

STATEWIDE INSURANCE FUND
One Sylvan Way, Parsippany, NJ 07054

February 7, 2019

EXECUTIVE COMMITTEE REORGANIZATION MEETING MINUTES

1. Call to Order

The Statewide Insurance Fund held an Executive Committee Meeting at the Olde Mill Inn, Basking Ridge, NJ. The Statement of Adequate Notice was read by Chairman Thomas S. Russo, Jr. The Executive Committee Reorganization meeting began at 12:50 pm.

2. Roll Call of the Executive Committee

Thomas S. Russo, Jr., Chairman (Town of Newton) – Present
Maryellen Brennan (Springfield Township) – Present
William Eagen (Jefferson Township) – Present
George Kallert (Weehawken Township) – Present
Kevin Sluka (Somerville Borough) – Present
Rich Phelan, Secretary (Town of Clinton) – Present
John Hatzelis (Sussex County MUA) – Present

Alternate Executive Committee

Michele Hovan (Borough of Hopewell) – Absent
Peter DeBoer, (Washington Township) – Absent
Matthew Hall (Borough of Washington) – Absent

Also Present:

Caroline J. Conboy, Fund Administrator
Moiria Kenah, Office of the Administrator
Hannah Brudnicki, Office of the Administrator
Mary Ann Leuthe, Office of the Administrator
Richard Cushing, Gebhardt & Kiefer, P.C.
Wayne Dietz, D&H Alternative Risk Solutions
Kathleen Guze, D&H Alternative Risk Solutions
Mary Ann Maitilasso, D&H Alternative Risk Solutions
Richard Hazard, D&H Alternative Risk Solutions
Theresa Laoudis, D&H Alternative Risk Solutions
Ivan Cohen, I-Core System, Inc.
David Weightman, PMA Group
Bill Ruch, PMA Group
John Matthews, PMA Group
Missy Pudimott, Medlogix
Lynda Medvec, Medlogix
Maria Longworth, Medlogix
Louis M. Masucci, Jr., Weiner Law Group

3. Secretary's Report

Approval of the December 13, 2018 Loss Control Meeting Minutes, Executive Committee Meeting Minutes, and Closed Executive Committee Meeting Minutes. Motion to approve the December 13, 2018 Loss Control, Executive Committee and Closed Executive Committee Meeting Minutes was made by Kevin Sluka and seconded by George Kallert. All in favor.

4. Treasurer's Report

a) Bill List- February 7, 2019

The February 7, 2019 Bill List was presented totaling \$9,517,274.26.

Motion to approve the Bill List was made by Kevin Sluka and seconded by Bill Eagen. A roll call vote was taken, the motion passed unanimously.

b) Treasurer's Report as of November 30, 2018 was reviewed.

Motion to approve and accept the November 30, 2018 Treasurer's Report was made by John Hatzelis and seconded by George Kallert. A roll call vote was taken. The motion passed unanimously.

c) Caroline Conboy gave an update on a Certificate of Deposit that will be opened with Investor's Savings Bank. They required updated information for the authorized signers and a copy of the resolution and meeting minutes. They agreed to hold the rate they offered until after the Fund's March meeting. Dick Cushing suggested that a resolution be created for a sub-committee for future CDs.

