

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
OPEN MINUTES
MARCH 1, 2017
FORSGATE COUNTRY CLUB, JAMESBURG, NJ
11:15 AM**

ROLL CALL OF 2017 BOARD OF FUND COMMISSIONERS

Robert Landolfi, Chair	Township of Woodbridge- Central JIF	Present
Richard Hirsch, Secretary	Borough of Longport - Atlantic JIF	Present
Mauro Tucci	Township of Nutley – Sub Essex JIF	Present
Paul Tomasko-Alternate	Borough of Alpine – Bergen JIF	Present
Joseph Wolk	Borough of Mount Ephraim- Camden JIF	Present
Charles Cuccia	Borough of Lodi –S. Bergen JIF	Present
James Gildea	Town of Westfield – Suburban JIF	Present
Robert Law	Woodbury City - Trico JIF	Present
Jon Rheinhardt	Borough of Wharton – Morris JIF	Present
Thomas Nolan	Borough of Brielle - Monmouth JIF	Present
Joseph D’Arco	Borough of Paramus - NJMSI JIF	Present
Paul Shives	Township of Toms River – Ocean JIF	Present
Tom Czerniecki	Township of Evesham - PMM JIF	Absent
Meghan Jack	Township of Riverside - Burlco JIF	Present
Cynthia Ege	Lambertville – PAIC JIF	Absent
Andrew Brannen	Township of Ocean – Mid-Jersey JIF	Absent
Mark Antozzeski	Hamilton Township Fire District 9- FRESP JIF	Present
Bernard Rutkowski	NJUA JIF – Toms River MUA	Absent
John Clarke	New Brunswick Housing Authority- PHA JIF	Present

APPOINTED PROFESSIONALS PRESENT:

Executive Director/Administrator	Perma Risk Management Services David N. Grubb, Joseph Hrubash, Cate Kiernan
Attorney	Dorsey & Semrau Fred Semrau, Esquire
Actuary	The Actuarial Advantage Dennis Henry, Eric Bause, Michael Solomon
Public Officials Claims Service & Ex Worker’s Comp	Qual-Lynx Kathy Kissane, Chris Healy
Safety Consultant	JA Montgomery Risk Control Services Dave McHale
Treasurer	Mike Zambito
Underwriting Manager	Conner Strong & Buckelew Edward Cooney, Alex Deluccia
Excess Liability Claims	CB Claims LLC Christopher Botta, Georganne Jussel

Lobbyist

Pathways
Paul Bent

Managed Care

QualCare
Donna Setzer

Producer

Arthur J. Gallagher
Paul Miola, Paul Forlenza

ALSO PRESENT:

Megan Champney, City of Summit, Suburban Municipal Alternate MEL Commissioner
Alison Kelly, Danskin Insurance Agency
Charles Casagrande, Danskin Insurance Agency
John Casagrande, Danskin Insurance Agency
Michael Avalone, Conner Strong & Buckelew
Amy Pieroni, Acrisure
Ezio Altamura, GJEM Otterstedt
Robyn Walcoff, PERMA Risk Management Services
Pauline Kontomanolis, PERMA Risk Management Services
Stephen Sacco, PERMA Risk Management Services
Bradford Stokes, PERMA Risk Management Services
Nancy Ghani, PERMA Risk Management Services
Joeen Ciannella, PERMA Risk Management Services

WELCOME: Chairman Landolfi welcomed Commissioner John Clarke from NJPHA to the board.

MINUTES: Minutes from the January 2, 2017 meeting were submitted for review.

MOTION TO APPROVE THE JANUARY 4, 2017 MINUTES:

Moved:	Commissioner Cuccia
Second:	Commissioner Shives
Vote:	Unanimous

CORRESPONDENCE:

NONE

SPECIAL PRESENTATIONS:

WILLIAM COTTMAN: Chairman Landolfi said the MEL prepared a presentation for Mr. Cottman; however, he was not able to attend today's meeting and it would be placed on the next MEL agenda.

EXECUTIVE DIRECTOR REPORT:

MEL FINANCIALS: Executive Director distributed the Financial Fast Track report, which reflects the Actuary's year-end financial review. Executive Director said the MEL's statutory surplus increased by \$6 million dollars during 2016 and as of year-end stands at \$21 million. Executive Director said increase in profit is likely the result of safety, good weather, claims control and teamwork. Executive Director said the 2016 Lost Time Accident Frequency is expected to close out as the best safety record to date.

