners signed by an authorized officer of the joint insurance fund, or any investment or asset manager designated by them; (2) upon withdrawal or expulsion of a member local unit from the fund; (3) termination of the fund; or (4) in specific amounts in payment of specific claims, administrative expenses or member dividends upon affidavit of the director or other chief executive officer of the joint insurance fund.

e. The commissioners or the executive board, as the case may be, of any joint insurance fund established pursuant to the provisions of this act shall be subject to and operate in compliance with the provisions of the "Local Fiscal Affairs Law" (N.J.S.40A:5-1 et seq.), the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) and such other rules and regulations as govern the custody, investment and expenditure of public funds by local units.

(cf: P.L.1995, c.374, s.1)

2. (New section) Notwithstanding the provisions of any other law to the contrary, and in addition to the powers otherwise conferred by law, the commissioners of a joint insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.), and the trustees of a joint insurance fund established pursuant to P.L.1983, c.108 (C.18A:18B-1 et seq.) may amend the plan of risk management of their respective funds to participate in a joint cash management and investment program with other joint insurance funds similarly established pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.), and P.L.1983, c.108 (C.18A:18B-1 et seq.). The joint insurance funds participating in this program shall jointly file a cash management plan for prior approval by the Commissioner of Banking and Insurance and the Commissioner of Community Affairs and shall comply with all provisions of P.L.1983, c.372 (C.40A:10-36 et seq.) and P.L.1983, c.108 (C.18A:18B-1 et seq.), as appropriate.

3. Section 4 of P.L.1983, c.108 (C.18A:18B-4) is amended to read as follows:

4. Bylaws of the group; trustees; powers.

a. The bylaws of any school board insurance group shall:

(1) Set forth a statement of purposes of the group;

(2) Set forth provisions for organization of the group, including governance by a board of trustees;

(3) Provide for the delivery of a risk management program in conjunction with any joint self-insurance fund or funds which the board of trustees shall establish. The risk management program shall include, but not be limited to:

- (a) the perils of liabilities to be insured against;
 - (b) limits of coverage, whether self-insurance, direct insurance purchased from a commercial carrier or reinsurance;
 - (c) the amount of risk to be retained by the fund;
 - (d) the amount of reserves to be established;
 - (e) the proposed method of assessing contributions to be paid by each member of the fund;
 - (f) procedures governing loss adjustment and legal fees;
 - (g) coverage to be purchased from a commercial insurer, if any;
 - (h) reinsurance to be purchased, if any, and the amount of premium therefor; and
 - (i) such other procedures and information as the commissioner may require by rule or regulation;
- (4) Set forth procedures to enforce the collection of any contributions or payments in default;
- (5) Set forth membership standards as required in section 3 of P.L.1983, c.108 (C.18A:18B-3);
- (6) Require that, for each joint self-insurance fund, a contract or contracts of specific and aggregate excess insurance or reinsurance is maintained;
- (7) Set forth procedures for:
- (a) Withdrawal from the group and a fund by a member;
 - (b) Termination of the group or fund and disposition of assets; and
 - (c) Determining the obligations, if any, of a member in the event that the group is unable to pay indemnification obligations and expenses payable from a fund administered by it;
- (8) Require an annual certified audit to be prepared and filed with the commissioner;
- (9) Require that any joint self-insurance fund or funds be developed and operated in accordance with accepted and sound actuarial practices;
- (10) Provide that any expenditure of moneys in a fund be in furtherance of the purpose of the fund;
- (11) Set forth other provisions as desired for operation and governance of the group;
- (12) Provide for expulsion of a member; and
- (13) Comply with any requirement established by the commissioner by rule or regulation.

b. The bylaws of a group shall provide for governance of the group by a board of trustees selected in accordance with the provisions of the bylaws. The bylaws shall provide for trustee powers and duties and shall include, but not be limited to, the following powers of the board of trustees:

(1) To determine and establish contributions and rates, loss reserves, surplus, limits of coverage, limits of excess or reinsurance, coverage documents, dividends and other financial and operating policies of the group or fund;

(2) To invest moneys held in trust under any fund in investments which are approved for investment by regulation of the State Investment Council for surplus moneys of the State or, at the discretion of the board, to transfer moneys held in trust under any fund to the Director of the Division of Investment in the Department of the Treasury for investment on behalf of the board in accordance with the standards governing the investment of other funds which are managed under the rules and regulations of the State Investment Council. However, any moneys transferred to the director for investment may not thereafter be withdrawn except upon withdrawal of a member from the group or a fund or termination of the group or a fund or in specific amounts in payment of specific claims, administrative expenses or member dividends upon affidavit of the director or other chief executive officer of the group. In addition to the types of securities in which the joint insurance fund may otherwise invest, a joint insurance fund may invest in debt obligations of any governmental entity established under the laws of the State of New Jersey and federal agencies or government corporations;

(3) To purchase, acquire, hold, lease, sell and convey real and personal property, all of which property shall be exempt from taxation under chapter 4 of Title 54, Taxation, of the Revised Statutes;

(4) To collect and disburse all money due to or payable by the group, or authorize such collection and disbursement;

(5) To enter into contracts with other persons or with public bodies of this State for any professional, administrative or other services as may be necessary to carry out the purposes of the group or any fund;

(6) To purchase and serve as the master policyholders if desired, for any insurance, including excess or reinsurance;

(7) To prepare, or cause to be prepared, a risk management program for the joint insurance group;

(8) As the need arises, from time to time, to amend the bylaws or risk management program of the fund; except that no such amendment shall take effect until approved in the following manner:

(a) The trustees shall file with the commissioner, for his approval: a copy of any amendment to the bylaws of the fund, upon approval by resolution of three-fourths of the member school boards or in such other manner as established by the fund and approved by the commissioner; or any amendment to the risk management program, upon adoption by the trustees.

(b) Within 60 days of receipt, the commissioner shall either approve or disapprove any amendment to the bylaws or risk management program. If the commissioner fails to either approve or disapprove the amendment within that 60 day period, the amendment shall be deemed approved;

(c) If any amendment is disapproved, the commissioner shall set forth, in writing, the reasons for disapproval. Upon the receipt of the notice of disapproval, the trustee of the affected joint

insurance fund may request a public hearing. The public hearing shall be convened by the commissioner in a timely manner;

(d) Within 90 days after the effective date of any amendment to the bylaws, a member school board which did not approve the amendment may withdraw from the fund, except that it shall remain liable for its share of any claim or expense incurred by the fund during its period of membership;

(9) To do all other things necessary and proper to carry out the purposes for which the group is established.

