

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
OPEN MINUTES
SEPTEMBER 2, 2020
VIA TELECONFERENCE
9:45AM**

Meeting of Board of Fund Commissioners called to order by Chairman Tom Merchel. Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE – Chairman Merchel led Commissioners in the Pledge of Allegiance.

ROLL CALL OF 2020 BOARD OF FUND COMMISSIONERS

Tom Merchel, Chairman	Township of Moorestown- PMM JIF	Present
Joy Tozzi, Secretary	Township of Robbinsville - Mid-Jersey JIF	Absent
Robert Law	Woodbury City - Trico JIF	Present
Jon Rheinhardt	Borough of Wharton – Morris JIF	Present
Charles Cuccia	Borough of Little Falls –S. Bergen JIF	Present
Richard Hirsch	Borough of Longport - Atlantic JIF	Present
Joseph Wolk	Borough of Mount Ephraim- Camden JIF	Present
Joe Catenaro	Township of Fairfield – Sub Essex 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
Veronica Laureigh	Township of Lacey – Ocean JIF	Present
William Northgrave	Township of Edison – Central JIF	Absent
Meghan Champney	City of Summit – Suburban JIF	Present
Kevin Davis	County of Hunterdon – PAIC JIF	Present
Megan Jack	Riverside Twp- Burlco JIF	Absent
Dave Matchett – Burlco Alternate	Township of Shamong – Burlco JIF	Present
Steven Scholey	Bordentown Mission Fire Company - District #1	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Adm	Perma Risk Management Services David N. Grubb, Joseph Hrubash, Cate Kiernan Nancy A. Ghani
Attorney	Dorsey & Semrau Fred Semrau, Esquire
Producer	Arthur J. Gallagher Paul Forlenza, Paul Miola
Actuary	The Actuarial Advantage Kyle Mrotek, Eric Bause
Auditor	Nisivoccia Bud Jones
Ex Worker’s Comp Claims Administrator	Qual-Lynx Kathy Kissane

Safety Director	JA Montgomery Risk Control Services Paul Shives
Treasurer	Mike Zambito
Excess Liability Claims Administrator	CB Claims LLC Christopher Botta
Underwriting Manager	Conner Strong & Buckelew Edward Cooney
Lobbyist	Pathways Paul Bent
Managed Care	QualCare Donna Setzer, Steve McNamara
Strategic Planning/Communication	LaMendola Associates Clark LaMendola
Asset Manager	Clearbrook Fernando Garip

JIF COMMISSIONERS/PROFESSIONALS PRESENT:

Sherry Sims, NJPHA Fund Commissioner
 Ezio Altamura, GJEM-Otterstedt Insurance Agency
 Michael Avalone, Conner Strong & Buckelew
 Chuck Hartsoe, PEGAS
 Barbara Murphy, RLM
 Charles Casagrande, Danskin Insurance Agency
 Alison Kelly, Danskin Insurance Agency
 John Casagrande, Danskin Insurance Agency
 Dave Vozza, The Vozza Agency
 Frank Covelli, P.I.A.
 Robin Racioppi, Acrisure
 Pauline Kontomanolis, PERMA
 Robyn Walcoff, PERMA
 Jen Conicella, PERMA
 Brad Stokes, PERMA
 Steve Sacco, PERMA
 Jason Thorpe, PERMA
 Sandra Cantwell, PERMA
 Brandon Tracy, PERMA

MINUTES: Included in the agenda were the open minutes of June 3, 2020.

MOTION TO APPROVE JUNE 3, 2020 OPEN MINUTES:

Moved:	Commissioner Clarke
Second:	Commissioner Hirsch
Vote:	Unanimous

CORRESPONDENCE:

NONE

EXECUTIVE DIRECTOR REPORT:

BUDGET UPDATE: Enclosed in the agenda was a copy of the budget and rate table that was adopted in June.

Executive Director and Underwriting Manager reported they are focusing on identifying ways to keep the budget flat. Underwriting Manager said the commercial market has hardened to a degree not seen since the 1980's, which was a factor in the formation of the Joint Insurance Funds. Underwriting Manager went on to identify drivers of the change, notably an increase in the number of worldwide natural disasters as well as increases in fires or water damage to buildings. Casualty market is also see across the board increases in rates and a reduction in limit, partly resulting from increases in settlements and jury awards (social cost inflation). Executive Director said the MEL would be considering altering the program structure, i.e. changes/increases in the MEL's retention.

