

**TABLE OF CONTENTS**

**BERNARDS TOWNSHIP- TOWNSHIP COMMITTEE  
MINUTES**

**OCTOBER 22, 2008 – Agenda Meeting**  
*(click on the page number to go directly to that page)*

**CALL TO ORDER.....2**  
**ROLL CALL .....2**  
**EXECUTIVE SESSION – RESOLUTION #080436 .....2**  
**RENEWAL IN SURBURBAN MUNICIPAL JOINT INSURANCE FUND .....2**  
**ENERGY AUDIT STATUS UPDATE .....5**  
**TOWNSHIP COMMITTEE/STAFF COMMENTS .....6**  
**PUBLIC COMMENT .....6**  
**EXECUTIVE SESSION (CONTINUED FROM EARLIER SESSION, IF REQUIRED)6**  
**ADJOURNMENT .....6**

**CALL TO ORDER**

The mayor called the meeting to order at 7:30 PM in the Municipal Building. Those assembled saluted the flag and the mayor read the open public meetings statement in accordance with the law.

**ROLL CALL**

Present: Kelly, Malay, Pavlini, Spitzer, Carpenter

Absent:

Also Present: CFO/Administrator McArthur, Engineer/Planner Messina, Attorney Belardo, Municipal Clerk/Assist. Admin Szabo

**EXECUTIVE SESSION – [Resolution #080436](#)**

Motion by Pavlini, second by Malay, and unanimously agreed that Resolution #080436 be approved, and the meeting temporarily adjourned to executive session at 7:35 PM.

**WHEREAS**, Section 8 of the Open Public Meetings Act, Chapter 231 P.L. 1975, permits the exclusion of the public from a meeting in certain circumstances; and

**WHEREAS**, this public body is of the opinion that such circumstances presently exist.

**NOW THEREFORE BE IT RESOLVED**, by the Township Committee of the Township of Bernards, County of Somerset, State of New Jersey, as follows:

1. The public shall be excluded from discussion of an action upon the specified subject matter.
2. The general nature of the subject matter to be discussed is as follows:
 

<input checked="" type="checkbox"/> Litigation	Pence v. Bernards Township Millington Quarry/Tilcon v. Bernards Township
<input checked="" type="checkbox"/> Land Acquisition	English, Block 9301 Lot 19; Bock 7703, Lot 22
<input type="checkbox"/> Personnel	2009 Professional Service Appointments,
<input checked="" type="checkbox"/> Minutes	9/17/08 Executive Session, Concerning Pence v. Bernards Township
3. It is anticipated that the minutes on the subject matters of the closed session will be made public upon conclusion, dismissal or settlement of litigation; or final resolution of agreements on personnel matters; and in any event, when appropriate pursuant to N.J.S.A. 10:4-7 and 4-13.
4. The committee will come back into open session and may take further action.
5. This resolution shall take effect immediately.

At 8:11 PM the meeting resumed in open session.

**[RENEWAL IN SUBURBAN MUNICIPAL JOINT INSURANCE FUND](#)**

Craig Sutherland and Candyce Forester of the Hurley Agency, the township’s Risk Management Professionals, were present and gave the following report:

# Bernards Township

October 2008

## MEL Mission\*

- Reduce excess cost by retaining buffer risk
- Jointly purchase excess reinsurance
- Support JIFs with services
- Provide coverages too risky for local JIFs
- Lobby for legislation

3 \*per MSI report 2/5/08 James F. Hurley Insurance Agency Corporation

## Overview

- Costs are stabilized through the use of self insurance structures
- Cost effectiveness – better rates are negotiated because of combined buying power
- No consideration for premium taxes and profit
- Stand alone, the size of the BT account would warrant rates considerably higher in the commercial market
- Members given more consideration for gray areas
- The MEL/JIF has the desire to resolve issues

7 James F. Hurley Insurance Agency Corporation

## Overview

- Geographic Focus**
  - JIF's are regional.
  - Members of each JIF are intended to be compatible with similar operations.
- Member Control and Ownership**
  - MEL/JIFs are governed and administered by elected and appointed officials from their own member towns, not by service providers, agents, or commercial insurers.
- Responsive to Local Needs**
  - MEL/JIFs only focus is on municipal business
- Unique Designed Coverages**
  - Stable, secure coverage at lower cost
- Comprehensive Safety Program**
- Dedicated Claims Handling**

5 James F. Hurley Insurance Agency Corporation

## Reference

- BT – Bernards Township
- JIF – Suburban Municipal Joint Insurance Fund
- MEL – Municipal Excess Liability Joint Insurance Fund

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## Overview

Formed in response to the mid-80's hard market cycle  
The JIF/MEL system has grown to include:

- 18 local insurance funds representing
  - 376 municipalities
  - 72 utility authorities
  - 86 housing authorities.

Annual Effective Date - January 1<sup>st</sup>  
The MEL Estimates New Jersey Taxpayer Savings 1985 – 2007\*

- \$411 million in premium savings
- \$258 million in dividends
- \$126 million in retained surplus

4 \*per MSI report 2/5/08 James F. Hurley Insurance Agency Corporation

## Overview

**Long Term Budget Stability**

- Commercial Insurers follow the market cycles resulting in material and sometime volatile changes in premiums from year to year
- MEL/JIF's recognize that budget stability is critical and therefore incorporates a long-term strategy

**Substantial Retained Surplus**

**Dividends**

- Any profits returned to members

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## JIF/MEL Structure\*

	WC	Liability	Property	POL/EPL
BT Deductible	0	0	\$1,000	\$10,000 + 20% of 1 <sup>st</sup> \$100,000
Primary (JIF)	\$200,000	\$200,000	\$50,000	
Buffer (MEL)	\$1,800,000	\$800,000	\$200,000	\$2 Million
Excess Ins.	Statutory	\$4 Million	\$100 Million	

8 \*per MSI report 2/5/08 James F. Hurley Insurance Agency Corporation

## Cost Structure per \$100 in Claims\*

	Comm. Insurance	JIF
Claims	\$100.00	\$100.00
Administration	31.60	15.50
Acquisition	22.70	7.70
Assessments	12.50	0.00
Taxes	9.00	0.00
<b>Total</b>	<b>\$175.80</b>	<b>\$125.20</b>

9

\*per MSI report 2/5/08

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## JIF Members

### Nine Members of Suburban JIF

Township of Bedminster  
Township of Bernards  
Borough of Bernardsville  
Borough of Far Hills  
Borough of Mountainside  
Township of Scotch Plains  
City of Summit  
Borough of Watchung  
Town of Westfield

10

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## JIF Members

The Township's Policies include Coverage for:

- Basking Ridge Fire & Rescue Squad
- Liberty Corner 1<sup>st</sup> Aid Company, Inc.
- Liberty Corner Fire Company
- Project Graduation
- Bernards Township Public Library

11

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## 2009 Exposures

	Bernards Twp	Suburban JIF
Property values	\$48,022,630	\$266,938,019
Payroll	\$12,830,604	\$ 77,697,627
Auto Values	\$ 2,180,944	\$ 10,516,097
# Full-Time Employees	176	976
# Police Officers	39	286

12

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## Coverages Provided by JIF/MEL & Reinsurers

Workers Compensation - Statutory  
Employer's Liability - \$5M  
Automobile Liability - \$5M  
General Liability including Police Professional Liability - \$5M  
Excess General Liability/Auto Liability/Police Professional Liability - \$15M excess of Primary  
Damage to Property (buildings, contents, equipment) including Boiler and Machinery - \$100M  
Physical damage to automobiles  
Public Officials and Employment Practices Liability - \$10M  
Quasi Entities - Project Graduation, Bernards Township Public Library - \$5M General Liability  
**E-JIF Provides:**  
Environmental Liability - \$1M

13

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## Deductibles

Property - \$1,000 - Per claim for all damage to property (buildings, contents, equipment, automobiles, etc.) claims  
General Liability (including Police Professional Liability) - None  
Boiler & Machinery - \$3,500 each claim/24 hours BI  
Property in Flood Hazard Zone A - \$500,000  
Building/\$500,000 Contents (Coverage available through NFRP)

14

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## Services

### Risk Control

- MEL Safety Institute
- Safety Handbook
- Safety Video Library
- Self Inspection Checklist
- Playground Safety Guidelines
- Dedicated support team from Connor Strong (formerly Commerce Ins. Services)

15

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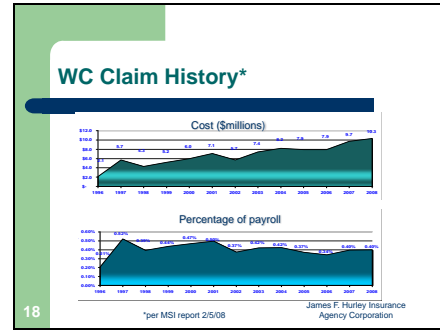
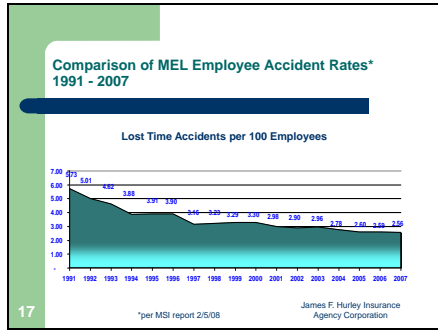
## Services

### Claims Handling

- Provided through Scibal, a TPA Specialty Claims Administrator
- Adjusters & Supervisors dedicated to MEL/JIF Insurance Programs
- Consistent approach to claims handling across all municipalities

16

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Hurley recommended the committee renew their contract with Suburban JIF. The committee requested Hurley provide some additional analysis regarding the JIF's performance. A decision to renew will be made after receipt of the additional performance data.

## ENERGY AUDIT STATUS UPDATE

Pat Monaco was present and updated the committee on progress regarding the township's energy audit.

### PMK Energy Audit May 2008 Final Report

#### Facilities were analyzed in the following areas:

- lighting upgrades
- heating
- Air conditioning
- ventilation
- domestic hot water
- HVAC systems controls

#### Implementation of proposed Energy Conservation Measures recommended by PMK Associates

- **Lighting Upgrades**
  - Replacement of incandescent bulbs with compact fluorescent bulbs.
  - Retrofitted all incandescent Emergency Exit signs with much more efficient LED
- **Heating Upgrades**
  - Replacement of existing boiler (1985) in the Engineering Services Building with high efficiency boiler.
  - Installation of vent damper for the existing boiler at the Health Department.
- **Air Conditioning**
  - Replacement of air conditioning unit at the Police Station with a high efficiency 17.6 SEER unit.
  - Replacement of 3 ton air conditioning unit (1989) in the Municipal Building with a high efficiency unit.
- **HVAC Systems Controls**
  - Installation of building control module for the existing variable air volume unit at the Eng. Building, this will improve energy efficiency and reduce consumption.

#### Implementation of Additional Energy Conservation Measures (non-PMK)

- Installation of Solatubes in DPW Garages eliminating the need for day lighting.
- Motion Sensors turning off lights when not needed.
- Water saving measures such as motion sensors for sinks, toilet, and urinals.
- Replacement of windows thereby improving insulation of buildings.

**Future Energy Conservation Measures that should be implemented**

- Replacement of fluorescent T-12 to T-8 and T-5.
- Window replacement.
- HVAC replacement as they near end of life cycle.
- Solar (once we maximize our efficiencies and cut overall energy use)

**TOWNSHIP COMMITTEE/STAFF COMMENTS**

Committee and staff members reported on their recent activities.

**PUBLIC COMMENT**

None.

**EXECUTIVE SESSION (continued from earlier session, if required)**

The committee continued their executive session discussions authorized under Resolution #080437 at 9:07 PM.

**ADJOURNMENT**

By unanimous consent, the meeting adjourned at 9:57 PM.

Respectfully submitted,

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Denise Szabo  
Municipal Clerk/Assistant Administrator

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John Carpenter  
Mayor