(cf: P.L.1995, c.74, s.2)

4. (New section) Notwithstanding the provisions of any other law to the contrary, and in addition to the powers otherwise conferred by law, the trustees of a joint insurance fund established pursuant to P.L.1983, c.108 (C.18A:18B-1 et seq.) and the commissioners of a joint insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.), may amend the plan of risk management of their respective funds to participate in a joint cash management and investment program with other joint insurance funds similarly established pursuant to P.L.1983, c.108 (C.18A:18B-1 et seq.) and P.L.1983, c.372 (C.40A:10-36 et seq.). The joint insurance funds participating in this program shall jointly file a cash management plan for prior approval by the Commissioner of Banking and Insurance and the Commissioner of Community Affairs and shall comply with all provisions of P.L.1983, c.108 (C.18A:18B-1 et seq.) and P.L.1983, c.372 (C.40A:10-36 et seq.), as appropriate.

5. This act shall take effect immediately.

STATEMENT

This bill authorizes certain joint insurance funds to invest in bonds of local units and other New Jersey and federal governmental agencies.

Specifically, the bill amends current law to allow both local unit joint insurance funds, and board of education joint insurance funds, all commonly referred to as "JIFs," to invest in bonds of any governmental entity established under State law, or of any federal agencies or government corporations. It is anticipated that this expansion of the types of bonds in which these JIFs may invest will increase the yield that the JIFs may realize, while still limiting their investments to very safe instruments.

The bill also allows the local unit and board of education joint insurance funds to amend their respective risk management plans to form joint cash management and investment programs. This change will give these JIFs the ability to increase investment yield by reducing the amount of assets that must be held in short term instruments to cover their cash flow needs.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

RESOLUTION 2016-__

APPOINTING RICHARD HIRSCH AS THE FUND'S REPRESENTATIVE TO THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND AND THE RESIDUAL CLAIMS JOINT INSURANCE FUND FOR THE 2017 FUND YEAR

Whereas, the Atlantic County Municipal Joint Insurance Fund has been organized pursuant to NJSA 40A:10-36, et seq.; and

Whereas, the Atlantic County Municipal Joint Insurance Fund is a member of the Municipal Excess Liability Joint Insurance Fund and the Residual Claims Joint Insurance Fund; and

Whereas, as a member of each of these Funds, the Atlantic County Municipal Joint Insurance Fund actively participates in the meetings and operations of each of these Funds through the appointment of a representative to each Fund; and

Whereas, the appointment of the representative to each of these Fund's is at the discretion of the Chair of the Atlantic County Municipal Joint Insurance Fund; and

Whereas, Richard Hirsch, Fund Commissioner from the Borough of Longport, has served as the Atlantic County Municipal Joint Insurance Fund's representative to the Municipal Excess Liability Joint Insurance Fund and as the Fund's representative to the Residual Claims Joint Insurance Fund during the 2016 Fund Year; and

Whereas, the Fund Chair has determined that it is in the best interest of the Atlantic County Municipal Joint Insurance Fund to reappoint Mr. Hirsch as the Fund's representative to the Municipal Excess Liability Joint Insurance Fund and the Residual Claims Joint Insurance Fund.

Now, therefore, be it resolved by the Fund Commissioners of the Atlantic County Municipal Joint Insurance Fund that Richard Hirsch, Fund Commissioner from the Borough of Longport, is hereby appointed as the Atlantic County Municipal Joint Insurance Fund's representative to the Municipal Excess Liability Joint Insurance Fund and Residual Claims Joint Insurance Fund; and

Be it Further Resolved that these appointments shall be effective January 1, 2017; and

Be it Further Resolved that a fully executed copy of this resolution be forwarded to the Municipal Excess Liability Joint Insurance Fund and the Residual Claims Joint Insurance Fund.

This resolution was duly adopted by the Atlantic County Municipal Joint Insurance Fund at a public meeting held on November 21, 2016.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

By: _____
CHAIRPERSON

Attest: _____
SECRETARY

Date: _____



Municipal Excess Liability Joint Insurance Fund

9 Campus Drive – Suite 216
Parsippany, NJ 07054
Tel (201) 881-7632
Fax (201) 881-7633

October 27, 2016

Memo to: Member Municipalities & Authorities
Municipal Excess Liability Joint Insurance Fund

From: David N. Grubb, Executive Director

Re: Elected Officials' Training Seminars at the 2016 League of Municipalities Conference

This year's elected officials training program will focus on **Ethics for Local Government Officials**.

As in the past, the MEL will reduce each member's 2017 workers' compensation claims premium by \$250 for each municipal elected official and authority commissioner who completes the course by May 1, 2017. The credit will continue to be extended to the member's CEO (i.e. municipal manager/administrator or authority executive director). The maximum credit is 25% of the member's workers' compensation claims fund.

Below are the two Elected Official's training seminars to be held at the 2016 League of Municipalities conference. We will continue to add classes throughout the fall and winter throughout the state. Please visit our web-site www.njmel.org for updates.

2016/2017 ELECTED/APPOINTED OFFICIALS LIABILITY SEMINARS **Atlantic City-NJ**

November 15, 2016– Tuesday, 3:45 PM, Palladium C - Caesars, Atlantic City

November 16, 2016 –Wednesday, 3:45 PM Atlantic City Convention Center Room 302
(Title of course is *Annual Risk Management Seminar*)

Pre-registration is not required.

REGISTRATION FORM

Course Date/Location:

☐ **November 15, 2016** Tuesday, 3:45 PM, Palladium C - Caesars, Atlantic City

☐ **November 16, 2016** Wednesday, 3:45 PM, Atlantic City Convention Center Room 302

Name	Title

Municipality or Authority: _____

Contact (in case of cancellation)_____

Phone Number: _____

E-Mail: _____

Forward the completed form one of two ways:

Fax: (201) 881-7633

Email: jainet@permainc.com

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

SAFETY DIRECTOR'S REPORT

TO: Municipal Fund Commissioners, Safety Coordinators, Risk Managers

FROM: Timothy Sheehan, Associate Public Sector Director

DATE: October 31, 2016

Service Team:

Timothy Sheehan Associate Public Sector Director tsheehan@jamontgomery.com Office: 856-552-6862 Cell: 609-352-6378	Mailing Address: 231 Main Street P. O. Box 2017, Toms River New Jersey 08754 Toll Free: 877-398-3046	Robert Holwitt, Consultant rholwitt@jamontgomery.com Office: 856-552-4624 Cell: 856-628-5705
Karen La Sala Executive Assistant klasala@jamontgomery.com Office: 732-660-5006 Fax: 856-830-1496		Robert Garish, Consultant rgarish@jamontgomery.com Office: 856-552-4650 Cell: 609-947-9719

OCTOBER ACTIVITIES

LOSS CONTROL SERVICES

- City of Absecon – Conducted a Loss Control Survey on October 4
- City of Cape May – Conducted a Loss Control Survey on October 5
- Borough of Folsom – Conducted a Loss Control Survey on October 13
- Township of Galloway – Conducted a Loss Control Survey on October 6
- Township of Lower – Conducted a Loss Control Survey on October 5
- Township of Mullica – Conducted a Loss Control Survey on October 3
- City of Millville – Attended a Safety Committee meeting on October 11
- City of Northfield – Conducted a Loss Control Survey on October 4
- City of Pleasantville – Conducted a Loss Control Survey on October 4
- City of Sea Isle – Conducted a Loss Control Survey on October 19
- Township of Waterford – Conducted a Loss Control Survey on October 17
- City of Wildwood – Conducted a Loss Control Survey on October 11

JIF MEETINGS ATTENDED

- Executive Committee - October 26
- Claims Meeting - October 13
- Annual Planning Retreat - October 26-27

MEL VIDEO LIBRARY

The following members used the MEL Video Library during October. **Please note the new e-mail address: melvideolibrary@jamontgomery.com and telephone number: 856-552-4900.**

To either view the full video catalog or rent videos, use the above website or NJMEL.org.