Executive Director noted that another item for 2021 is that a majority of the MEL contracts for professional services will expire a year-end; Competitive Contract Request for Proposals (CCRFP) were advertised earlier this summer and responses are due on September 9th. Executive Director said the responses will be reviewed and scored by the appropriate MEL sub-committees that serve as the Evaluation Committees.

MEL SAFETY INSTITUTE: Executive Director reported in June, the MEL amended its contract with J.A. Montgomery to include compensation for conducting webinar training, but did not address compensation for the hours spent by J.A. Montgomery in developing these courses as well as the time spent to add streaming video training. Included in the agenda was Resolution 34-20 to address this matter. Executive Director said J.A. Montgomery has always been provided with a budget amount for the MSI schedule and consulting, but it had not been included in the contract. The recommendation is to add an overall not to exceed amount to the contract and this language was included in Resolution 34-20.

Safety Director said they have been able to expand the number of online classes to 60 sessions and added that the response to "instructor led" online classes has been very favorable. Safety Director said, given the attendance in the online classes over the summer, he actually expects that members will have more employees trained in 2021 that prior years.

MOTION TO ADOPT RESOLUTION 34-20 AUTHORIZING AN AMENDMENT TO THE J.A. MONTGOMERY CONTRACT.

Moved:	Commissioner Rheinhardt
Second:	Commissioner Law
Roll Call Vote:	17 Ayes – 0 Nays

LEGISLATIVE COMMITTEE: The committee met on June 25th and August 17th; enclosed in the agenda were the minutes of those meetings. Committee Chairman Cuccia said the committee reviewed legislation A3971 that authorizes the issuance of "coronavirus relief bonds" by municipalities and counties and was recently signed into law by the Governor.

JOINT CASH MANAGEMENT INVESTMENT PROGRAM: Commissioner Cuccia reported the JCMI's earnings to date have been \$1.5 million, without the JCMI, earnings in a conventional program would have been \$200,000. In addition, the MEL saved towns \$180,000, when compared to cover bid. Treasurer said with the current 7 JIFs participating

in the JCMI, cash and investments total \$184,000.000; with 3 more JIFs expected to participate in October, the total will be \$230,000,000. Treasurer said the program has been very successful.

SAFETY & EDUCATION COMMITTEE: The committee met on August 17th; enclosed in the agenda were the minutes of that meeting. Committee reviewed a draft of the Risk Management Manual, providing fundamentals of the MEL program, and recommends publication and distribution to members. Marketing Manager is working with printer on fulfillment at a cost of approximately \$40,000 (to distribute to all governing body members, fund commissioners, administrators and risk management consultants – approximately 7,500 copies).

Commissioner D’Arco inquired if the manual could be distributed as a .pdf file instead of a printed document. Executive Director said the manual is 250+ pages and drafted to be a desk reference. Fund Attorney said the MEL has historically provided resources to its members and noted this manual would act as a treatise that elected officials would be able to refer to as a permanent resource. Commissioner Champney inquired if members could opt for a hard copy or online version of the manual to potentially reduce printing costs. In response, Executive Director said that could be explored, but noted the project was envisioned to be desk reference, as well as, training guide for newly elected officials. Commissioner Catenaro acknowledged the concerns expressed regarding printing costs, but would support distribution of the manual as a hard copy noting that receipt of a hard copy may be easiest to refer to than online. Chairman Merchel inquired if this manual would be included as part of online resources available on the MEL website; in response Executive Director confirmed it would be.

MOTION TO AUTHORIZE DISTRIBUTION OF A MEL RISK MANAGEMENT MANUAL:

Moved:	Commissioner Tomasko
Second:	Commissioner D’Arco
Roll Call Vote:	17 Ayes – 0 Nays

RCF REPORT: Included in the agenda was a copy of Commissioner Clarke’s report on the RCF’s June meeting. Deputy Executive Director said the RCF met this morning and approved the amended 2019 Budget, which included the transfer of 2015 liabilities from local JIFs and introduced the proposed 2021 Budget.

CYBER TASK FORCE: The MEL’s Cyber Task Force has begun the process of revising the MEL’s Cyber Risk Management Program. Members that are currently in compliance will be provided with a six-month grace period to update to the new program, once it is finalized and distributed.

