

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND  
OPEN MINUTES  
OCTOBER 16, 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 | Denville Twp. – 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     | Present |
| Joy Tozzi                   | Township of Robbinsville - Mid-Jersey JIF    | Absent  |
| Veronica Laureigh           | Township of Lacey – Ocean JIF                | Absent  |
| William Northgrave          | Township of Edison – Central JIF             | Present |
| 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                    | Absent  |
| Dave Matchett - alternate   | Shamong Twp- Burlco JIF                      | Present |
| Mark Antozzeski             | Hamilton Township Fire District 9- FRESP JIF | Present |

**APPOINTED OFFICIALS PRESENT:**

|  |   |
|--|---|
| Executive Director/Adm                   | Perma Risk Management Services<br><b>David N. Grubb, Joseph Hrubash, Cate Kiernan</b> |
| Attorney                                 | Dorsey & Semrau<br><b>Fred Semrau, Esq.</b>   |
| Producer                                 | Arthur J. Gallagher<br><b>Paul Miola, Paul Forlenza</b>                               |
| Actuary                                  | The Actuarial Advantage<br><b>Kyle Mrotek</b>   |
| Excess Liability<br>Claims Administrator | CB Claims LLC<br><b>Christopher Botta, Georganne Jussel</b>                           |
| Ex Worker’s Comp<br>Claims Administrator | Qual-Lynx<br><b>Kathy Kissane</b>   |
| Safety Director                          | JA Montgomery Risk Control Services<br><b>Paul Shives</b>                             |
| Treasurer                                | <b>Mike Zambito</b>   |

Underwriting Manager Conner Strong & Buckelew  
**Edward Cooney**

Managed Care QualCare  
**Donna Setzer**

Marketing Coordinator Acrisure  
**Amy Pieroni**

**ALSO PRESENT:**

- Alison Kelly, Danskin Insurance Agency
- Charles Casagrande, Danskin Insurance Agency
- John Casagrande, Danskin Insurance Agency
- Mike Avalone, Conner Strong & Buckelew Barbara Murphy, RLM
- Ezio Altamura, GJEM-Otterstedt Insurance Agency
- Frank Covelli, P.I.A
- Brad Stokes, PERMA
- Robyn Walcoff, PERMA
- Pauline Kontomanolis, PERMA
- Steve Sacco, PERMA
- Jason Thorpe, PERMA
- Nancy Ghani, PERMA

**MINUTES:** Included in the agenda were the open minutes of September 4, 2019.

**MOTION TO APPROVE SEPTEMBER 4, 2019 OPEN MINUTES:**

|         |                      |
|---------|----------------------|
| Moved:  | Commissioner Tomasko |
| Second: | Commissioner Wolk    |
| Vote:   | Unanimous            |

**CORRESPONDENCE:** Included in the agenda was correspondence from Sedgewick on their recent acquisition of York Risk Services Group, the MEL’s current excess property claims administrator. Notice indicated there would be no change to the existing contract and the service team would remain in place.

**EXECUTIVE DIRECTOR REPORT:**

**2020 RATE TABLE & BUDGET:** Executive Director said the Management Committee met on October 11<sup>th</sup> to review the preliminary 2020 budget. Executive Director said the budget reflects an overall increase of .4% when applying the 2019 exposures and limits against the 2020 rate table to provide a comparison.

Executive Director summarized the notable changes in the Claims, Premiums and Expense sections of the budget. Executive Director said WC loss funds and premiums are decreasing noting that the MEL/local JIFs are experiencing one of the best safety records in terms of Lost Time Accident Frequency for 2019. Executive Director said *line 16 Boiler and Machinery* reflects a decrease and has been loaded into *line 15 Excess Property*. Executive Director said based as previously discussed, the potential risk exposure due to changes in legislation regarding firefighter cancer presumption and sexual abuse molestation are currently unknown. Executive Director said funds have been allocated to *line 17 Loss Fund Contingency* for this new exposure.

**MOTION TO INTRODUCE ON FIRST READING THE 2020 BUDGET AND RATE TABLE AND TO SCHEDULE A PUBLIC HEARING FOR**

**WEDNESDAY, NOVEMBER 20, 2019 AT 12:30PM – STEEL PIER ROOM  
THE SHERATON HOTEL -ATLANTIC CITY, NJ.**

Moved: Commissioner Tomasko  
Second: Commissioner Wolk  
Vote: 15 Ayes – 0 Nays

**MANAGEMENT COMMITTEE:** Executive Director said in addition to the preliminary budget, the Management Committee also met to review the Plan of Risk Management and Contracts:

Plan of Risk Management – amendment regarding Sexual Molestation Investments. Enclosed in the agenda was the current plan with suggested amendments (highlighted for reference) to address the uncertainty of potential losses from S-477 and the Firefighter Cancer Presumption bill. Also included was correspondence from the Actuary explaining the rationale should the statutory surplus fall below a trigger number. Executive Director said the changes to the Plan would allow for a policy to declare an additional assessment should the statutory surplus not equal or exceed 12.5% of open reserves. Executive Director said based on year-end financials, the MEL’s statutory surplus – currently at \$16.1 million - is well in excess of that bar, but the Residual Claim Fund may need to collect additional assessments from member JIFs. Billing of any assessment would be over ten-year period. Executive Director said the Risk Management Plan had already been amended in June to include a clause that any declared dividend will be held in escrow for former members until such time as the statute has tolled for potential claims. Given the change in statute, that can be as long as 55 years from date of occurrence.

**MOTION TO AMEND THE PLAN OF RISK MANAGEMENT AS PRESENTED:**

Moved: Commissioner Law  
Second: Commissioner Clarke  
Vote: 15 Ayes – 0 Nays

Executive Director thanked the efforts of Deputy Executive Director, Fund Safety Director, the Fund Actuary and the Fund Attorney.

Contracts: Deputy Executive Director said Competitive Contract RFPs (CCRFP) were issued for Risk Management & Information System, Management and Safety Training Consultant and Marketing Consultant and Marketing Manager. Responses were due by September 19<sup>th</sup>. The Management Committee is designated as the Evaluation Committee for all but the Safety Training Consultant proposal. Executive Director said the Management Committee met to review responses and will now independently complete the evaluation and report to the Board of Commissioners in November. In addition to current vendors, only one additional proposal was received and that was in response to the request for Risk Management Information System. A meeting of the Safety & Education Committee will be scheduled to review the Safety Training Consultant proposal.

**FISCAL MANAGEMENT PLAN:** Included in the agenda was a revised Cash Management Plan as requested by Fund Treasurer. Executive Director said the amendment will allow the Treasurer to utilize the services of any bank covered by GUDPA.

**MOTION TO ADOPT RESOLUTION 21-19 AMENDING THE 2019 FISCAL MANAGEMENT PLAN:**

Moved: Commissioner Law  
Second: Commissioner Clarke  
Vote: 15 Ayes – 0 Nays

**EMPLOYMENT PRACTICES PROGRAM:** Executive Director said in September the board adopted a resolution approving a professional service agreement with Cleary, Giacobbe Alfieri Jacobs LLC to review and revise the Fund’s model employment documents, subject to proposal. For information, a copy of the proposal was submitted to the Board.

**SAFETY & EDUCATION COMMITTEE:** Committee Chairman provided a report on the Committee’s September 13<sup>th</sup> meeting; minutes of that meeting were included in the agenda for information. The 2020 proposed budget includes an increase in the MEL Safety Institute as recommended by the committee to meet additional demands. Additionally, the Fund Office is in the process of scheduling a meeting to review the Safety Training Consultant proposal. Committee Chairman said 2018 is showing the lowest Lost Track Accident Frequency figures since the MEL first began producing the report in 1991. To date, 2019 is tracking similarly.

**LEGISLATIVE COMMITTEE:** This committee is scheduled to meet on November 20, 2019 at 10:00 am during the NJSLOM conference.

**RCF SEPTEMBER REPORT:** Commissioner Clarke submitted a report on the RCF’s September meeting, which was included in the agenda. RCF met prior to the MEL meeting and adopted its 2020 Budget.

**CLAIMS COMMITTEE:** The Claims Review Committee met in September and is scheduled to meet immediately following the Board meeting. Minutes of the September meeting were distributed to Fund Commissioners separately. Committee will meet again following the MEL Board meeting.

**NEXT MEETING:** Executive Director said the next meeting of the MEL would be Wednesday November 20, 2019 at 12:30PM in the Steel Pier Room at the Sheraton Hotel – Atlantic City.

**UNDERWRITING MANAGER:**

**REPORT:** Underwriting Manager said the MEL Cyber Risk Management questionnaire was moved to Origami platform for the 2020 renewal year to date there have 350 submissions. Underwriting Manager said these will still require review to see what members have reached either Tier 1 or Tier 2 of possible deductible reimbursements in the event of a cyber incident.