COVERAGE COMMITTEE: Minutes of the Coverage Committee's February 16th meeting were included in the agenda for review. The committee discussed several on-going items, including professional liability for shared services, quasi-municipal entities, underground

pipng and valuation for fire trucks. Committee Chairman Hirsch said the Coverage Committee is recommending the MEL extend its statutory bond coverage when towns engage independent contractors for statutory positions.

Commissioner Rheinhardt inquired why coverage would be extended to independent contractors instead of requiring vendors to provide their own insurance. In response, Ms. Kiernan said the issue was raised out of the Morris JIF by member who had hired three former employees as independent contractor on a rotating basis.

MEL Underwriting Manager said the Coverage Committee discussed at length the issue of extending coverage, as well as, potentially creating an underwriting application for independent contractors based on the growing area of shared services among members. Executive Director said there could be difficulty with the determination that some independent contractors might actually be considered employees.

Based on discussion, Chairman Landolfi suggested that the recommendations offered by the Coverage Committee be tabled for now and referred back to the Coverage Committee. Chairman Landolfi said the current committee structure is too large making it difficult to obtain consensus and noted the committee should include more Commissioners for additional perspective. Deputy Executive Director said the Coverage Committee could develop a working sub-group and Executive Director said these suggestions, as well as, review of the Coverage Committee Charter should be done by the Management Committee.

The Board agreed to table regarding the amendment to the “client’s property endorsement” endorsement concerning statutory bond coverage when towns engage independent contractors for statutory positions and refer matter back to the Coverage Committee. The Board also agreed to endorse the specific persons in Morris JIF’s 2017 member documents while matter continues to be reviewed.

2017 RISK MANAGEMENT PLAN – AMENDMENT: Included in the agenda was a revision to the Risk Management Plan, submitted by the MEL Underwriting Manager, to reflect a requirement of the New Jersey Housing & Mortgage Finance Agency (HMFA) that impact members of NJPHA JIF. The revision included in the agenda was an excerpt only with the changes/additions highlighted for reference.

MOTION TO ADOPT THE AMENDMENT TO THE 2017 RISK MANAGEMENT PLAN AS PRESENTED:

Moved:	Commissioner Shives
Second:	Commissioner Clarke
Roll Call Vote:	15 Ayes – 0 Nays

RISK MANAGEMENT INFORMATION/OPERATING SYSTEM: Deputy Executive Director said the Ad-hoc Committee, appointed to review the proposals, recommends awarding the contract to Origami as they were the lowest cost responder and was the only responder with operational experience with the system contemplated in the MEL’s RFQ. Deputy Executive Director said the Ad-hoc Committee gave its report to the Management Committee during its February 27th conference call. Deputy Executive Director referred to a memorandum included in the agenda outlining the recommendations, which included extending the current contract with Exigis to the end of the year based on the fee submitted in its RFQ. Deputy Executive Director said Origami’s contract would be awarded April 1st allowing them to implement a new underwriting and claims database by January 1, 2018.

Deputy Executive Director recognized members of the Ad-hoc Committee for their exhaustive efforts: Commissioner Rheinhardt, Cate Kiernan, Emalee Cronwell, Paul Forlenza, Jodi Palmeri, John Casagrande, Sandra Cantwell and Robyn Walcoff.

MOTION TO CONFIRM THE RECOMMENDATIONS OF THE MANAGEMENT COMMITTEE AWARDDING A CONTRACT TO ORIGAMI EFFECTIVE APRIL 1, 2017 AND TO EXTEND THE CONTRACT WITH EXIGIS TO DECEMBER 31, 2017; VENDERS FEES SUBJECT TO REVIEW OF CONTRACT TERMS AND CONDITIONS:

Moved:	Commissioner Hirsch
Second:	Commissioner Law
Roll Call Vote:	15 Ayes – 0 Nays

RCF JANUARY REPORT: Enclosed in the agenda was a copy of Commissioner Cottman’s report on the RCF’s January Reorganization meeting.

Executive Director said Mr. Cottman is no longer serving as a Housing Authority Fund Commissioner; therefore, it would be appropriate to elect a Fund Commissioner to serve as the MEL’s representative on the RCF Board.