<u>Municipality</u>	<u># of Videos</u>
Borough of Folsom	1
Township of Galloway	3
City of Linwood	1
Township of Upper	1

MEL MEDIA CATALOG

To view the entire updated MEL Media Catalog with 100 new DVD titles go to NJMEL.org, click on the Video button at the top of the page, then choose 'Order Conventional Videos'.

NEW SAFETY DIRECTOR'S BULLETINS AND NOTICES

Regional training announcements and Bulletins are distributed by e-mail to Fund Commissioners, Safety Coordinators and Risk Consultants. Please access the Atlantic JIF (<http://www.acmjif.org>) to verify Fund Commissioners, Safety Coordinators and Risk Managers contact information is correct. If you find a discrepancy, please let us know. If applicable, a copy or copies of the Safety Director's Bulletins are attached.

The following Safety Director Bulletins and alerts were distributed by e-mail during October. If you are not receiving updates or would like to add other names to the distribution list, please let us know.

- Ø Atlantic JIF - Career Survival for Police Officers - October 7, 2016 - Reminder
- Ø Atlantic JIF - Safety Director's Bulletin - October is Fire Prevention Month
- Ø Atlantic JIF - Regional Training - The Importance of Safety in Everyday Activities - October 27, 2016 - Rescheduled
- Ø Atlantic JIF - Regional Training - The Importance of Safety in Everyday Activities - December 6, 2016
- Ø Atlantic JIF - Safety Director's Bulletin - Leaf Collection Time
- Ø Atlantic JIF - Did You Know? – MSI Training Schedule – November, December 2016

Ø UPCOMING EVENTS

- Executive Committee – November 21
- Regional Training – The Importance of Safety in Everyday Activities – Rescheduled to December 6
- Executive Safety Committee – December 15

MSI TRAINING PROGRAMS

NOTE: We need to keep our list of MSI Training Administrators up-to-date. If there are any changes, deletions or you need to appoint a new Training Administrator, please advise (klasala@jamontgomery.com).

MEMBER	DEPARTMENT	LAST NAME	FIRST NAME
ABSECON	ABSECON	LAWLER (MEL_tinalawler)	TINA

MEMBER	DEPARTMENT	LAST NAME	FIRST NAME
AVALON	AVALON	DEAN (MEL_198987)	EDWARD, R.
AVALON	AVALON EMS	SCARPA (MEL_221708)	KEVIN
AVALON	AVALON PUBLIC WORKS	DEENEY (MEL_jdeeney22)	JENNIFER
AVALON	AVALON PUBLIC WORKS	MACOMBER (MEL_williammacomber)	WILLIAM
AVALON	AVALON PUBLIC WORKS	WHILDIN JR (MEL_wwhildin)	WAYNE
BRIGANTINE	PUBLIC WORKS	DORING (MEL_johndoring)	JOHN
BRIGANTINE	PUBLIC WORKS	MUSUMECI (MEL_225284)	LISA
BUENA	NONE		
CAPE MAY	CAPE MAY	PICARD (MEL_231079)	JOSEPH
CAPE MAY POINT	CAPE MAY POINT	HODSDON (MEL_KHodsdon)	KIMBERLEY
CAPE MAY POINT	CAPE MAY POINT	CONNOR (MEL_steveconnor)	STEVE
COMMERCIAL	COMMERCIAL	SPARKS (MEL_heathersparks)	HEATHER
CORBIN CITY	CORBIN CITY	SIEDLECKI (MEL_222029)	JOANNE
DEERFIELD	DEERFIELD	SEIFRIT (MEL_221719)	KAREN
DENNIS	DENNIS	CHAMPION (MEL_199656)	VERNON
DOWNE TOWNSHIP	DOWNE TOWNSHIP	LOCKLEY (MEL_Downetownship)	NADINE
EGG HARBOR TOWNSHIP	EGG HARBOR TOWNSHIP	BURGER (MEL_224144)	DONNA
EGG HARBOR TOWNSHIP	EGG HARBOR TOWNSHIP	LINCOLN (MEL_199845)	ROBERT
EGG HARBOR TOWNSHIP	EGG HARBOR TOWNSHIP	LINCOLN (MEL_boblincoln)	ROBERT
EGG HARBOR TOWNSHIP	EGG HARBOR TOWNSHIP	SLUSARSKI (MEL_242881)	STEPHEN
ESTELL MANOR	ESTELL MANOR	HENRY (MEL_rmcestellmanor)	JOE
ESTELL MANOR	ESTELL MANOR	KENT (MEL_lindakent)	LINDA
FOLSOM	FOLSOM	GATTO (MEL_pattigatto)	PATTI
FOLSOM	FOLSOM	LAPOLLO (MEL_199926)	JOHN
GALLOWAY	GALLOWAY	AYERS (MEL_199933)	MATT
GALLOWAY	GALLOWAY	MARABLE (MEL_RAYMARABLE)	RAYMOND
GALLOWAY	GALLOWAY	MCDOWELL (MEL_199524)	KEVIN
GALLOWAY	GALLOWAY	PRAKASH (MEL_cherylprakash)	CHERYL
GALLOWAY	PUBLIC WORKS	GUERRA (MEL_199587)	RAY
HAMILTON	HAMILTON	GIBERSON (MEL_224603)	SUE
HAMILTON	HAMILTON	MARCOLONGO (MEL_lisamarcolongo)	LISA
LINWOOD	LINWOOD	BECK (MEL_226388)	EDWARD
LINWOOD	LINWOOD	HAMILTON (MEL_jhamilton)	JOHN
LINWOOD	LINWOOD	JONES (MEL_212955)	WALTER
LONGPORT	LONGPORT	ADAMS (MEL_238589)	DANIEL
LONGPORT	LONGPORT	HIRSCH (MEL_221725)	RICHARD
LONGPORT	LONGPORT	SHAUD (MEL_238775)	PIERCE
LONGPORT	LONGPORT	SIMMONS (MEL_pwsupervisor)	JUERGEN
LOWER	LOWER	BEEBY (MEL_223881)	THOMAS