**TREASURER:**

**CONFIRMATION OF PAYMENTS**

September 2019      \$149,821.27

**RESOLUTION 22-19 FOR OCTOBER 2019 VOUCHERS:**

October 2019      \$381,074.94

**Confirmation Of August 2019 Claims Payments/Certification Of Claims Transfers:**

|                |           |
|----------------|-----------|
| <b>1988 WC</b> | 39,533.65 |
| <b>CLOSED</b>  | 0.00      |
| <b>2015</b>    | 36,892.68 |
| <b>2016</b>    | 26,685.61 |

|              |                       |
|--------------|-----------------------|
| <b>2017</b>  | 6,715.21              |
| <b>2018</b>  | 1,087,894.50          |
| <b>2019</b>  | 112,762.78            |
| <b>TOTAL</b> | <b>\$1,310,484.43</b> |

**Confirmation Of September 2019 Claims Payments/Certification Of Claims Transfers:**

|                |                       |
|----------------|-----------------------|
| <b>1988 WC</b> | 21,152.73             |
| <b>CLOSED</b>  | 0.00                  |
| <b>2015</b>    | 176,308.57            |
| <b>2016</b>    | 2,528,968.66          |
| <b>2017</b>    | 663,127.85            |
| <b>2018</b>    | 3,225,660.64          |
| <b>2019</b>    | 247,751.23            |
| <b>TOTAL</b>   | <b>\$6,862,969.68</b> |

**MOTION TO CONFIRM PAYMENTS OF SEPTEMBER; APPROVE OCTOBER 2019 RESOLUTION 22-19 AND TO APPROVE TREASURER'S REPORT OF CURRENT AND CONFIRMING EXPENSES AS PRESENTED:**

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

**CLAIMS – EXCESS WORKERS COMPENSATION:**

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

**ATTORNEY:**

**REPORT:** Fund Attorney complimented the efforts of the Fund Professionals, as well as, the proactive response to the unknown risk exposure based on changes in legislation related to firefighter cancer presumption and the sexual abuse molestation.

**CLAIMS - MANAGED CARE:**

**REPORT:** A report was included in the agenda showing the Savings and Penetration report as of September 2019; the total billed was \$6,260,057.16 with approved bills of \$2,213,007.68 for a total savings of 62% and network penetration of 79%.

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

NONE

**PUBLIC COMMENT:**

NONE

**CLOSED SESSION:** There was no need for Closed Session.

**MOTION TO ADJOURN:**

Moved: Commissioner Clarke  
Second: Commissioner Cuccia  
Vote: Unanimous

**MEETING ADJOURNED:** 11:35AM

**NEXT MEETING:** November 20, 2019  
12:30PM – Sheraton Hotel – Steel Pier Room  
Atlantic City, NJ

Nancy A. Ghani, Assisting Secretary

For

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MAURO TUCCI, SECRETARY

**RESOLUTION NO: 21-19**

**MUNICIPAL EXCESS LIABILITY MUNICIPAL JOINT INSURANCE FUND**  
(hereafter referred to as "THE FUND")  
**ESTABLISHING THE FISCAL MANAGEMENT PLAN**  
**FOR THE 2019 FUND YEAR**

**WHEREAS**, THE FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et.seq.); and

**WHEREAS**, THE FUND is subject to the requirements contained within the Local Fiscal Affairs Law (N.J.S.A. 40A-5, et.seq.); and

**NOW, THEREFORE BE IT RESOLVED**, THE FUND's Governing Body hereby appoints the following professionals for the 2019 Fund Year:

- I.** All funds for Administrative Expenses, Reinsurance, Dividends and Miscellaneous Expenses, shall be withdrawn from the official named Depository (ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this resolution.

RICHARD HIRSCH, CHAIRMAN

MAURO TUCCI, SECRETARY

MICHAEL ZAMBITO, TREASURER

CHARLES CUCCIA, MEL FUND COMMISSIONER

- II.** All funds for Claims payments handled by Qual-Lynx shall be withdrawn from the Official Depository(ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution.

Dave S. Ruber, Qual-Lynx

Alice H. Lihou, Qual-Lynx

Janet Buggle, Qual-Lynx

Michael Zambito, Fund Treasurer

- III.** All funds for Claims payments handled by CB Claims shall be withdrawn from the Official Depository(ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution.

Christopher Botta, Esquire

Georganne Jussel

Robert Fisher, Esquire

Michael Zambito, Fund Treasurer

Charles Cuccia, MEL Fund Commissioner

- IV.** All funds for Claims payments handled by York Risk Services Group shall be withdrawn from the Official Depository(ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution.

Saswata Mukherjee, York Risk Services Group

Elizabeth Ecsy, York Risk Service Group

Michael Zambito, Fund Treasurer

- V. FOR WIRE TRANSFERS - that the FUND does hereby require that Investors Bank obtain voice confirmation prior to executing wire transfers to external accounts from the Fund Treasurer
- VI. The Cash and Investment Policy attached herewith, shall be adopted.
- VII. The rate of interest assessed by the Fund, for delinquent assessments shall be ten (10) percent per annum, from the due date for any such assessment.
- VIII. Certifying and Approval Officer for all FUND expenses shall be the FUND's Executive Director and/or the Account Manager so designated by the Executive Director.

