

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
OPEN MINUTES
JUNE 5, 2019
FORSGATE COUNTRY CLUB-MONROE, NJ
11:15AM**

ROLL CALL OF 2019 BOARD OF FUND COMMISSIONERS

Richard Hirsch	Borough of Longport - Atlantic JIF	Present
Mauro Tucci	Township of Nutley – Sub Essex JIF	Absent
Joseph Wolk	Borough of Mount Ephraim- Camden JIF	Present
Charles Cuccia	Borough of Little Falls –S. Bergen JIF	Present
Robert Law	Woodbury City - Trico JIF	Present
Jon Rheinhardt	Borough of Wharton – Morris JIF	Absent
Michael Guarino – alternate FC	Township of Denville – Morris JIF	Present
Thomas Nolan	Borough of Brielle - Monmouth JIF	Present
Joseph D’Arco	Borough of Paramus - NJMSI JIF	Present
Bernard Rutkowski	NJUA JIF – Toms River MUA	Present
Paul Tomasko	Borough of Alpine – Bergen JIF	Present
John Clarke	New Brunswick Housing Authority- PHA JIF	Absent
Joy Tozzi	Township of Robbinsville - Mid-Jersey JIF	Present
Veronica Laureigh	Township of Lacey – Ocean JIF	Present
William Northgrave	Township of Edison – Central JIF	Absent
Meghan Champney	City of Summit – Suburban JIF	Present
Cynthia Ege	Lambertville – PAIC JIF	Absent
Tom Merchel	Township of Moorestown- PMM JIF	Present
Megan Jack	Riverside Twp- Burlco JIF	Present
Mark Antozzeski	Hamilton Township Fire District 9- FRESP JIF	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Adm	Perma Risk Management Services David N. Grubb, Joseph Hrubash, Cate Kiernan
Attorney	Dorsey & Semrau Fred Semrau, Esquire
Producer	Arthur J. Gallagher Paul Forlenza, Paul Miola
Auditor	Nisivoccia LLP Bud Jones
Actuary	The Actuarial Advantage Eric Bause, Kyle Mrotek, Michael Solomon
Excess Liability Claims Administrator	CB Claims LLC Christopher Botta
Excess Public Officials Claims Administrator	Dorsey & Semrau Kathleen Tyler Schohl
Lobbyist	Pathways Paul Bent

Ex Worker's Comp Claims Administrator	Qual-Lynx Kathy Kissane
Safety Director	JA Montgomery Risk Control Services Paul Shives, Brian Maitland
Treasurer	Mike Zambito
Underwriting Manager	Conner Strong & Buckelew Edward Cooney
Managed Care	QualCare Donna Setzer
Marketing Coordinator	Acrisure Amy Pieroni, Lindsay Travali

ALSO PRESENT:

Don Sciolaro, Waldwick; Bergen JIF Commissioner
 Charles Casagrande, Danskin Insurance Agency
 John Casagrande, Danskin Insurance Agency
 Alison Kelly, Danskin Insurance Agency
 Ezio Altamura, GJEM-Otterstedt Insurance Agency
 Barbara Murphy, RLM
 Frank Covelli, P.I.A
 Chuck Hartsoe, PEGAS
 Pauline Kontomanolis, PERMA
 Brad Stokes, PERMA
 Tracy Lopez, PERMA
 Andrew Fusco, PERMA
 Steve Sacco, PERMA
 Jason Thorpe, PERMA
 Nancy Ghani, PERMA

MINUTES: Included in the agenda were the open minutes of March 29, 2019.

MOTION TO APPROVE MARCH 29, 2019 OPEN MINUTES:

Moved:	Commissioner Clarke
Second:	Commissioner Law
Vote:	Unanimous

CORRESPONDENCE:

NONE

AUDITOR:

AUDITOR YEAR-END REPORT: Enclosed separately from the agenda booklet was the Audit Report as of December 31, 2018.

Fund Auditor referred to the Statement of Revenue, Expenses and Changes in Net Position (pg. 15 of audit) and reviewed the operating revenue, operating expenses, non-operating income figures; the overall Net Position was approximately \$28 million. Fund Auditor said the Fund's

surplus stands at \$19,052,373. Fund Auditor concluded the review and said there are no findings or recommendations and added that the Fund is in excellent financial condition.

ACTUARY YEAR-END REPORT: Fund Actuary submitted and reviewed the Valuation Report as of December 31, 2018.

MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION NO. 14-19 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT:

Moved: Commissioner Guarino
Second: Commissioner Laureigh
Roll Call Vote: 15 Ayes – 0 Nays

EXECUTIVE DIRECTOR REPORT:

MANAGEMENT COMMITTEE: Executive Director said the Management Committee and RCF Board members met on June 3, 2019 at 10AM via teleconference to discuss the recommended responses to the claim exposure created by the recent adoption of a law expanding the statute of limitations for sexual molestation claims.

Executive Director said the sponsor of the legislation had agreed to introduce an amendment to the bill to address inequities in immunities left to public entities when Title 59 protections were removed for sexual molestation claims. Fund Attorney, Deputy Executive Director and Lobbyist worked with representatives from the League of Municipalities, School Boards and Counties to revise the draft version of what was expected to be introduced to restore at least case law and common law immunities for public entities. The recently passed law's initial amendment wording would have made these type of claims a "strict liability".

Included in the agenda were copies of the draft revisions to the MEL and RCF Risk Management Plans to direct the management of these claims to the MEL and the RCF with claim costs to be billed back annually to local JIFs with annual installments up to ten years.

Executive Director said the MEL and RCF Boards and Fund Professionals will meet several times over the summer to develop the structure, which will include a recommendation to release RFPs for specialized attorney and claims administrator for these type of claims as well as authorize the development of a risk control plan and a communications plan.

Executive Director said to expect on-going discussions over the summer that will likely result in additional recommendations in September.

MOTION TO ADOPT REVISIONS TO THE PLAN OF RISK MANAGEMENT.

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

Deputy Executive Director said the Management Committee also met on May 30, 2019 to review recommendations contained in the Qualified Purchasing Agent (QPA) Review of the MEL Procurement Procedure as well as addressing the MEL contracts that will expire this year; namely the Learning Management System, Risk Management & Information System,

Management and Safety Training Consultant and Marketing Consultant and Marketing Manager.

Deputy Executive Director said the committee also reviewed the QPA memorandum (recommending the process to follow for these renewals) and resolution authorizing the hiring of various consultant, professional services and software firms through the competitive contracting process. Included in the agenda was a copy of the QPA's memorandum, as well as, Resolution 13-19 authorizing the hiring of various consulting firms, professional services and software firms through the competitive contracting process.

MOTION TO ADOPT RESOLUTION 13-19 AUTHORIZING THE HIRING OF VARIOUS CONSULTING, PROFESSIONAL SERVICE AND SOFTWARE DEVELOPMENT FIRMS THROUGH THE COMPETITIVE CONTRACTING PROCESS.

Moved: Commissioner Guarino
Second: Commissioner Laureigh
Roll Call Vote: 15 Ayes – 0 Nays

Executive Director said James Bollerman, who served as an outside corporate board member on the Audit Committee since 1993, submitted his resignation. Executive Director said the MEL Audit Committee is seeking a replacement to serve and interested persons should contact the Fund office. Executive Director said the committee also discussed the recommendation that Audit Committee Corporate Board members' per meeting attendance compensation be increased from \$750, established in 1993, to \$1,500.

MOTION TO INCREASE MEETING COMPENSATION TO OUTSIDE CORPORATE REPRESENTATIVES TO THE AUDIT COMMITTEE.

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

AUDIT COMMITTEE: Committee met on May 28th to review the Year-end Financials and the Internal Audit on Electronic Data Process; minutes of the meeting were enclosed and attached in Appendix II was a copy of the Internal Audit.

COVERAGE COMMITTEE: The committee met on May 23, 2019; enclosed in the agenda were the minutes of the meeting for information.

Underwriting Manager said the committee reviewed the current Cyber Exclusion in the Casualty program, which is a standard ISO endorsement, and recommended it be amended to allow certain Bodily Injury and Property Damage losses to be covered. Included in the agenda was the endorsement as drafted by the Technical Writer.

Underwriting Manager reported that he expects to be able to offer members that elected to participate in the "shared liability aggregate limits" additional limit to 2020. Underwriting Manager said he expects the commercial market to harden.

MOTION TO ACCEPT THE RECOMMENDATION OF THE COVERAGE COMMITTEE TO AMEND THE CYBER EXCLUSION IN THE CASUALTY PROGRAM TO ALLOW CERTAIN BODILY INJURY AND PROPERTY DAMAGE LOSSES TO BE COVERED:

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

LEGISLATIVE COMMITTEE: The committee met on April 26, 2019; enclosed in the agenda were the minutes of that meeting for information.