MEMBER	DEPARTMENT	LAST NAME	FIRST NAME
LOWER	LOWER	BIERSBACH (MEL_MBiersbach)	MARTIN
LOWER	LOWER	CRIPPEN (MEL_200254)	COLLEEN
LOWER	LOWER	DILWORTH (MEL_242217)	JASON
LOWER	LOWER	GALESTOK (MEL_200312)	WILLIAM
LOWER	LOWER	GREENE (MEL_LtGreene)	PATRICK
LOWER	LOWER	LEPOR (MEL_200293)	DAVE
LOWER	LOWER	PLENN (MEL_200321)	MITCHELL
MARGATE	MARGATE	ADAMS (MEL_223030)	DANIEL
MARGATE	MARGATE	ARMSTRONG (MEL_225741)	PAT
MARGATE	MARGATE	BARILLO (MEL_johnbarillo)	JOHN
MARGATE	MARGATE	EISSLER (MEL_226426)	BRAD
MARGATE	MARGATE	GRACE (MEL_ericgrace)	ERIC
MARGATE	MARGATE	HORNIG (MEL_CHRISHORNIG)	CHRIS
MARGATE	MARGATE	SHIELDS (MEL_225732)	TOM
MARGATE	MARGATE	TABASSO JR (MEL_224557)	ANTHONY
MARGATE	MARGATE	WAINWRIGHT (MEL_timothywainwright)	TIMOTHY
MARGATE	MARGATE	WINNEBERGER (MEL_SCOTTWINNEBERGERMA)	SCOTT
MIDDLE	MIDDLE	GARRISON (MEL_ANNIEGARRISON)	ANNIE
MIDDLE	MIDDLE	KALISH (MEL_200409)	VERA
MIDDLE	MIDDLE	KRAUSS (MEL_mtclerk@middletownship.com)	KIMBERLY
MIDDLE	MIDDLE	MCLAUGHLIN (MEL_rmcmiddle)	MIKE
MILLVILLE	FIRE DEPARTMENT	LIPPINCOTT (MEL_MLippincott)	MICHAEL
MILLVILLE	FIRE DEPARTMENT	TONETTA (MEL_CATonetta)	CHRISTINE
MILLVILLE	MILLVILLE	CRUZ (MEL_243455)	SAMANTHA
MILLVILLE	MILLVILLE	EDELMAN (MEL_rmcmillville)	ZACH
MILLVILLE	MILLVILLE	KILEY (MEL_TKiley7272)	TONYA
MILLVILLE	MILLVILLE	MCDOWELL (MEL_michaelmcdowell)	MICHAEL
MILLVILLE	MILLVILLE	ROBOSTELLO (MEL_susanrobostello)	SUSAN
MILLVILLE	MILLVILLE	WILSON (MEL_200557)	DOUGLAS
MULLICA	FIRE DEPARTMENT	CRITELLI (MEL_jcritelli)	JERRY
MULLICA	MULLICA	STOLLENWERK (MEL_221727)	DAWN M.
MULLICA	POLICE DEPARTMENT	THOMPSON (MEL_223383)	JOHN
MULLICA	PUBLIC WORKS	SPERLAK (MEL_stephens)	STEPHEN
NEWFIELD	NONE		
NORTH WILDWOOD	BUILDINGS -PARKS-GROUNDS	FORD (MEL_200805)	DOUGLAS
NORTH WILDWOOD	BUILDINGS -PARKS-GROUNDS	STARR (MEL_conniestarr)	CONNIE
NORTH WILDWOOD	FIRE DEPARTMENT	CARTER (MEL_joshuacarter)	JOSHUA
NORTH WILDWOOD	FIRE DEPARTMENT	OSTRANDER (MEL_223267)	LEWIS
NORTH WILDWOOD	NORTH WILDWOOD	VANSANT (MEL_jenvansant)	JENNIFER
NORTH	POLICE DEPT	GALLAGHER (MEL_223150)	MATTHEW

MEMBER	DEPARTMENT	LAST NAME	FIRST NAME
WILDWOOD			
NORTH WILDWOOD	POLICE DEPT	MCGRAW (MEL_223256)	ADAM
NORTH WILDWOOD	PUBLIC WORKS	OKANE (MEL_bonnieokane)	BONNIE
NORTH WILDWOOD	PUBLIC WORKS	SLOAN (MEL_garysloan)	GARY
NORTH WILDWOOD	RECREATION DEPARTMENT	DEVLIN (MEL_anndevlin)	ANN
NORTHFIELD	NORTHFIELD	CROOKS (MEL_224374)	LAUREN WM.
OCEAN CITY	OCEAN CITY	BIRCH (MEL_dianebirch)	DIANE
OCEAN CITY	OCEAN CITY	CIOETA (MEL_joanncioeta)	JOANN
OCEAN CITY	OCEAN CITY	MOYER (MEL_MELSAFETY)	CHARLOTTE
PLEASANTVILLE	PLEASANTVILLE	PAGE-SCOTT (MEL_222990)	DENISE
SEA ISLE CITY	SEA ISLE CITY	ROMANO (MEL_Maryromano)	MARY
SEA ISLE CITY	SEA ISLE CITY	SEIB (MEL_KELLIESEIB)	KELLIE
SOMERS POINT	SOMERS POINT	MOLLENKOPF (MEL_shelbymollenkopf)	SHELBY
SOMERS POINT	SOMERS POINT	SOMERS (MEL_RobertSomers)	ROBERT
SOMERS POINT	SOMERS POINT	VENAFRO (MEL_223082)	TOM
STONE HARBOR	PUBLIC WORKS	RUSS (MEL_200679)	GRANT
STONE HARBOR	PUBLIC WORKS	TIRADO (MEL_222802)	FRANCISCO
UPPER	PUBLIC WORKS	SMUZ (MEL_240157)	TERI
UPPER	RESCUE SQUAD	POTTER (MEL_220733)	JAY
UPPER	TOWNSHIP HALL	MORGAN (MEL_scottmorgan)	SCOTT
UPPER	TOWNSHIP HALL	SHARP (MEL_244857)	RHONDA
UPPER	TOWNSHIP HALL	SPIEGEL (MEL_barbaraspiegel)	BARBARA
UPPER DEERFIELD	UPPER DEERFIELD	VAGNARELLI (MEL_vvagnarelli)	VICKI
VENTNOR	VENTNOR	GOOS (MEL_jamesgoos)	JAMES
VENTNOR	VENTNOR	GRATZ (MEL_EGratz1234)	ERNEST
VENTNOR	VENTNOR	PETERSON (MEL_OEMVENTNOR)	DONNA
WATERFORD	DPW	MICKLASAVAGE (MEL_250609)	MICHAEL
WATERFORD	EMS	GARDNER (MEL_240461)	BETTY ANNE
WATERFORD	WATERFORD	CHIUMENTO (MEL_200778)	DANIEL
WATERFORD	WATERFORD	CORMANEY (MEL_200779)	DANIEL
WATERFORD	WATERFORD	LAURSEN (MEL_rmcwaterford)	ILENE
WEST CAPE MAY	WEST CAPE MAY	BASILE (MEL_gbasile76)	GREGORY
WEST CAPE MAY	WEST CAPE MAY	ENTEADO (MEL_TheresaEnteado)	THERESA
WEST WILDWOOD	WEST WILDWOOD	SWEENEY (MEL_rsweeney)	RUTH
WEYMOUTH	WEYMOUTH	AYRES (MEL_ayresdorothyjo)	DOTOTHY-JO
WEYMOUTH	WEYMOUTH	CARROLL (MEL_223304)	RONALD
WILDWOOD CITY	ADMINISTRATION	HODSDON (MEL_KimHodsdon)	KIM
WILDWOOD CITY	FIRE DEPT.	SPEIGEL (MEL_daniel.speigel)	DANIEL
WILDWOOD	SEWER DEPT.	WARD (MEL_226173)	SENA

