

**SOMERSET COUNTY JOINT INSURANCE FUND
FUND COMMISSIONERS' MEETING MINUTES
September 25, 2019**

STATEMENT OF PROPER NOTICE READ BY COMMISSIONER GEOFFREY D. SORIANO: Adequate notice of the regular meeting of the SCJIF held on Wednesday, September 25, 2019 at 8:36 a.m. at the Somerset County Park Commission Headquarters located in Bridgewater, New Jersey, has been provided through posting of said notice to the Courier News, and the Hunterdon County Democrat in accordance with Section 13 of the Open Public Meetings Act.

FLAG SALUTE/MOMENT OF SILENCE

ROLL CALL OF COMMISSIONERS

BRIAN D. LEVINE	County of Somerset	Absent
GEOFFREY D. SORIANO	Somerset County Park Commission	Present
JOHN TROJAN	Raritan Valley Community College	Present
RAELENE SIPPLE	Somerset County Vocational & Technical Schools	Absent
GREGORY J. BONIN	Township of Branchburg	Absent
BRIAN K. AUGER	Somerset County Library Commission	Present
KELLY G. CUPIT	Township of Green Brook	Absent
DONALD HUTCHINS	Township of Raritan	Present
JAMES T. NAPLES	Township of Bridgewater	Present
CARLA CONNER	Township of Clinton	Present
DIANE McDANIEL	Township of Delaware	Absent
DANIEL JAXEL	Borough of Raritan	Present
MICHAEL PAPPAS	Borough of High Bridge	Present

ALTERNATE COMMISSIONERS

YVONNE CHILDRESS	County of Somerset	Absent
DONNA UMGELTER	Somerset County Park Commission	Absent
CHERYL WALLACE	Raritan Valley Community College	Absent
WILLIAM G. HYNICK, JR.	Somerset County Vocational & Technical Schools	Absent
MARGUERITE SCHMITT	Township of Branchburg	Absent
BRIAN MORGAN	Somerset County Library Commission	Absent
RAYMOND S. MURRAY	Township of Green Brook	Absent
CAROL BARBATI	Township of Raritan	Absent
LISA CARAVELA	Township of Bridgewater	Absent
TOM SILVIA	Township of Clinton	Absent
JOSEPH VOCKE	Township of Delaware	Absent
ERIC COLVIN	Borough of Raritan	Absent
BONNIE ANN FLEMING	Borough of High Bridge	Absent

EXECUTIVE DIR/ADMIN:

NEW JERSEY RISK MANAGERS & CONSULTANTS, INC.

◆ Raymond L. Hughes II ◆ Maryjane Hydro ◆ Javier B. Esparra
◆ H. James Griffith ◆ Cindy Villagran ◆ Lucy Martins ◆ Lynn Potts

FUND ATTY/CLAIMS MANAGEMENT/LITIGATION:

DIFRANCESCO, BATEMAN, KUNZMAN, DAVIS, LEHRER & FLAUM, P.C.

- ◆ Stephen O. Davis, Esq.

FUND ATTY/REGULATORY COMPLIANCE/LEGISLATION:

SAUL EWING ARNSTEIN & LEHR LLP

- ◆ M. Paige Berry, Esq.

RISK MANAGERS:

ACRISURE, David Balken

- ◆ Township of Clinton & Borough of High Bridge

ACRISURE, Louis Beckerman

- ◆ Township of Green Brook

LAFONTAINE & BUDD, James T. Rick, Jr.

- ◆ Townships of Branchburg & Bridgewater

RICHLAND KNOWLES AGENCY, Michael Sabbagh

- ◆ Township of Delaware

WILLIS TOWERS WATSON, John Moore

- ◆ Borough of Raritan

INTRODUCTION OF GUESTS: In attendance were: Dave Balken- Risk Manager for the Borough of High Bridge and Township of Clinton, Louis Beckerman-Risk Manager for the Township of Green Brook, Jamie Rick- Risk Manager for the Townships of Branchburg and Bridgewater, and Mike Sabbagh- Risk Manager for the Township of Delaware. Mr. Eric Bause of The Actuarial Advantage, Mark Worthington of T&M Associates, and Ms. Jackie Fresco from Guardian Public Entity Claims Services were also present to address the Board.

PUBLIC COMMENT: None

Commissioners Bonin and Murray arrived at this time.

MOTION TO APPROVE MINUTES FROM THE JULY 24TH, 2019 MEETING:

MOTION: Commissioner Trojan

SECOND: Commissioner Pappas

VOTE: Majority – Commissioner Murray Abstains

SERVICE PROVIDER REPORTS

Executive Director/Administrator: In addition to the report submitted, Raymond L. Hughes II provided a brief overview of the IBNRs (claims Incurred But Not Reported) and indicated that updated figures will be reflected in September reports. As in previous years, he expects the figures to improve as the year progresses. He welcomed questions from the Fund Members.

Fund Attorney - Claims Management / Litigation: No additions to the report submitted.

Commissioner Levine arrived at this time.

Fund Attorney – Regulatory Compliance / Legislation: In addition to the report submitted, highlighted a case where the Appellate Division upheld the dismissal of the Complaint filed against a public entity based on the plan and design immunity afforded under the Tort Claims Acts. She also elaborated on a recent Federal case venued in the Third Circuit which reversed a District Court's denial of a Plaintiff's motion for an award of prevailing attorney fees related to an OPRA request. She cautioned Fund Members when dealing with OPRA requests where a third party might have an interest.

Lastly, she reviewed recent Legislation A-5392 which amends the Tort Claims Act by eliminating the statutory immunity granted to public entities and employees for certain sexual abuse lawsuits. Beginning December 1, 2019 any lawsuit instituted against a public entity and/or public employees will be subject to the new extended statute of limitations. This obviously creates an additional risk for public entities as it is difficult to estimate the number of claims that will be reported as a result of this change.

As a result of recent questions raised by Members of the Fund, Attorney Berry also reviewed the New Jersey State Automated External Defibrillator Law. Specifically, any entity that acquires or is in possession of an AED, must ensure that proper training is provided prior to any person using the AED. Discussion followed.

Third Party Administrator: No additions to the report submitted.

Custodian of Funds: No additions to the report submitted.

COMMITTEE REPORTS

Safety Committee: Maryjane Hydro informed everyone that the Safety Committee met on September 10, 2019 at the Township of Green Brook. During the meeting it was announced that Commissioner Raymond Murray has stepped down as Safety Committee's Chairman. The Fund thanked Commissioner Murray for his eight (8) years of hard work, dedication and commitment to the Safety Committee. Throughout his years of service, he has made great contributions to the Fund. Commissioner Raelene Sipple of the Somerset County Vocational & Technical Schools was introduced as the new Chairperson of the Safety Committee.

During the last Safety Meeting, Ms. Patricia Gurczeski, Key Account Manager of Concentra provided a live demonstration of the Telemedicine process, one of the new enhancements now available as an option to all employees of the SCJIF. Following this presentation, the new NJRM partners were introduced: Erol Kantar, Executive Vice President from Guardian Public Entity Claims Services (GPECS), a subsidiary of Raphael & Associates, who provided a brief background of the company and informed the Committee Members that Jacqueline Fresco formerly of Qual-Lynx has joined GPECS as the WC Manager and will provide continuity by

overseeing the SCJIF Workers' Compensation claims. Moreover, GPECS will be delivering claims handling and investigation services for General Liability, Auto Liability and Property. Alyson Cronk and Suzanne Rajsteter from First Managed Care Option were also introduced to the Committee and addressed questions regarding the Intake process for Workers' Compensation claims, Medical/Nurse Case Management and other new SCJIF enhancements such as Smartphone prescription and pharmacy cards now being sent to the Fund Members instantly upon calling the Injury 800 number.

A Safety Seminar presented by Mark Worthington of T&M Associates entitled "*Preparations for Fall Clean Up*" was held on Tuesday, September 17th at the Somerset County Park Commission. The topics discussed included tree trimming, leaf pick-up, aerial truck and wood chipper safety. Approximately 75 people were in attendance and we have received positive feedback regarding this important training.

Ms. Hydro also announced that the SCJIF Safety Manual has been updated and at least three binders were provided to each entity. She also indicated that any portions that require updating will be distributed to the Safety Committee Representatives annually. She thanked the Members of the Safety Manual Subcommittee who volunteered to work on this project for the past nine (9) months, the members included: Paul Malarcher-County of Somerset, Marge Margentino-Somerset County Park Commission, Tom Forsythe-Township of Bridgewater, Mark Worthington-T&M Associates, Javier Esparra, Lynn Potts and Cindy Villagran of New Jersey Risk Managers. Furthermore, she also noted that the Safety Committee Package included the October 2019 JIFNEWS which contains a very informative and timely article on "The Impact of E-Cigarettes on the Lungs" which has been the topic of discussion in various news outlets as well as Halloween Safety Tips.

The next regular SCJIF Safety Committee Meeting is scheduled for Tuesday, October 1st, 2019 at 9:00 a.m. at the Somerset County Vocational & Technical Schools TradeWins Restaurant.

The 2019 Mid-Year Workers' Compensation Trend Analysis and Evaluation for the Fund and for each individual Member were distributed. Mark Worthington of T&M Associates discussed the very positive findings and answered various questions raised by those in attendance. He praised the Fund as the number of claims reported thus far, in comparison to previous years, is significantly low. Raymond L. Hughes II, NJRM, additionally attributed these positive results to the Fund's emphasis on encouraging a safety culture. He also thanked Commissioner Murray and Commissioner Hutchins for their invaluable contributions to the Safety Committee and the Fund.

Claim PAR Committee: In addition to the report submitted, Committee Chairman Trojan reported that the Committee met telephonically on August 28th, 2019 and details of the telephone meeting will be discussed during Closed Session.

#19-038 RESOLUTION APPROVING SERVICE PROVIDER AND COMMITTEE REPORTS:

MOTION:	Commissioner Trojan
SECOND:	Commissioner Murray
VOTE:	Roll Call

OLL CALL VOTE					
COMMISSIONER		YES	NO	ABSENT	ABSTAIN
COS	BRIAN D. LEVINE	X			
SCPC	GEOFFREY D. SORIANO	X			
RVCC	JOHN TROJAN	X			
SCVT	RAELENE SIPPLE			X	
TOB	GREGORY J. BONIN	X			
SCLC	BRIAN AUGER	X			
TOGB	RAYMOND S. MURRAY	X			
TOR	DONALD HUTCHINS	X			
TOBW	JAMES T. NAPLES	X			
TOC	CARLA CONNER	X			
TOD	DIANE McDANIEL			X	
BOR	DANIEL JAXEL	X			
BHB	MICHAEL PAPPAS	X			

OLD BUSINESS

#19-037 RESOLUTION RATIFYING PAYMENT OF EXPENSES & CLAIMS REIMBURSEMENTS PAID IN AUGUST 2019:

MOTION: Commissioner Trojan
SECOND: Commissioner Bonin
VOTE: Roll Call

ROLL CALL VOTE					
COMMISSIONER		YES	NO	ABSENT	ABSTAIN
COS	BRIAN D. LEVINE	X			
SCPC	GEOFFREY D. SORIANO	X			
RVCC	JOHN TROJAN	X			
SCVT	RAELENE SIPPLE			X	
TOB	GREGORY J. BONIN	X			
SCLC	BRIAN AUGER	X			
TOGB	RAYMOND S. MURRAY	X			
TOR	DONALD HUTCHINS	X			
TOBW	JAMES T. NAPLES	X			
TOC	CARLA CONNER	X			
TOD	DIANE McDANIEL			X	
BOR	DANIEL JAXEL	X			
BHB	MICHAEL PAPPAS	X			

#19-039 RESOLUTION AUTHORIZING PAYMENT OF CURRENT EXPENSES & CLAIMS REIMBURSEMENTS:

MOTION: Commissioner Trojan
SECOND: Commissioner Bonin
VOTE: Roll Call

ROLL CALL VOTE					
COMMISSIONER		YES	NO	ABSENT	ABSTAIN
COS	BRIAN D. LEVINE	X			
SCPC	GEOFFREY D. SORIANO	X			
RVCC	JOHN TROJAN	X			
SCVT	RAELENE SIPPLE			X	
TOB	GREGORY J. BONIN	X			
SCLC	BRIAN AUGER	X			
TOGB	RAYMOND S. MURRAY	X			
TOR	DONALD HUTCHINS	X			
TOBW	JAMES T. NAPLES	X			
TOC	CARLA CONNER	X			
TOD	DIANE McDANIEL			X	
BOR	DANIEL JAXEL	X			
BHB	MICHAEL PAPPAS	X			

NEW BUSINESS

#19-040 RESOLUTION AUTHORIZING INTER-TRUST FUND TRANSFERS:

MOTION: Commissioner Trojan
SECOND: Commissioner Bonin
VOTE: Roll Call

ROLL CALL VOTE					
COMMISSIONER		YES	NO	ABSENT	ABSTAIN
COS	BRIAN D. LEVINE	X			
SCPC	GEOFFREY D. SORIANO	X			
RVCC	JOHN TROJAN	X			
SCVT	RAELENE SIPPLE			X	
TOB	GREGORY J. BONIN	X			
SCLC	BRIAN AUGER	X			
TOGB	RAYMOND S. MURRAY	X			
TOR	DONALD HUTCHINS	X			
TOBW	JAMES T. NAPLES	X			
TOC	CARLA CONNER	X			
TOD	DIANE McDANIEL			X	
BOR	DANIEL JAXEL	X			
BHB	MICHAEL PAPPAS	X			

Raymond L. Hughes II, NRJM noted that since 2000, the Somerset County Joint Insurance Fund has been returning surplus in the form of dividends resulting from the Fund's outstanding work. However, recent amendments to Legislation have created tremendous uncertainty in the insurance industry and among local Joint Insurance Funds. How to calculate the many unreported or potential "unknown" claims that may exist at the moment is an impossibility. These changes raise the question of "how does a Joint Insurance Fund properly and responsibly plan for the unknown or future potential losses that can be catastrophic". An absolute answer to this question simply does not yet exist. It is extraordinary that this Fund maintains a healthy surplus and is in position to return surplus. However, after careful discussions with Fund Attorney, Paige Berry and Actuary, Eric Bause, it has been determined that the most responsible decision for the Fund is that a return of the surplus cannot be recommended for this year in light of these uncertainties. It is ultimately the Commissioner's decision what action to take with regard to the surplus, but it is recommended to withhold the surplus at least for this year or until there is a better understanding of how the amendments to the Legislation will impact the Fund.

Fund Attorney Berry added additional comments and provided an overview of the surplus reserves in recent years. She briefly reviewed the three cases that have led to the amendments in Legislation and reminded the Fund Members that these changes are having an impact Statewide and not just to the SCJIF. Ms. Berry also noted that other Joint Insurance Funds have made the decision to create a separate "specialized" defense counsel panel with specific experience in preparation for these types of claims.

Mr. Eric Bause of The Actuarial Advantage, Inc. added that he has been in communication with other professionals in the field and they all agree that it is impossible to know with certainty the effect the new Legislation will have on public entities. The number of new claims that will be reported once the law goes into effect December 1st, 2019 is unmeasurable at this point.

Several questions were asked by Fund Members and discussion ensued. Based upon these circumstances, #19-041 Resolution Declaring a Dividend was withdrawn.

#19-042 RESOLUTION TO ENTER CLOSED SESSION AT 9:40 A.M. TO DISCUSS:

Workers' Compensation Claims:

- 4.14588
- 4.15168
- 4.15203
- 4.15317
- 4.15606
- 4.16316
- 4.16391
- 4.16392
- 4.16408

General Liability Claim:

- 4.15931

MOTION: Commissioner Trojan
SECOND: Commissioner Bonin
VOTE: Unanimous

MOTION TO RETURN TO REGULAR MEETING AT 9:57 A.M.:

MOTION: Commissioner Trojan
SECOND: Commissioner Murray
VOTE: Unanimous

#19-043 RESOLUTION AUTHORIZING PAYMENT OF CLAIMS:

MOTION: Commissioner Trojan
SECOND: Commissioner Murray
VOTE: Roll Call

ROLL CALL VOTE					
COMMISSIONER		YES	NO	ABSENT	ABSTAIN
COS	BRIAN D. LEVINE	X			
SCPC	GEOFFREY D. SORIANO	X			
RVCC	JOHN TROJAN	X			
SCVT	RAELENE SIPPLE				
TOB	GREGORY J. BONIN	X		X	
SCLC	BRIAN AUGER	X			
TOGB	RAYMOND S. MURRAY	X			
TOR	DONALD HUTCHINS	X			
TOBW	JAMES T. NAPLES	X			
TOC	CARLA CONNER	X			
TOD	DIANE McDANIEL			X	
BOR	DANIEL JAXEL	X			
BHB	MICHAEL PAPPAS	X			

MOTION TO APPROVE MINUTES FROM THE JULY 24TH, 2019 CLOSED SESSION:

MOTION: Commissioner Trojan
SECOND: Commissioner Bonin
VOTE: Majority – Commissioner Murray Abstains

MOTION TO ADJOURN AT 9:59 A.M.:

MOTION: Commissioner Murray
SECOND: Commissioner Hutchins
VOTE: Unanimous

Respectfully submitted,

John Trojan, Secretary