ADOPTED:

this day before the Governing Body:

\_\_\_\_\_

Chairman

\_\_\_\_\_

date

\_\_\_\_\_

Secretary

\_\_\_\_\_

date



**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND  
BILLS LIST**

Resolution No. 22-19

OCTOBER 2019

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 2018**

| <u>Check Number</u> | <u>Vendor Name</u> | <u>Comment</u>                    | <u>Invoice Amount</u> |
|---------------------|--------------------|-----------------------------------|-----------------------|
| 002215              |                    |                                   |                       |
| 002215              | NJ ADVANCE MEDIA   | ACCT#1000867512 - DEBIT - 7.24.18 | 70.84                 |
|                     |                    |                                   | <b>70.84</b>          |
|                     |                    | <b>Total Payments FY 2018</b>     | <b>70.84</b>          |

**FUND YEAR 2019**

| <u>Check Number</u> | <u>Vendor Name</u>            | <u>Comment</u>                         | <u>Invoice Amount</u> |
|---------------------|-------------------------------|--|-----------------------|
| 002216              |                               |  |                       |
| 002216              | QUALCARE, INC.                | MANAGED CARE FEES 10/19                | 44,650.50             |
|                     |                               |  | <b>44,650.50</b>      |
| 002217              |                               |  |                       |
| 002217              | QUAL-LYNX                     | COMPUTER ACCESS FEE 10/19              | 1,377.00              |
| 002217              | QUAL-LYNX                     | CLAIM ADJUSTING SERVICES 10/19         | 52,352.93             |
|                     |                               |  | <b>53,729.93</b>      |
| 002218              |                               |  |                       |
| 002218              | J. A. MONTGOMERY RISK CONTROL | SAFETY & EDUCATION 10/19 - VIDEO       | 1,250.00              |
| 002218              | J. A. MONTGOMERY RISK CONTROL | MSI ADMIN 10/19                        | 82,300.00             |
| 002218              | J. A. MONTGOMERY RISK CONTROL | SAFETY & EDUCATION 10/19 - CONSULTING  | 8,600.00              |
|                     |                               |  | <b>92,150.00</b>      |
| 002219              |                               |  |                       |
| 002219              | PERMA                         | POSTAGE 9/19                           | 39.60                 |
| 002219              | PERMA                         | EXEC DIRECTOR 10/19                    | 111,358.28            |
| 002219              | PERMA                         | POSTAGE 8/19                           | 53.00                 |
|                     |                               |  | <b>111,450.88</b>     |
| 002220              |                               |  |                       |
| 002220              | DORSEY & SEMRAU ESQ.          | MEL EPL ROLLOFF 9/19                   | 985.09                |
|                     |                               |  | <b>985.09</b>         |
| 002221              |                               |  |                       |
| 002221              | NEWTECH SERVICES, INC.        | MAINTENANCE & HOSTING 10/19            | 77.00                 |
|                     |                               |  | <b>77.00</b>          |
| 002222              |                               |  |                       |
| 002222              | E. FITZ ART, INC.             | UPDATE - POWER OF COLLAB BROCHURE 8/19 | 575.00                |
|                     |                               |  | <b>575.00</b>         |
| 002223              |                               |  |                       |
| 002223              | FORSGATE COUNTRY CLUB         | MEL TASK FORCE 9.30.19                 | 1,139.79              |
|                     |                               |  | <b>1,139.79</b>       |
| 002224              |                               |  |                       |
| 002224              | ARTHUR J. GALLAGHER RMS, INC. | REINSURANCE MANAGER 10/19              | 25,966.10             |
|                     |                               |  | <b>25,966.10</b>      |

|        |                          |                                      |                     |
|--------|--------------------------|--------------------------------------|---------------------|
| 002225 |                          |                                      |                     |
| 002225 | THE ACTUARIAL ADVANTAGE  | ACTUARIAL FEE 10/19                  | 4,259.83            |
|        |                          |                                      | <b>4,259.83</b>     |
| 002226 |                          |                                      |                     |
| 002226 | CONNER STRONG & BUCKELEW | UNDERWRITING FEE 10/19               | 44,967.00           |
|        |                          |                                      | <b>44,967.00</b>    |
| 002227 |                          |                                      |                     |
| 002227 | DORSEY & SEMRAU ESQ.     | MEL SPECIAL LITIGATION 9/19          | 1,052.98            |
|        |                          |                                      | <b>1,052.98</b>     |
|        |                          | <b>Total Payments FY 2019</b>        | <b>381,004.10</b>   |
|        |                          | <b>TOTAL PAYMENTS ALL FUND YEARS</b> | <b>\$381,074.94</b> |

\_\_\_\_\_  
Chairperson

Attest: \_\_\_\_\_

Dated: \_\_\_\_\_

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

\_\_\_\_\_  
Treasurer