MEMBER	DEPARTMENT	LAST NAME	FIRST NAME
CITY			
WILDWOOD CITY	WILDWOOD CITY	DUNN (MEL_243485)	DAN
WILDWOOD CITY	WILDWOOD CITY	PINTO (MEL_hopepinto)	HOPE
WILDWOOD CREST	PUBLIC WORKS	SHEARER (MEL_steveshearer)	STEVEN
WILDWOOD CREST	ADMINISTRATION	FEKETICS (MEL_trish050672)	PATRICIA
WILDWOOD CREST	POLICE	FEKETICS (MEL_227973)	PATRICIA
WILDWOOD CREST	PUBLIC SAFETY	GRASSI (MEL_222681)	RALPH
WILDWOOD CREST	WILDWOOD CREST	HOLZMER (MEL_221736)	JANELLE
WOODBINE	WOODBINE	GURDGIEL (MEL_220534)	JAMES

Listed below are upcoming MSI training programs scheduled for November and December. ***Enrollment is required for all MSI classes.*** MSI classes are subject to cancellation or rescheduling at any time.

Members are reminded to log on to the www.njmel.org website, then click on the MSI logo to access the Learning Management System where you can enroll your employees and verify classes. Enrolling your staff ensures you will be notified of any schedule changes.

If you need assistance using the MSI Learning Management System, please call the MSI helpline at 866-661-5120.

Date	Location	Topic	Time
11/3/16	Township of Galloway #6	DDC-6	8:30 - 3:00 pm w/lunch break
11/10/16	Borough of Stone Harbor #1	PPE	1:00 - 3:00 pm
11/15/16	Township of Elsinboro	HazMat Awareness w/HazCom GHS-Evening	6:30 - 10:30 pm
11/18/16	Township of Middle #3	Jetter/Vacuum Safety	8:30 - 10:30 am
12/2/16	Borough of Stone Harbor #1	Excavation/Trenching/Shoring	8:30 - 12:30 pm

CEU's for Certified Publics Works Managers			
MSI Course	CEU's/Cat.	MSI Course	CEU's/Cat.
Accident Investigation	2 / M	Hazard Identification - Making Your Observations Count	1 /T,M
Advanced Safety Leadership	10 / M	Hearing Conservation	1 /T,G
Asbestos, Lead & Silica Industrial Health Overview	1 /T,G	Heavy Equipment Safety	1 / G - 2 / T
Back Safety / Material Handling	1 / T	Hoists, Cranes and Rigging	2 / T
Bloodborne Pathogens Training	1 / G	Housing Authority Safety Awareness	3 / T
Bloodborne Pathogens Train- the- Trainer	1 / T	Jetter Safety	2 / T
BOE Safety Awareness	3 / T	Landscape Safety	2 / T
CDL – Supervisors Reasonable Suspicion	2 / M	Leaf Collection Safety Awareness	2 / T
CDL - Drivers' Safety Regulations	2 / G	Lockout Tagout	2 / T
Coaching the Maintenance Vehicle Operator	2 /T,M	Personal Protective Equipment (PPE)	2 / T
Confined Space Entry – Permit Required	3.5 / T	Playground Safety	2 / T
Confined Space Awareness	1 /T,G	Sanitation and Recycling Safety	2 / T
Driving Safety Awareness	1.5 / T	Safety Committee Best Practices	1.5 / M
Employee Conduct and Violence in the Work Place	1.5 / E	Safety Coordinator's Skills Training	3 / M,G
Excavation Trenching & Shoring	2 /T,M	Shop and Tool Safety	1 / T
Fall Protection Awareness	2 /T,M	Seasonal Public Works Operations	3 / T
Fast Track to Safety	4 / T	Snow Plow Safety	2 / T
Flagger / Workzone Safety	2 /T,M	Special Events Management	2 / M
HazCom with Globally Harmonized System	1 /T,G	Toolbox Talk Essentials	1 / M
Hazardous Materials Awareness w/ HazCom & GHS	3 / T		
CEU's for Registered Municipal Clerks			
MSI Course	CEU's/Cat.	MSI Course	CEU's/Cat.
Asbestos, Lead & Silica Industrial Health Overview	1 / P	Hazard Identification - Making your Observations Count	2 / P
Bloodborne Pathogens Training	1 / P	Safety Committee Best Practices	1.5/ P
Employee Conduct and Violence in the Work Place	1.5 / E	Safety Coordinator's Skills Training	6/P
		Special Event Management	2 / P
TCH's For Water/ Wastewater			
MSI Course	TCH's/Cat.	MSI Course	TCH's/Cat.
Accident Investigation	1.5 / S	Hazardous Materials Awareness w/ HazCom & GHS	3 / S
Advanced Safety Leadership	10 / S	Heavy Equipment Safety	3 / S
Asbestos, Lead & Silica Industrial Health Overview	1 / S	Housing Authority Safety Awareness	3 / S
Back Safety / Material Handling	1 / S	Hazard Identification - Making your Observations Count	1.5 / S
Bloodborne Pathogens Training	1 / S	Hearing Conservation	1 / S
Bloodborne Pathogens Train- the- Trainer	2.5 / S	Hoists, Cranes and Rigging	2 / S
BOE Safety Awareness	3 / S	Jetter Safety	2 / S
CDL – Supervisors Reasonable Suspicion	1.5 / S	Ladder Safety/Walking Working Surfaces	2 / S
CDL - Drivers' Safety Regulations	2 / S	Landscape Safety	2 / S
Confined Space Awareness	1 / S	Leaf Collection Safety Awareness	2 / S
Confined Space Entry - Permit Required	3.5 / S	Lockout Tagout	2 / S
Defensive Driving-6-Hour	5.5 / S	Shop and Tool Safety	1 / S
Driving Safety Awareness	1.5 / S	Office Safety	2 / S
Excavation Trenching & Shoring	4 / S	Personal Protective Equipment (PPE)	2 / S
Fall Protection Awareness	2 / S	Safety Committee Best Practices	1.5 / S
Fast Track to Safety	5 / S	Safety Coordinator's Skills Training	5 / S
Fire Extinguisher	1 / S	Seasonal Public Works Operations	3 / S
Fire Safety	1 / S	Snow Plow Safety	2 / S
Flagger / Workzone Safety	2 / S	Special Event Management	2 / S
HazCom with Globally Harmonized System	1.5/ S	Toolbox Talk Essentials	1 / S
CEU's for Tax Collectors		CEU's for County/Municipal Finance Officers	
MSI Course	CEU's/Cat.	MSI Course	CEU's/Cat.
Employee Conduct and Violence in the Work Place	1.5 / E	Employee Conduct and Violence in the Work Place	1.5 / E
CEU's for Certified Recycling Professionals		CEU's for Qualified Purchasing Agents	
MSI Course	CEU's/Cat.	MSI Course	CEU's/Cat.
Fire Extinguisher Safety	1	Employee Conduct and Violence in the Work Place	1.5 / E
Hazard Recognition- Making your Observations Count	2		
Heavy Equipment	3		
Sanitation and Recycling Safety	2		
***Category			
E- Ethics			
T- Technical			
G- Governmental			
S- Safety			
P- Professional Development			
M- Management			