MOTION TO ELECT COMMISSIONER JOHN CLARKE AS THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND’S 2017 REPRESENTATIVE TO THE MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND:

Moved:	Commissioner Shives
Second:	Commissioner Nolan
Roll Call Vote:	14 Ayes – 0 Nays – 1 Abstain (Commissioner Cuccia)

JUNE 2017 MEETING: Executive Director said this year’s PRIMA conference is from June 4-7th and may conflict with the already scheduled June MEL meeting. Executive Director recommended rescheduling the June 7th meeting to Thursday, June 1st – Forsgate Country Club will remain as the meeting location.

MOTION TO CHANGE THE JUNE MEL MEETING FROM JUNE 7TH TO JUNE 1ST AND ADVERTISE THE APPROPRIATE NOTICE:

Moved:	Commissioner Rheinhardt
Second:	Commissioner Wolk
Vote:	Unanimous

CYBER LIABILITY: Executive Director said the MEL had already awarded a contract to Marc Pfeiffer, Rutgers, for the next phase in Cyber Liability Risk Control. Based on recent “ransomware” activity, the MEL is working with Mr. Pfeiffer to refocus the services and priorities (as per enclosed revised scope of services in the agenda). Mr. Pfeiffer will be working closely with the Underwriting Manager’s office; Commissioner Rheinhardt, Joe Hrubash & Paul Forlenza on risk control and to make sure all insurer resources are utilized. In addition, representatives from the MEL met with several vendors that provide risk control for this emerging risk. Underwriting Manager said the first objective of the committee will be education on what to do when compromised and what resources are available, which will be delivered via webinars.

MOTION TO AUTHORIZE THE CHAIRMAN TO EXECUTE REVISIONS TO THE CONTRACT:

Moved:	Commissioner Jack
Second:	Commissioner D’Arco
Vote:	Unanimous

MARKETING COMMITTEE: Deputy Executive Director said in January, the Board appointed Princeton Strategic Communications and Acrisure to the new Marketing Consultant & Marketing Manager positions. Deputy Executive Director said the local JIF Executive Directors met with both firms on February 14th beginning the process of identifying goals, which includes new membership, membership retention and rebranding. Chairman Landolfi had suggested this committee include Fund Commissioners; Chairman Landolfi and Commissioners Cuccia and Hirsch volunteered to serve on this committee. Deputy Executive Director said the Committee's first initiative will be to draft a marketing plan and Princeton Strategic Communications expects to interview 10-15 commissioners.

SAFETY & EDUCATION COMMITTEE: Minutes of the Committee's January 27th were included in the agenda for information.

Executive Director said a Request for Qualifications was issued for Management & Supervisory Training Consultant with a deadline to respond by February 28th at 2PM; the only response received was from current consultant – LaMendola Associates - to develop and conduct 5 training sessions for beginning level managers and 5 training sessions for senior supervisors– each for 3 days at hourly rate of \$150 plus \$75 per hour for travel.

Executive Director said this year's annual grant to Rutgers for Crossing Guard Programs will be used towards the production of a video titled "Challenging School Crossings" providing guidance on protocols and practices for crossings at state highways, multi-lane crossings, crossings with challenging turning movements, rail crossings and any other crossings identified by the working group on this project. Executive Director said prior to issuing an annual grant to Rutgers, the MEL was writing and producing these courses and spent a good deal more on these projects.

Lastly, Executive Director said the committee recommended the MEL purchase additional credits from FirstNet to support member's use of the camp counselor suite. Cost to purchase 10,000 credits total \$42,500.

MOTION TO ACCEPT THE RECOMMENDATIONS OF THE SAFETY & EDUCATION COMMITTEE:

Moved:	Commissioner Nolan
Second:	Commissioner Tucci
Roll Call Vote:	15 Ayes – 0 Nays

LEGISLATIVE COMMITTEE: Minutes of the Committee's January 18, 2017 were included in the agenda for information.

Committee Chairman Cuccia said the bill that would allow the JIFs to expand investment opportunities has not been posted for a vote in the Assembly & urged members and JIFs to adopt Resolutions in support of this legislation. Executive Director said a memorandum has been distributed to members urging MEL members to contact the Assembly to support legislation that will allow the Joint Insurance Funds to expand their investment opportunities.

Executive Director said representatives from the Committee also met with Assemblyman Troy Singleton to discuss A4479, which would create the presumption that certain firefighters who develop cancer are eligible for workers' compensation and accidental disability benefits. Executive Director said he is optimistic that the Assemblyman will draft a bill that the MEL can support.

AUDIT COMMITTEE: A meeting of the Audit Committee has been scheduled for March 23rd to review Internal Audits on Claims, Reinsurance, Underwriting, Treasury & Accounting, Contracts and EDP.