Lobbyist provided a summary of the legislative challenges faced by the MEL members, namely the passage of the sexual molestation bill (expanding statute limitations) as well as the “firemen’s cancer presumptive bill, which has been approved by the Senate and is now in the Assembly. Lobbyist said the MEL does expect that bill to have some amendments added.

SAFETY & EDUCATION COMMITTEE: The committee met on April 26, 2019; enclosed in the agenda were the minutes of that meeting for information. Safety & Education Committee reviewed a number of items that have their final recommendations in the Management Committee’s report.

Committee Chairman Rutkowski said the Committee recommended an expenditure of \$2,500 to add titles to DVD Library and to increase MSI Budget by \$90,000 to meet demand for Leadership Training and on-line training.

MOTION TO ACCEPT THE RECOMMENDATION OF THE SAFETY & EDUCATION COMMITTEE AND APPROVE THE EXPEDITURES TO THE DVD LIBRARY AND THE INCREASE TO THE MSI BUDGET:

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

CASH MANAGEMENT PLAN – SIGNATORY AMENDMENT: Executive Director said the Cash Management Plan requires an amendment to reflect recent service personnel changes to the Excess Property TPA. Enclosed in the agenda was the Cash Management Plan with changes highlighted for reference.

MOTION TO AMEND THE CASH MANAGEMENT PLAN:

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

MARKETING COMMITTEE: Committee met on May 30th. Deputy Executive Director said the committee reviewed upcoming membership retention, growth opportunities and webpage & mobile application communications.

RCF REPORT: Enclosed in the agenda was a copy of Commissioner Clarke’s report on the RCF’s March meeting.

CYBER TASK FORCE: Committee is scheduled to meet today at the conclusion of MEL meeting. The Task Force is reviewing member compliance with risk control, claims experience and next steps, including the development of recommendations concerning what to look for in IT professionals. Included in the agenda was a summary of compliance by JIF; also enclosed is a bulletin issued by the Task Force identifying a number of resources available without a cost. Underwriting Manager reported that representatives of the MEL met with the F.B.I to establish a working relationship on cyber.

CLAIMS REVIEW COMMITTEE: The Claims Review Committee met on May 1, 2019; enclosed under separate cover were the minutes of that meeting.

UNDERWRITING MANAGER:

REPORT: Underwriting Manager said there was nothing further to report.

TREASURER:

CONFIRMATION OF PAYMENTS

April 2019	\$455,490.18
May 2019	\$8,526,350.56

RESOLUTION 15-19 FOR JUNE 2019 VOUCHERS:

June 2019	\$1,468,520.64
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Confirmation Of March 2019 Claims Payments/Certification Of Claims Transfers:

1988 WC	56,032.13
CLOSED	0.00
2015	3,542.92
2016	575,804.97
2017	10,634.42
2018	758,827.84
2019	7,192.80
TOTAL	\$1,412,035.08

Confirmation Of April 2019 Claims Payments/Certification Of Claims Transfers:

1988 WC	21,412.02
CLOSED	0.00
2015	60,279.48
2016	10,533.50
2017	6,292.48
2018	388,197.30
2019	22,636.87
TOTAL	\$509,351.65

MOTION TO CONFIRM PAYMENTS OF APRIL AND MAY 2019; APPROVE JUNE 2019 RESOLUTION 15-19 AND TO APPROVE TREASURER’S REPORT OF CURRENT AND CONFIRMING EXPENSES AS PRESENTED:

Moved:	Commissioner Merchel
Second:	Commissioner Wolk
Roll Call Vote:	15 Ayes – 0 Abstain

CLAIMS – EXCESS WORKERS COMPENSATION:

REPORT: Claims Administrator said there was nothing to report; MEL Claims Committee will meet following this meeting.

CLAIMS - MANAGED CARE:

REPORT: A report was included in the agenda showing the Savings and Penetration report as of April 2019; the total billed was \$3,414,240.96 with approved bills of \$1,071,177.83 for a total savings of 66% and network penetration of 84%.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

CLOSED SESSION: There was no need for Closed Session.

MOTION TO ADJOURN:

Moved:	Commissioner Law
Second:	Commissioner Cuccia
Vote:	Unanimous

MEETING ADJOURNED: 12:51PM

NEXT MEETING: September 4, 2019
11:15AM - Forsgate Country Club, Monroe NJ

Nancy A. Ghani, Assisting Secretary

For

MAURO TUCCI, SECRETARY