November 4th, 2016

To the Members of the
Executive Board of the
Atlantic County Municipal
Joint Insurance Fund

I have enclosed for your review and, in some cases consideration, documents of presentation relating to claims, transfers, and the financial condition of the Fund.

The statements included in this report are prepared on a “modified cash basis” and relate to financial activity through the one month period ending **October 31st, 2016**, for Closed Fund Years 1987 to 2011, and Fund Years 2012, 2012, 2013, 2014, 2015, and 2016. The reports, where required, are presented in a manner prescribed or permitted by the Department of Insurance and the Division of Local Government Services of the Department of Community Affairs.

All statements contained in this report are subject to adjustment by annual audit.

A summary of the contents of these statements is presented below.

INVESTMENT INTEREST & INVESTMENTS:

SEPTEMBER ACTIVITY

Analysis of Interest is as follows for the month:

Interest Income:

Interest received from Account Balances	\$1,997.52	
Investment Management Fee Charged	<u><\$1,765.41></u>	
Net Interest Received		\$ 232.11
Coupon Interest Payment		\$ 16,000.00
Change in realized gain		< <u>\$ 20,795.00</u> >
ROUNDING		<.05>
Net loss in interest		< \$ 4,562.94>

Interest Accrual:

Beginning Interest Accrual:	\$ 75,251.35
Change in Accrued interest:	<u>\$ 12,770.84</u>
Ending Interest Accrual:	\$ 88,022.19
<u>Investment Balance</u> beginning of month:	\$38,518,035
end of month:	\$38,497,240

Overall yield positive .19%

Portfolio:

Less than one year	Maturing in 2016:	1	\$ 2,001,060
1-2 years	Maturing in 2017:	5	\$22,513,910
2+ years	Maturing in 2018:	3	\$13,982,270

RECEIPT ACTIVITY FOR THE PERIOD**SEPTEMBER ACTIVITY**

Subrogation Receipts	\$21,167.50 YTD\$324,673.09
Interest	<\$4,562.94>
Recovery	\$10.00 ytd \$21,279.16
2016 assessments	\$2,274,198

CLAIM ACTIVITY FOR THE PERIOD:**OCTOBER ACTIVITY**

The enclosed report shows claim activity during the reporting period for claims paid by the fund and claims payable by the Fund at period end in the amount of \$454,634.37. The claims detail shows 414 claims payments issued and are categorized as follows:

Direct Loss Payments	\$344,451.20
Claim Expenses	\$ 11,958.51
Legal Defense Costs	\$ 98,224.66

Adjustment register: voids \$3,791.80

CASH ACTIVITY FOR THE PERIOD:**SEPTEMBER ACTIVITY**

The enclosed reconciliation report details that during the reporting period the Fund's "Cash Position" changed from an opening balance of \$52,565,726.13 to a closing balance of \$52,832,812.19 showing an increase in the fund of \$267,086.06. A detailed reconciliation of this change, including its affect on our banking instruments, is included in my report.

A.E.L.C.F. PARTICIPANT YEAR-END BALANCES & RETURNS

10/31/2016

AUDITED~interest-POSTED

Hamilton Township	\$ 30,046.38
Hammonton Town	\$ 55,740.83
Middle Township	\$ 23,641.72*{partial withdraw}
Mullica Township	\$ 25,622.00
Pleasantville	\$ 31,935.50
Upper Deerfield Township	\$ 19,619.55
Waterford Township	\$ 25,845.04
Upper Township	\$ 21,295.68
Stone Harbor	\$ 8,694.70
	<u>\$242,441.40</u>

NOTE: Allocated \$20 additional interest, proportionately

SUMMARY REPORT OF AELCF/2015 & 2014 DIVIDENDS/RETRO PROGRAM

~~As attached as REVISED FORMAT

NOTE: Retro Program reflects Egg Harbor Township Resolution Approved at September meeting .

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BILL LIST FOR THE PERIOD:

Vouchers to be submitted for your consideration at the scheduled meeting show on the accompanying bill list at the end of my report.

The information contained in this cover report is a summary of key elements related to activity during the reporting period. Other detailed information is contained in the attached documents and, if desired, a more specific explanation on any question can be obtained by contacting me at 609-425-1136 or email ocjjh4263@gmail.com.

Respectfully Submitted,

John J. Hansen

John J. Hansen, Treasurer

1	October	10/6/2016	VENTNOR		225.00	225.00					
2	October	10/6/2016	PLEASANTVILLE		250.00	250.00					
3	October	10/6/2016	EGG HARBOR TOWNSHIP		1,932.93	1,932.93					
4	October	10/8/2016	BUENA VISTA		30.00	30.00					
5	October	11/1/2016	DIT-BUENA VISTA		30.00	30.00					
6	October	10/11/2016	MULLICA		50.00	50.00					
7	October	10/15/2016	WILDWOOD		100.00	100.00					
8	October	10/17/2016	SEA ISLE CITY		15,000.00	15,000.00					
9	October	10/17/2016	LOWER		10.00		10.00				
10	October	10/20/2016	EGG HARBOR TOWNSHIP		3,233.94	3,233.94					
11	October	10/20/2016	LINWOOD		50.00	50.00					
12	October	10/21/2016	MULLICA		20.00	20.00					
13	October	10/28/2016	WILDWOOD		50.00	50.00					
14	October	10/28/2016	LOWER		150.00	150.00					
15	October	10/28/2016	WILDWOOD		14.91	14.91					
16	October	10/28/2016	PLEASANTVILLE		30.72	30.72					
13	October	10/31/2016	2016 ASSESSMENTS		2,274,198.00					2,274,198.00	
14	October										
					2,295,375.50	21,167.50	10.00	-	-	2,274,198.00	
				RUNNING	19,360,084.88	324,573.09	21,279.16	2.97	207,531.66	18,806,698.00	