Commissioner Rheinhardt said the “Best Practices Checklist” issued by the State is expected to include questions on cyber security risk management. Commissioner Rheinhardt added the importance of continuing to highlight the Cyber Risk Management Program to MEL members as less instances of cyber breaches have occurred since release of the program. Underwriting Manager noted that of the 100+ cyber claims over the past 3 years – which incurred approximately \$8 million of expenses – not of those members that had a claim were in compliance with the Cyber Risk Management Program. Chairman Merchel said there is a huge weight placed on municipalities or corporations in terms of managing cyber security matters and noted rating agencies are reviewing these practices in detail. Underwriting Manager said he recently met with representatives from Moody’s to

discuss the MEL’s current program to address cyber security and they were thrilled with what the MEL currently has in place.

COVERAGE COMMITTEE: A meeting of this committee is being scheduled for late September.

EPL COMPLIANCE PROGRAM: Executive Director said the training components related to the EPL program for Elected Officials, Managers/Supervisors and Police Command staff are in the final stages and will be transferred to online format and a notice will be issued to members on how to access. The recently revised model personnel manual and handbook have been posted on the MEL website for members to access. Executive Director said the compliance deadline for members to meet all requirement has been set for June 1, 2021. Fund Attorney added his office is planning a webinar for municipal attorneys to assist with any questions that may arise from members on the new format or the program itself.

LEAGUE MAGAZINE AD: Included in the agenda was the latest in the series of “Power of Collaboration” ad that will appear in the League of Municipalities magazine. The ad highlights savings to NJ taxpayers through issuance of dividends since the MEL’s inception, as well as, MEL purchases of \$100 million of member debt securities and a rate freeze for 2021 budget.

CLAIMS REVIEW COMMITTEE: The Claims Review Committee met on June 3, 2020 and July 16, 2020. Copies of those minutes were distributed separately. The committee will be meeting this afternoon and is scheduled to meet next on October 21, 2020.

UNDERWRITING MANAGER:

REPORT: Underwriting Manager said the Reinsurance Committee may be re-engaged to review renewal options and potential re-structuring options to address the hard market as previously discussed.

TREASURER:

CONFIRMATION OF PAYMENTS

June 2020 Supplemental	\$277,654.00
July 2020	\$2,979,669.00
August 2020	\$465,988.88

RESOLUTION 35-20 FOR SEPTEMBER 2020 VOUCHERS:

September 2020	\$1,542,370.18
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Confirmation Of May 2020 Claims Payments/Certification Of Claims Transfers:

1988 WC	58,822.67
CLOSED	0.00
2016	25,076.69
2017	160,947.03
2018	46,621.95
2019	219,583.36
2020	157316.83
TOTAL	\$668,368.53

Confirmation Of June 2020 Claims Payments/Certification Of Claims Transfers:

1988 WC	1,981.89
CLOSED	0.00
2016	31,626.95
2017	33,956.25
2018	262,120.35
2019	201,233.34
2020	224,061.64
TOTAL	\$754,980.42

Confirmation Of July 2020 Claims Payments/Certification Of Claims Transfers:

1988 WC	20,300.28
CLOSED	0.00
2016	17,188.92
2017	15,106.59
2018	312,581.86
2019	228,608.79
2020	1,436,967.24
TOTAL	\$2,030,753.68

Fund Treasurer provided an update on the JCMI noting that seven (7) member were currently participating and three (3) are expected to join on October 1st. Member JIFs have been invited to participate in the JCMI on a staggered basis.

MOTION TO CONFIRM JUNE SUPPLEMENTAL, JULY AND AUGUST 2020 PAYMENTS, APPROVE SEPTEMBER 2020 BILLS LIST RESOLUTION 35-20 AND TO APPROVE TREASURER'S REPORT; CURRENT AND CONFIRMING EXPENSES AS PRESENTED:

Moved: Commissioner Nolan
Second: Commissioner Laureigh
Roll Call Vote 17 Ayes – 0 Nays

CLAIMS – EXCESS WORKERS COMPENSATION:

REPORT: Claims Administrator said they are continuing to monitor COVID-19 claims adding there would be a MEL Claims Committee following this meeting.

CLAIMS – EXCESS LIABILITY:

REPORT: Nothing to report for the month.

ATTORNEY:

REPORT: Fund Attorney said in 2017 the MEL submitted an amicus curiae as part of Jones v. Morey Pier, Inc. to successfully defend against late notices of tort claims. Fund Attorney said since that case there have been six dismissals using the Jones v. Morey Pier as a guiding decision.

MANAGED CARE:

REPORT: A report was included in the agenda showing the Savings and Penetration report as of July 2020. The total billed was \$5.6 million with approved bills of \$2.8 million for a total savings of 49% and network penetration of 77%.

Deputy Executive Director referred to page. 53 of the report, which reflected a \$2.3 million charge, repriced to \$1.2 million and inquired if this was impacted by a COVID-19 related claim. In response, Managed Care Provider confirmed it was attributable to a COVID-19 claim and the individual was in the ICU at an in-network hospital for over 100 days, as well as, an in-patient rehab facility. Ms. Walcoff noted the significant discount are due to Qual-Lynx and QualCare long standing relationships with hospital networks and complimented their hard work, as well as members of the Claims committee to quickly move approval to take advantage of quick-pay discounts.

OLD BUSINESS:

SAFETY NATIONAL: Deputy Executive Director said Safety National contacted the Underwriting Manager indicating they might be able to consider discounting 2020 premium if members could supply documentations of payroll reductions. Executive Director said there is no need for members to supply the documentation separately because the Fund's payroll auditors will identify any payroll reductions during their regular examination.

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

CLOSED SESSION: There was no need for Closed Session.

MOTION TO ADJOURN:

Moved:	Commissioner Tomasko
Second:	Commissioner Clarke
Vote:	Unanimous

MEETING ADJOURNED: 11:59AM

NEXT MEETING: October 21, 2020
11:15AM – via teleconference

Nancy A. Ghani, Assisting Secretary

For

JOY TOZZI, SECRETARY

RESOLUTION 34-20
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE
FUND SECOND AMENDMENT TO 2020 PROFESSIONAL
SERVICE AGREEMENT WITH J.A. MONTGOMERY

WHEREAS, the Board of Fund Commissioners of the Municipal Excess Liability Joint Insurance Fund awarded and executed a Professional Service Agreement for Fund years 2018, 2019 and 2020 to J.A. Montgomery as Fund Safety & Training Consultant and Administration of the MEL Video Library and MEL Safety Institute in a public session held on January 2, 2018;

WHEREAS, as a result of the impact of Covid 19 on instructor training, it was necessary for the Safety Training Consultant to create new ways to deliver training to members, including remote training that would qualify for required Continuing Education Credit;

WHEREAS, at its June meeting of the Board of Fund Commissioners of the Municipal Excess Liability Joint Insurance Fund, the 2020 compensation terms were amended to include pricing for webinar training, administration of webinar training, administration fee for MSI Now; and

WHEREAS, such amendment should also have provided for a revision to the contract to allow for compensation to J.A. Montgomery for the consulting services required to create the platform to deliver webinar training and search for streaming training programs that became MSI Now;

WHEREAS, this current contract terms limit the section of the consulting billing to a not to exceed amount of \$105,320.73;

WHEREAS, the Safety and Education Committee recommends increasing this amount to \$500,000;

WHEREAS, the Municipal Excess Liability Joint Insurance Fund is instructed to manage the Mel Safety Institute training within an annual budget, said amount has not been included in the professional service agreement;

NOW, THEREFORE, BE IT RESOLVED by the Board of Fund Commissioners of the Municipal Excess Liability Joint Insurance Fund that 2020 professional services agreement with JA Montgomery as Fund Safety and Training Consultant and administration of the MEL Video Library and MEL Safety Institute, is hereby amended to reflect the additional pricing for the term of the agreement from January 1, 2020 through December 31 of 2020.

BE IT FURTHER RESOLVED that professional service contract also be amended to reflect a total not to exceed amount for Fund year 2020 of \$1,340,895;

MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND

Attest:

Thomas Merchel, CHAIRMAN

Joy Tozzi, SECRETARY

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

Resolution No. 35-20

SEPTEMBER 2020

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.

<u>FUND YEAR 2020</u>			
<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002353			
002353	MANTUA TOWNSHIP	VOID	-1,000.00
002353	MANTUA TOWNSHIP	VOID	-2,500.00
			-3,500.00
002451			
002451	MUNICIPAL EXCESS LIABILITY	DEPOSIT ERR 8.18.20 - DOL 2002	24,579.40
			24,579.40
002452			
002452	CONNER STRONG & BUCKELEW	EXC LIAB REINS - 4TH QTR 2020	876,029.20
			876,029.20
002453			
002453	QUALCARE, INC.	MANAGED CARE FEES 9/20	45,543.51
			45,543.51
002454			
002454	CONNER STRONG & BUCKELEW	OPT EX POL/EPL REINS - BRIT -4TH Q 20	167,194.20
			167,194.20
002455			
002455	MUNICIPAL EXCESS LIABILITY RCF	MEL DEPOSIT ERROR 7/20	5,000.00
			5,000.00
002456			
002456	QUAL-LYNX	COMPUTER FEE 6/20	1,377.00
002456	QUAL-LYNX	COMPUTER FEE 7/20	1,377.00
002456	QUAL-LYNX	COMPUTER FEE 5/20	1,377.00
002456	QUAL-LYNX	COMPUTER FEE 8/20	1,377.00
002456	QUAL-LYNX	COMPUTER FEE 9/20	1,377.00
002456	QUAL-LYNX	COMPUTER FEE 2/20	1,377.00
002456	QUAL-LYNX	COMPUTER FEE 4/20	1,377.00
002456	QUAL-LYNX	COMPUTER FEE 3/20	1,377.00
			11,016.00
002457			
002457	QUAL-LYNX	CLAIM ADJ SERVICES 9/20	53,400.00
			53,400.00
002458			
002458	CB CLAIMS LLC	CLAIMS SERVICES 8/20	33,936.00
			33,936.00
002459			
002459	J. A. MONTGOMERY RISK CONTROL	SAFETY & EDUCATION 9/20 - VIDEO	1,000.00
002459	J. A. MONTGOMERY RISK CONTROL	MSI 9/20	88,200.00
002459	J. A. MONTGOMERY RISK CONTROL	SAFETY & EDUCATION 9/20 - CONSULTING	8,600.00
			97,800.00
002460			
002460	PERMA	REIMBURSE-TRANSLATION OF C19 WAIVER	150.00
002460	PERMA	EXEC DIRECTOR 9/20	113,585.44
002460	PERMA	POSTAGE 7/20	43.50
			113,778.94
002461			
002461	CARR, RIGGS & INGRAM, LLC	FINAL AUDIT BILLING 6.28.20	900.00
			900.00
002462			
002462	BAKER TILLY VIREHOW KRAUSE LLP	PROFESSIONAL SERVICES 7/20	6,000.00
			6,000.00

002463			
002463	MICHAEL S. ZAMBITO	TREASURER FEE - 3RD QTR 2020	6,551.87
			6,551.87
002464			
002464	STRADLEY RONON STEVENS & YOUNG, LLP	ACCT#187698-0004	1,106.70
			1,106.70
002465			
002465	DORSEY & SEMRAU ESQ.	LITIGATION 6/20	248.00
			248.00
002466			
002466	NEWTECH SERVICES, INC.	MONTHLY SERVICES 7/20	77.00
			77.00
002467			
002467	NJ ADVANCE MEDIA	ACCT#1000867512 - AD - 8.17.20	57.35
002467	NJ ADVANCE MEDIA	ACCT#1000867512 - AD - 7.3.20	528.12
002467	NJ ADVANCE MEDIA	ACCT#1000867512 - AD - 7.8.20	196.42
			781.89
002468			
002468	ASBURY PARK PRESS	ACCT#ASB-102902 - AD - 8.15.20	20.70
			20.70
002469			
002469	PRINCETON STRATEGIC COMMUNICATIONS GROUP LLC	MARKETING 8/20	5,922.33
002469	PRINCETON STRATEGIC COMMUNICATIONS GROUP LLC	MARKETING 7/20	5,922.33
			11,844.66
002470			
002470	ALLSTATE INFORMATION MANAGEMNT	ACCT#224 - ARC & STOR - 7.31.20	251.33
002470	ALLSTATE INFORMATION MANAGEMENT	ACCT#224 - ARC & STOR - 7.31.20	248.19
			499.52
002471			
002471	ARTHUR J. GALLAGHER RMS, INC.	REINSURANCE MANAGER 9/20	26,485.42
			26,485.42
002472			
002472	MANTUA TOWNSHIP	REIM - POLICE RE-ACCRED 3/20	1,000.00
			1,000.00
002473			
002473	LaMENDOLA ASSOCIATES, INC.	CONSULTANT 8/20	249.39
			249.39
002474			
002474	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 9/20	45,866.00
			45,866.00
002475			
002475	PATHWAYS GOVERNMENT RELATIONS	GOVERNMENT RELATIONS - 3RD QTR 2020	6,802.17
			6,802.17
002476			
002476	DORSEY & SEMRAU ESQ.	MEL SPECIAL LITIGATION 8/20	3,564.61
			3,564.61
002477			
002477	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 9/20	4,345.00
			4,345.00
002478			
002478	THE CANNING GROUP LLC	QPA SERVICES 8/20	1,250.00
			1,250.00
		Total Payments FY 2020	1,542,370.18
		TOTAL PAYMENTS ALL FUND YEARS	\$1,542,370.18

Chairperson

Attest:

Dated: _____

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

Treasurer