2017 MEL & MR HIF EDUCATIONAL SEMINAR: The 7th annual seminar is scheduled for Friday, April 21st beginning at 9:00 AM at the National Conference Center in East Windsor, NJ. The seminar qualifies for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with MEL and MR HIF members as well as personnel who work for service companies that are engaged by MEL member JIFs and MR HIF member HIFs. Enclosed in the agenda was the enrollment form.

ELECTED OFFICIALS TRAINING: Every year, the MEL holds training seminars for elected officials and reduces a member's assessment by \$250 for each elected official completing the course by May 1st. This course is now available online; enclosed in the agenda were the instructions to access the online program.

LEAGUE MAGAZINE: Enclosed in the agenda was the latest in the series of "Power of Collaboration" ads to appear in the League magazine. Each of the MEL advertisements highlights activities of the MEL and JIFs as well as people who have rendered significant service. The enclosed advertisement highlights the MEL Safety Institute.

ANNUAL RETREAT: Executive Director said the Board of Fund Commissioners held its annual one-day retreat on February 17, 2017 in the Princeton Forrestal Marriott. The meeting opened with a presentation from Chairman Landolfi, former Commissioner Jack Tarditi, Paul Miola, Dave Grubb and Russell Huntington on the formation of the MEL JIF in recognition of its 30 years of operations. Then, each subcommittee provided a report on its activities during 2016.

CLAIMS COMMITTEE: The Claims Review Committee met on January 4, 2017 and is scheduled to meet immediately following the Board meeting. Minutes of the January meeting were distributed to the Board for information.

2017 FINANCIAL DISCLOSURES: Commissioners should anticipate the online filing of the Financial Disclosure forms as both an MEL Commissioner, as well as, any municipal related positions that require filing. It is expected the Division of Local Government Services will distribute a notice in March and forms will need to be filed by April 30th.

UNDERWRITING MANAGER:

REPORT: The MEL Underwriting Manager said the renewal coverage policies are expected to be released in March.

As a follow-up to the Executive Director's report on Cyber Liability, the MEL Underwriting Manager said the intended audience on the educational webinars will be Fund Commissioners, IT personnel and other appropriate individuals.

MEL Underwriting Manager said the Coverage Committee would be discussing the report made at the MEL Annual Retreat that the National Flood Insurance Program is up for reauthorization at the end of the year.

Lastly, MEL Underwriting Manager introduced Alex Deluccia as part of the MEL Underwriting Service Team.

TREASURER:**CONFIRMATION OF PAYMENTS**

January 2017 Supplemental	\$1,051,557.65
February 2017	\$554,179.48

RESOLUTION 9-17 FOR MARCH VOUCHERS:

March 2017	\$2,789,375.55
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Confirmation Of December 2016 Claims Payments/Certification Of Claims Transfers:

1988 WC	0.00
CLOSED	0.00
2012	0.00
2013	14,731.73
2014	57,069.41
2015	67,276.09
2016	487,264.82
TOTAL	\$626,342.05

Confirmation Of January 2017 Claims Payments/Certification Of Claims Transfers:

1988 WC	0.00
CLOSED	0.00
2013	80,013.22
2014	46,157.96
2015	43,117.15
2016	513,171.79
2017	0.00
TOTAL	\$682,460.12

MOTION TO CONFIRM PAYMENTS OF JANUARY 2017 SUPPLEMENTAL, FEBRUARY 2017, APPROVE MARCH 2017 BILLS LIST RESOLUTION 9-17 AND TO APPROVE TREASURER'S REPORT; CURRENT AND CONFIRMING EXPENSES AS PRESENTED:

Moved:	Commissioner Cuccia
Second:	Commissioner Shives
Roll Call Vote:	15 Ayes – 0 Nays

CLAIMS:

REPORT: Kathy Kissane introduced herself to the Board and said she will be replacing Kathy Tyler Schohl as Qual-Lynx's account manager to the MEL. Ms. Kissane said there would be a MEL Claims Committee following this meeting.

ATTORNEY:

REPORT: Fund Attorney provided the Board with a summary of a school board claim where school board was third parties into a claim against an amusement pier. Since allowing that claim to continue bypass Title 59 immunities requiring claimant to provide Notice of Intent to sue within 90 days, the MEL submitted an Amicus Brief in support of the school board. Fund Attorney said he will keep the Board apprised once a decision is rendered.