**ATLANTIC COUNTY MUNICIPAL JIF
BILL LIST - NOVEMBER 2016**

	Payable To:	FY 2017	FY 2016	FY 2015	Appropriation	Description
1	The Actuarial Advantage		4,386.00		Prof Services/Actuary	Sept 2016 Fees
	Arthur J. Gallagher Risk Management Services, Inc.		71,385.00		Prof Services/Administration	Nov 2016 Fees
2	Arthur J. Gallagher Risk Management Services, Inc.		464.00		Misc/Postage/Copies/Fax	Oct 2016 Fees
3	Arthur J. Gallagher Risk Management Services, Inc.		227.25		EPL Consulting & Training	Reim for Janet Pfeiffer hotel 3x - pd PF Amex (Doubletree Suites-split by 3)
4	Arthur J. Gallagher Risk Management Services, Inc.		150.00		Misc/Annual Planning Retreat	JIF to pay for 3 FCs dinner/pd PF amex
5	The DeWeese Law Firm, P.C.		9,968.00		Prof Services/Attorney	Nov 2016 Fees
6	Qual-Lynx		64,023.00		Prof Services/Claims Administration	Nov 2016 Fees
7	Tracy Forlenza		497.00		Misc/Recording Secretary	Nov 2016 Fees
8	J.A. Montgomery Risk Control Services		15,960.00		Prof Services/Safety Director/Loss Control	Nov 2016 Fees
9	John Hansen		1,904.00		Prof Services/Treasurer	Nov 2016 Fees
10	Conner Strong & Buckelew		943.00		Prof Services/Underwriting Mgr	Nov 2016 Fees
11	Conner Strong & Buckelew		540.00		Safety Training	DPW round table 9/27/16 @N WW com ctr
12	Joyce Media		325.00		Misc/JIF Website	Nov 2016 Fees
13	Valerie Smith		5,154.00		Wellness/Wellness Incentive Program	Nov 2016 Fees
14	ARC Reprographics		1,781.10		Misc/Annual Planning Retreat	Retreat binders Inv#268486
15	Birchmeier & Powell LLC		4,431.18		Contingency	Inv#35500-; Scheeler v ACM interim bill 8/2/16-11/2/16
16	Consolidated Services Group, Inc.		136.20		Misc/Records Retention Service	Inv#0692734-IN;storage 3rd qtr storage
17	The Flanders Hotel		1,499.40		Misc/Annual Planning Retreat	Hotel rooms (10) for 1 night/(1) for 2 nights
18	The Flanders Hotel		6,877.10		Misc/Annual Planning Retreat	F/B/G for annual retreat 10/26&27/16
19	Kizbee's Kitchen		200.00		Misc/Meeting Expense	F/B for 11/10/16 CRC mtg; Kizbee's
20	Iron Mountain		104.25		Misc/Records Retention Service	Inv#NCU4365;storage 11/1-31/16; service 9/28-10/25/16
21	Merighi's Savoy Inn		1,655.94		EPL Consulting & Training	10/20 Conflict Res Sem; Pfeiffer; AM/PM session; split by 3
22	Nicolosi's Catering		1,053.60		EPL Consulting & Training	10/19 Conflict Res Sem; Pfeiffer; AM/PM session; split by 3
23	O'Connor's American Bar & Grille		955.80		EPL Consulting & Training	10/21 Conflict Res Sem; Pfeiffer; AM/PM session; split by 3
24	OfficeMax		476.05		Misc/Annual Planning Retreat	PO#179730115 binders/tabs for annual retreat
25	Janet Pfeiffer		54.22		EPL Consulting & Training	10/19-21/16 travel expenses (3 day, 2 sessions) split with 2 others
26	Postmaster	280.00			Misc/Postage/Copies/Faxes	PO Box 488; Annual fee: 11/30/2016-11/30/2017
27	Uncle Gio's Ristorante		91.00		Misc/Meeting Expense	F/B for 11/3/16 Strategic Planning Com mtg
28	City of Brigantine		2,000.00		Optional Safety Budget	FD uniforms
29	Township of Dennis		600.00		Wellness/Wellness Incentive Program	Healthy lunch/Alcohol awareness seminar
30	Township of Dennis		725.00		EPL Consulting & Training	EPL /twp counsel/negotiations
31	Township of Dennis		1,250.00		Optional Safety Budget	Reimb for safety items
32	Township of Dennis			1,900.00	Safety Incentive Program	Reimb for safety items
33	Borough of Longport			1,151.81	Safety Incentive Program	Reimb for safety items
34	City of Margate		1,320.00		Wellness/Wellness Incentive Program	Sweatshirts for Downbeach health fair
35	City of North Wildwood		76.93		Wellness/Wellness Incentive Program	Fresh fruit Friday - Nov
36	City of Pleasantville		725.00		EPL Consulting & Training	Diversity training for mgrs
37	City of Pleasantville			767.15	Safety Incentive Program	Fire Safety BBQ
38	City of Pleasantville		518.81		Wellness/Wellness Incentive Program	2 fit bits/earphones/speakers/gym membership
39	Township of Upper		800.00		Wellness/Wellness Incentive Program	Health fair 9/30/16
40	Township of Upper			85.39	Safety Incentive Program	F/B for JIF training
41	Township of Waterford		1,500.00		Optional Safety Budget	Reim for safety items
42	Township of Waterford			1,241.39	Safety Incentive Program	Reim for safety items
43	Borough of West Wildwood		79.53		Wellness/Wellness Incentive Program	healthy food for meeting
44	City of Wildwood		587.64		Optional Safety Budget	FD ballistic vests
45	City of Wildwood		1,500.00		Wellness/Wellness Incentive Program	FD medical evals
46	Borough of Woodbine			1,650.00	Safety Incentive Program	Mulch for parks
	Subtotals	280.00	206,925.00	6,795.74		
	JIF BILL LIST TOTAL		214,000.74			
	RMC BILL LIST TOTAL		171,466.00			
	GRANDE TOTAL		385,466.74			

ATLANTIC COUNTY MUNICIPAL JIF
RMC BILL LIST (4th Installment) - NOVEMBER 2016

	Payable To:	FY 2016	Appropriation	Description
1	CJ Adams	14,725.00	Risk Management Consultants	4th Qtr Pymts - Longport, Margate and Ventnor
2	AJM Insurance	5,070.00	Risk Management Consultants	4th Qtr Pymts - Waterford Twp
3	Alamo	449.00	Risk Management Consultants	4th Qtr Pymts - Downe Twp
4	Atlantic Associates	11,382.00	Risk Management Consultants	4th Qtr Pymt - Pleasantville
5	BCA Insurance	3,308.00	Risk Management Consultants	4th Qtr Pymts -Folsom, Newfield and Upper Deerfield
6	J. Byrne Agency	47,465.00	Risk Management Consultants	4th Qtr Pymts -Deerfield, Lower, Mullica, North Wildwood, Stone Harbor, West Wildwood, Wildwood, and Wildwood Crest
7	Fairview Insurance Agency	8,250.00	Risk Management Consultants	4th Qtr Pymts - Millville City
8	R. T. Gerber Insurance	2,250.00	Risk Management Consultants	4th Qtr Pymts - Northfield City
9	Glenn Insurance Agency	16,280.00	Risk Management Consultants	4th Qtr Pymts -Absecon, Hamilton Twp, Linwood City, Somers Point and Weymouth
10	Hardenbergh Group	653.00	Risk Management Consultants	4th Qtr Pymts -Estell Manor
11	Thomas Heist Insurance Agency	1,750.00	Risk Management Consultants	4th Qtr Pymts -Upper Twp
12	Insurance Agencies Inc	2,567.00	Risk Management Consultants	4th Qtr Pymts -Buena Borough
13	Marsh & McLennan Agency, LLC	27,252.00	Risk Management Consultants	4th Qtr Pymts -Avalon, Cape May City, Cape May Point, Dennis, Galloway, Middle, Sea Isle, West Cape May, Woodbine
14	William McMahon Agency	13,742.00	Risk Management Consultants	4th Qtr Pymts -Corbin City and Ocean City
15	William Mints Agency	1,076.00	Risk Management Consultants	4th Qtr Pymts -Commercial
16	Siracusa Kaufman Insurance Agency	15,247.00	Risk Management Consultants	4th Qtr Pymts -Brigantine, Egg Harbor Twp.
	RMC BILL LIST GRAND TOTAL	171,466.00		

ATLANTIC COUNTY MUNICIPAL JIF
ACCOUNT ACTIVITY RECONCILIATION
FY 2016

	October	Year To Date Total
Opening Balance for the Period:	52,565,726.13	
RECEIPTS:		
Interest Income (Cash)	(4,562.94)	322,477.45
Premium Assessment Receipts	2,274,198.00	18,806,698.00
Prior Yr. Premium Assessment Receipts		0.00
Subrogation & Reimb. Receipts:		
Fund Year 2016	3,458.94	85,264.64
Fund Year 2015	95.63	163,258.41
Fund Year 2014	1,982.93	16,790.41
Fund Year 2013	15,500.00	37,831.00
Fund Year 2012		20,588.00
		0.00
Closed Fund Year	130.00	940.63
Total Subrogation & Reimb.Receipts	21,167.50	324,673.09
CLOSED FY:2011/VOID CK 680812		250.00
		0.00
		0.00
Delinquent Interest		208.93
Retrospective Program		8,105.00
MEL		207,411.66
MISC:Dinner payments		120.00
		0.00
		0.00
TOTAL RECEIPTS:	2,290,802.56	19,669,944.13
DISBURSEMENTS:		
Net Claim Payments:		
Fund Year 2016	208,357.94	2,361,080.76
Fund Year 2015	103,358.24	2,019,739.99
Fund Year 2014	64,864.98	1,634,326.99
Fund Year 2013	74,251.41	1,341,466.82
Fund Year 2012		857,159.86
Fund Year 2011		0.00
Closed Fund Year		310.00
Total Net Claim Payments	450,832.57	8,214,084.42
Exp. & Admin Bill List Payments:		
Exp. & Cont. Charges FY 2017		0.00
Exp. & Cont. Charges FY 2016	188,908.06	7,512,790.42
Exp. & Cont. Charges FY 2015	5,669.40	150,043.47
Exp. & Cont. Charges FY 2014		12,393.40
Exp. & Cont. Charges FY 2013		0.00
Exp. & Cont. Charges FY 2012		0.00
RELEASE OF AELCF	26,428.28	26,428.28
CLOSED FUND YEAR		135,709.30
Closed Fund Year		0.00
		0.00
TRANSFER TO RFC	1,351,878.24	1,351,878.24
MISC.		0.00
MISC:ROUNDING	-0.05	-0.14
Total Bill List Payments	1,572,883.93	9,189,242.97
Auditor's Adjustments		0.00
TOTAL DISBURSEMENTS:	2,023,716.50	17,403,327.39
Closing Balance for the Period:	52,832,812.19	
Account Net Cash Change During the Period:		
Loss Account	274,236.47	-34,899.28
Investment Account	-20,795.00	2,569,100.00
TD Wealth Management Account	14,234.59	-266,993.98
Exp & Contin Reconciliation Account	0.00	0.00
Claims Imprest Reconciliation Account	-590.00	-590.00
Total Change in Account Net Cash:	267,086.06	2,266,616.74

**ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND
RESOLUTION #2016-__**

**RESOLUTION AMENDING RESOLUTION 2016-09 “ADOPTING FISCAL POLICIES
& PROCEDURES – DESIGNATION OF DEPOSITORIES, SIGNATORIES,
INVESTMENTS, & CASH MANAGEMENT PLAN”**

WHEREAS, the Executive Committee of the Atlantic County Municipal Joint Insurance Fund (ACM JIF) adopted Resolution 2016-09 “Adopting Fiscal Policies & Procedures – Designation of Depositories, Signatories, Investments, & Cash Management Plan” on January 20, 2016; and

WHEREAS, Resolution 2016-09 specifically designated TD Bank as the ACM JIF’s primary depository for 2016; and

WHEREAS, at its meeting of October 28, 2016, the Executive Committee approved Resolution 2016-41 Authorizing the Fund Chair & Fund Secretary to execute a contract with Investor’s Bank for Banking Services, Wilmington Trust as Asset Manager, and authorized the Fund Treasurer to establish an account at M & T Bank to hold investment proceeds if necessary; and

WHEREAS, in accordance with Resolution 2016-41, the Fund Treasurer has begun the process of opening new accounts with Investor’s Bank and M&T/Wilmington Trust; and

WHEREAS, in order to effectuate the transition of banking activities from TD Bank to Investor’s Bank effective January 1, 2017, it is necessary to amend Resolution 2016-09 to designate Investor’s Bank and M&T/Wilmington Trust as a primary depository for the ACM JIF; and

WHEREAS, the transition of the ACM JIF Claims Account from TD Bank to Investors Bank requires the designation of the Fund Treasurer as an Administrator of the ACM JIF Claims Account.

NOW THEREFORE BE IT RESOLVED by the Atlantic County Municipal Joint Insurance Fund that Resolution 2016-09 is hereby amended to designate Investor’s Bank and M&T/Wilmington Trust as a primary depository for the ACM JIF, and to designate the Fund Treasurer as a signatory on all accounts; and

BE IT FURTHER RESOLVED that the Fund Treasurer is hereby designated as an Administrator of the ACM JIF Claims Account; and

BE IT FURTHER RESOLVED that a copy of this Resolution be provided to the Fund Administrator, Fund Treasurer, Claims Administrator, and Fund Solicitor for their information and necessary action.

This Resolution was duly adopted by the Atlantic County Municipal Joint Insurance Fund at a public meeting held on November 21, 2016.

ATLANTIC COUNTY MUNICIPAL JOINT INSURANCE FUND

Attest: _____
Lucy Samuelson, Secretary

By: _____
Teri Smuz, Chairperson

Date: _____