5. 2018 Fund Year Resolutions, Certification and Professional Service Agreements

Resolutions

- a. Resolution EC #19-1 Appointing Fund Attorney
- b. Resolution EC #19-2 Appointing Special Counsel
- c. Resolution EC #19-3 Appointing Defense Attorneys
- d. Resolution EC #19-4 Appointing Auditor
- e. Resolution EC #19-5 Appointing Actuary
- f. Resolution EC #19-6 Designating Certifying and Approving Officer
- g. Resolution EC #19-7 Permitting Administrator to Authorize Claims
- h. Resolution EC #19-8 Appointing Agent for Service of Process
- i. Resolution EC #19-9 Authorizing Cash Management Plan
- j. Resolution EC #19-10 Regarding Interest on Past Due Assessments
- k. Resolution EC #19-11 Authorizing Signatures
- l. Resolution EC #19-12 Designating Depositories for Funds
- m. Resolution EC #19-13 Establishing Trust Fund
- n. Resolution EC #19-14 Establishing Claim Fund and Administrative Accounts
- o. Resolution EC #19-15 Designating Newspapers
- p. Resolution EC #19-16 Awarding Polices/Contract for Coverage
- q. Resolution EC #19-17 Authorizing Signatures for Purchase of CDs
- r. Resolution EC #19-18 Appointing Administrative Consultant
- s. Resolution EC #19-19 Amending Risk Management Consultants
- t. Resolution EC #19-20 Appointing Treasurer
- u. Resolution EC #19-21 Appointing Risk Management Consultants-Fair
- v. Resolution EC #19-22 Appointing Risk Management Consultants- Non-Fair
- w. Resolution EC #19-23 Appointing TPA for AL and WC Claims

- x. Resolution EC #19-24 Appointing TPA for Law Enforcement Liability Claims
- y. Resolution EC #19-25 Appointing Claim Vendors
- z. Resolution EC #19-26 Appointing Claim Vendors-Non Fair
- aa. Resolution EC #19-27 Appointing Investment Committee

Certifications

- a. EUS Certification Auto, General Liability Insurance & Law Enforcement Liability
- b. EUS Certification Boiler & Machinery Insurance
- c. EUS Certification Crime Insurance
- d. EUS Certification Cyber Liability Insurance
- e. EUS Certification Environmental Impairment Liability Insurance
- f. EUS Certification Excess Workers' Compensation Insurance
- g. EUS Certification JIF Crime Insurance
- h. EUS Certification JIF E&O Insurance
- i. EUS Certification JIF Package Insurance
- j. EUS Certification Non-Owned Aircraft Insurance
- k. EUS Certification Public Officials and Employment Practices Insurance
- l. EUS Certification Professional (EPLI/POL/LEL) Insurance
- m. EUS Certification Property Insurance
- n. EUS Certification Umbrella Insurance
- o. EUS Certification Risk Management Consultant
- p. EUS Certification Claim Vendors
- q. EUS Certification Treasurer
- r. EUS Certification TPA WC & AL
- s. EUS Certification TPA LE
- t. EUS Certification Administrative Consultant
- u. Certification Sufficiency of Funds

Mr. Russo proposed that Article 5 items listed above be voted on via consent agenda and asked if there were any items to be pulled for discussion; there were none. A motion to approve items listed was made by Kevin Sluka and seconded by John Hatzelis and a roll call vote was taken. The motion passed unanimously.

6. Discussion Items

A. Review of Claim Payment/Settlement Authorities

1. Medlogix Requests for Medical Bill Payment Authorizations

SWM064152	7/26/2018	\$28,532.16
SWM060431	10/2/2017	\$44,625.97
SWM063836	7/4/2018	\$42,248.01
SWM043164	8/16/2013	\$39,153.98
SWM043164	8/16/2013	\$132,416.00
SWM065374	10/31/2018	\$33,362.32
SWM062941	4/25/2018	\$125,610.61

SWM062589	4/4/2018	\$50,272.38
SWM065826	12/7/2018	\$60,399.61

2. D&H Requests for AL Settlement &/or Payment Authorizations

GSCWA065948-02	12/26/2018	\$5,463.54
GSCWA066088	1/10/2019	\$10,780.50
GCSWA065680	11/28/2018	\$8,924.00
GCSWA066190-01	1/16/2019	\$5,896.97
GCSWA065978	12/15/2018	\$9,258.93
GCSWA065555	11/19/2018	\$43,000.00
GCSWA065873	11/15/2018	\$14,477.00
GCSWA065335	10/18/2018	\$11,425.00
GCSWA066043	12/27/2018	\$5,339.75
GCSWA065797	12/9/2018	\$16,573.74
GCSWA065530	11/9/2018	\$149,698.00

B. Review of Claims Management Reports

The D&H new claim listings for WC and All Lines from 12/1/18 to 12/31/18 were reviewed.

C. Loss Control Report

Ivan Cohen remarked that Statewide's partnership with PMA Group will be beneficial for all members, and will see a direct correlation to written programs. Ivan noted that the OSHA 300 forms should be updated and posted. OSHA released new crane standards, trainings, and certifications. An OSHA penalty increase will be implemented effective January 2019. The new cost of violations is \$260 a day, and municipalities can be fined up to \$13,600 for willful or repeat violations. Often it has been the case that New Jersey municipalities have been given an opportunity to remedy violations without having to pay penalties. It remains to be seen whether this will still be the case in the future. OSHA has shown attention to trenching, fall protection, and silica issues.

Bill Ruch, from PMA Group, shared that during the PEOSHA citation period for public entities of October 2018 to December 2018 the following citations were issued: 18 citations for overhead door violations, 15 citations for NJ OSHA 300/300a violations, 6 citations for unsafe storage vehicle lift violations, 5 citations for fire extinguisher violations, 5 citations for DEP violations, 5 citations for safety signage violations, 5 citations for lockout/tag out violations, and 5 citations for circuit breaker violations. PMA will rotate their attendance at PEOSHA meetings with members.

D. Medlogix Savings Report December 2018

The Medlogix report included in the agenda kit was reviewed by Missy Pudimott. Missy advised that she will present the January and February Savings report at the March meeting.

E. Administrator's Report

1. The contract between Statewide and PMA was finalized and signed. Ms. Conboy noted that one of the goals of having PMA provide loss control services is a central database, which can be sorted to produce reports that will be beneficial to the Fund in allowing targeted loss control by member. Her office staff spent considerable time aggregating the training records for the past five years for PMA. They are working with CSG to provide information including data on lost time, medical bills, and time out of work. This database will also allow the Fund to provide gear training and loss control services based on individual member need and loss trends Fund wide.

2. The OSHA 300 Forms have been sent out to all members.

3. The workers compensation minimum and maximum wage chart for 2019 was shared with the Executive Committee.

4. DCA Division of Local Government Services has amended the rules pertaining to permitted investment practices for joint Insurance Funds (N.J.A.C 5-38). The rule change effects the term of investments for public entities, increasing it to 10 years and expanding the type of investments.

5. Ms. Conboy presented a proposal of services of a cost containment solution for legal bills. The firm, Bottom Line, will help manage defense expenses associated with litigated claims. Some firms and insurance companies that are associated with the Fund are already set up with this program. The program costs 2% fee of net savings, and if there are no savings, the program costs the Fund nothing. They claim that the average saving is 8%. The Fund Attorney commented that this program would be beneficial for the Fund to implement. Any firms doing work for the Fund will be given a new contract that includes use of the service should the Executive Committee agree to implement it.

A motion to authorize Caroline Conboy to implement Bottom Line was made by Kevin Sluka and seconded by Rich Phelan. All in favor.

7. Public Comment

There was no public comment.

8. Closed Executive Session

At 1:56 pm, a Motion to come out of Executive Session and enter into Closed Executive Session to discuss pending litigation and a 2018 Safety Grant Application was made by John Hatzelis and seconded by George Kallert. Public session resumed at 3:22 pm.

9. Approvals

A motion of approval of payment authorizations, payee listings, and settlement authorities discussed as discussed in Executive Session was made by Bill Eagen and seconded by John Hatzelis and passed. Roll call was taken. All in favor. Kevin Sluka abstained on the Somerville claim.

10. Adjournment

The next meeting of the Executive Committee will be held Thursday, March 14, 2019 at the office of the Administrator, 8 Campus Drive, Entry Level Conference Room, Parsippany, NJ. The meeting will begin at 10:30AM. There will be a Safety Committee meeting on the same day beginning at 9:30 AM.

Motion to adjourn the meeting was made by George Kallert and seconded by Rich Phelan. All in favor. The meeting was adjourned at 3:23 pm.

Respectfully submitted,

Authorized Signature