MANAGED CARE:

REPORT: A report was included in the agenda showing the Savings and Penetration report as of January 2017; the total billed was \$118,780.53 with approved bills of \$63,739.65 for a total savings of 46% and 78% network penetration.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

CLOSED SESSION: There was no need for Closed Session.

MOTION TO ADJOURN:

Moved:	Commissioner Shives
Second:	Commissioner Cuccia
Vote:	Unanimous

MEETING ADJOURNED: 11:46 AM

NEXT MEETING: June 1, 2017
Forsgate Country Club
11:15 AM

Nancy A. Ghani, Assisting Secretary
for

RICHARD HIRSCH, SECRETARY

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

BILLS LIST

Resolution No. 9-17

MARCH 2017

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Municipal Excess Liability Joint Insurance Fund's Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2016

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001384			
001384	PERMA	1099 AATRIX E-FILING - 2016	138.80
			138.80

Total Payments FY 2016

138.80

FUND YEAR 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001385			
001385	BERGEN COUNTY MUNICIPAL JOINT INS	DUMONT vs RIZZA CLAIMS - REPAYMENT	22,430.74
			22,430.74
001386			
001386	CONNER STRONG & BUCKELEW	EXCESS LIAB - GENESIS REINS. 2ND QTR'17	1,288,117.32
			1,288,117.32
001387			
001387	CONNER STRONG & BUCKELEW	EXCESS WC - SAFETY NAT'L CASUALTY CORP	867,117.00
			867,117.00
001388			
001388	CONNER STRONG & BUCKELEW	EXCESS POL/EPL GENESIS REINS. 2ND QTR'17	299,791.52
			299,791.52
001389			
001389	CB CLAIMS LLC	CLAIMS ADMIN - 02/2017	32,258.95
			32,258.95
001390			
001390	J. A. MONTGOMERY RISK CONTROL	ONLINE TRAINING CLASSES - 03/2017	8,000.00
001390	J. A. MONTGOMERY RISK CONTROL	SAFETY & EDUCATION - 03/2017 - VIDEO	1,500.00
001390	J. A. MONTGOMERY RISK CONTROL	MSI ADMIN - 03/2017	70,000.00
001390	J. A. MONTGOMERY RISK CONTROL	SAFETY & EDUCATION - 03/17 - CONSULTING	8,250.00
			87,750.00
001391			
001391	PERMA	EXECUTIVE DIRECTOR FEE 03/2017	95,610.79
			95,610.79
001392			
001392	MICHAEL S. ZAMBITO	TREASURER FEE 1ST QTR 2017	6,166.96
			6,166.96
001393			
001393	NJ ADVANCE MEDIA	ACCT: XMUNI0555792 - 2/8/2017 - SPEC MTG	29.45
001393	NJ ADVANCE MEDIA	ACCT: XMUNI0555792 - 2/4/2017 - PUBL NOT	63.55
			93.00
001394			
001394	FORSgate COUNTRY CLUB	MTG - 2/16/17 - MEL COVERAGE COMMITTEE	1,021.00
			1,021.00

001395			
001395	ARTHUR J. GALLAGHER RMS, INC.	REINSURANCE MANAGER - 03/2017	24,957.81
			24,957.81
001396			
001396	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 03/2017	4,094.00
			4,094.00
001397			
001397	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 03/2017	43,220.12
			43,220.12
001398			
001398	BROWN & BROWN METRO, INC.	RMC FEE 1ST 2017 - SEA BRIGHT BORO	560.21
001398	BROWN & BROWN METRO, INC.	RMC FEE 1ST 2017 - BRADLEY BEACH	1,208.61
001398	BROWN & BROWN METRO, INC.	RMC FEE 1ST 2017 - FREEHOLD TWP	6,715.43
			8,484.25
001399			
001399	FAIRVIEW INSURANCE AGENCY	RMC FEE 1ST 2017 - LAKE COMO BORO	488.42
001399	FAIRVIEW INSURANCE AGENCY	RMC FEE 1ST 2017 - KEYPORT BORO	1,530.59
			2,019.01
001400			
001400	NORTH AMERICAN INSURANCE MGMNT	RMC FEE 1ST 2017 - MARLBORO TWP	6,104.28
			6,104.28
Total Payments FY 2017			2,789,236.75

TOTAL PAYMENTS ALL FUND YEARS \$ \$ 2,789,375.55

Chairperson

Attest:

Dated:_____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer