

JANUARY 6, 2021- REORGANIZATION
Held Remotely via Zoom
10:30 AM

Meeting of Executive Committee called to order by Chairman Gregory Franz

ROLL CALL OF 2020 EXECUTIVE COMMITTEE/FUND COMMISSIONERS:

Gregory Franz	Chairman	South Bergen	Present
John Clarke	Secretary	MEL	Present
Paul Tomasko	Executive Committee	Bergen	Present
Tom Nolan	Executive Committee	Monmouth	Present
Joseph Wolk	Executive Committee	Camden	Present
Brian Bigler	Executive Committee	NJUA	Present
Joseph Catenaro	Executive Committee	Sub Essex	Present
David Matchett	Alternate #1	Burlco	Present
Richard Hirsch	Alternate #2	Atlantic	Present
Jon Rheinhardt	Alternate #3	Morris	Present
Tom Merchel	Alternate #4	PMM	Present
Sherry Sims	Alternate #5	PHA	Present
Veronica Laureigh	Alternate #6	Ocean	Present
William Northgrave	Alternate #7	Central	Absent
Megan Champney	Alternate #8	SubMuni	Present
Robert Law	Alternate #9	Trico	Present

Executive Director

PERMA Risk Management Services

Joseph Hrubash, Cathleen Kiernan

Deputy Executive Director Arthur J. Gallagher RMS, Inc.
Paul Miola, Paul Forlenza

Attorney Dorsey & Semrau
Fred Semrau, Esq.

Treasurer **Charles Cuccia**

Claims Supervisor	CB Claims	Christopher Botta Georganne Jussel
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Actuary

The Actuarial Advantage
Kyle Mrotek
Eric Bause

Auditor Wielkott & Company, LLC
Jeff Cerullo

ALSO PRESENT:

Tom Rodgers, Monmouth JIF

Michael Guarino, Morris JIF
 William Close, Morris JIF
 Fernando Garip, Clearbrook
 Paul Shives, J.A. Montgomery
 Kathy Kissane, Qual-Lynx
 John Casagrande, Danskin Insurance Agency
 Alison Kelly, Danskin Insurance Agency
 Ezio Altamura, GJEM-Otterstedt Insurance Agency
 Michael Avalone, Conner Strong and Buckelew
 Dave Grubb, PERMA
 Brad Stokes, PERMA
 Steve Sacco, PERMA
 Pauline Kontomanolis, PERMA
 Robyn Walcoff, PERMA
 Jennifer Conicella, PERMA
 Nancy Ghani, PERMA
 Sandra Cantwell, PERMA

APPROVAL OF MINUTES: October 21, 2020 Open Session

MOTION TO APPROVE OCTOBER 21, 2020 OPEN MINUTES:

Moved:	Commissioner Catenaro
Second:	Commissioner Wolk
Vote:	Unanimous

CORRESPONDENCE:

NONE

MOTION TO ADJOURN FOR SINE DIE MEETING:

Moved:	Commissioner Tomasko
Second:	Commissioner Wolk
Vote:	Unanimous

SINE DIE MEETING ADJOURNED AND EXECUTIVE DIRECTOR ASKED TO RUN MEETING

Executive Director said according to the Fund's By-laws, an annual reorganization meeting is required and a quorum has been confirmed. Enclosed in the agenda is the proposed 2021 slate for the board and the claims committee, which shows no changes from 2020. Executive Director said the proposed 2021 slates presented for consideration are as follows:

ELECTION OF 2021 CHAIRMAN, SECRETARY, 5-MEMBER EXECUTIVE COMMITTEE AND 9 ALTERNATES.

Officers	JIF
Chair – Gregory Franz	South Bergen
Secretary – John Clarke	MEL
<i>Chair & Secretary are serving in 2nd year</i>	
5 Member Executive Committee	
1. Paul Tomasko	Bergen
2. Tom Nolan	Monmouth
3. Joseph Wolk	Camden
4. Brian Bigler	NJUA
5. Joseph Catenaro	Suburban Essex

Alternates

- | | |
|-----------------------|--------------------|
| 1. David Matchett | BURLCO |
| 2. Richard Hirsch | Atlantic |
| 3. Jon Rheinhardt | Morris |
| 4. Tom Merchel | PMM |
| 5. Sherry Sims | NJPHA |
| 6. Veronica Laureigh | Ocean |
| 7. William Northgrave | Central |
| 8. Megan Champney | Suburban Municipal |
| 9. Robert Law | TRICO |

THE 2021 PROPOSED SLATE FOR CLAIMS COMMITTEE PRESENTED:

Chairperson – Greg Franz

Secretary – John Clarke

Commissioners

Sherry Sims
Jon Rheinhardt
Megan Champney
Tom Merchel
Veronica Laureigh
Richard Hirsch
Bob Law

Hearing no other nominations...

MOTION TO CLOSE NOMINATIONS AND CONFIRM ELECTIONS AS PRESENTED:

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

ATTORNEY ADMINISTERED OATH OF OFFICE TO OFFICERS, EXECUTIVE COMMITTEE AND ALTERNATES.

2021 REORGANIZATION RESOLUTIONS

At the request of the chairman, Executive Director reviewed the 2021 Reorganization Resolutions.

RESOLUTION 1-21 FUND PROFESSIONAL APPOINTMENT AND PROFESSIONAL SERVICE AGREEMENTS: Executive Director said the RCF board resolved to award competitive contracts for professional services in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. seq. for fund years 2021, 2022 and 2023. In October, the Board accepted a recommendation from the ad-hoc Contract Review Committee for professional contracts. Resolution 1-21 states the annual amounts and estimated 3-year contract amounts as reflected in as per Local Finance Notice 2017-10, and confirmed the following re-appointments, with an option to extend to a 4th and 5th year.

Executive Director	PERMA Risk Management Services
Deputy Executive Director	Arthur J. Gallagher Risk Management Services
Actuary	The Actuarial Advantage
Attorney	Fred Semrau, Esq. - Dorsey & Semrau
Claims Agent	Christopher Botta, Esq. - CB Claims LLC
Treasurer	Charles Cuccia

RESOLUTION 2-21 APPOINTING FUND DEPOSITORY: The RCF Board also awarded a professional service agreement in accordance with a fair and open process pursuant to N.J.S.A. 19:44A –20.4 et. seq. appointing Investors Bank as the Fund’s Banking Manager.

RESOLUTION 3-21 ESTABLISHING A FISCAL MANAGEMENT PLAN: Resolution submitted designating Official Depositories and approving a Cash Management Plan; authorizing Signatories on Administrative Accounts; authorizing Signatories on Claim Accounts; establishing a rate of interest for delinquent assessments; establishing a wire transfer procedure; and certifying Approval Officer for all Fund expenses. Resolution 3-21 noted that in addition to the Chair, Secretary and Treasurer, Commissioner Joseph Catenaro was designated as the additional RCF Commissioner signatory.

RESOLUTION 4-21 ESTABLISHING PUBLIC MEETING PROCEDURES: Resolution presented establishing 2021 Meeting Dates and official newspaper. The FUND shall hold public meetings during the year 2021 as follows: 9:00AM on March 26, 2021 via teleconference, and at 10:30am on June 2, 2021, September 1, 2021 and October 20, 2021 at the Forsgate Country Club, Monroe Twp. NJ. The 2022 Reorganization will be scheduled for Wednesday January 5, 2022 at 10:30AM in the Forsgate Country Club, Monroe Twp. NJ.

The RCF Claims Committee will meet on the same day as the Executive Committee at the above listed locations at 9:00AM before the Fund meeting with the exception of the March meeting. The RCF Claims Committee will also meet via Zoom at 9:30AM on March 3 and May 5, 2021. Claims meetings for July 7 and December 1, 2021 will be held at PERMA’s Camden office at 2 Cooper Street, Camden, NJ and via teleconference at 9:30AM.

The following is hereby designated the official newspaper (s) of the Fund: The Star Ledger, Newark, New Jersey 08102 and the MEL web site, www.NJMEL.org

RESOLUTION 5-21 REMOTE MEETING PROCEDURES: The Board adopted a resolution establishing procedures for including public comment during a remote meeting.

RESOLUTION 6-21 ESTABLISHING FUND RECORDS PROGRAM: Commissioner John Clarke, Fund Secretary was designated as custodian of the FUND and the Account Manager for PERMA Risk Management Services, was designated as Assistant Fund Secretary.

RESOLUTION 7-21 ESTABLISHING THE 2021 PLAN OF RISK MANAGEMENT: Resolution enclosed noting Member Fund Coverages, Fund Years, Limits, and Reserves.

MOTION TO ADOPT RESOLUTIONS 1-21 THROUGH 7-21:

Moved: Commissioner Rheinhardt
Second: Commissioner Wolk
Roll Call Vote: 15 Ayes – 0 Nays
Resolutions Made Part of the Minutes.

TREASURER:

RESOLUTION 8-21, CONFIRMATION OF PAYMENT – NOVEMBER 2020

2020	46,213.39
TOTAL	\$46,213.39

RESOLUTION 9-21, CONFIRMATION OF PAYMENT – DECEMBER 2020

2020	34,846.87
TOTAL	\$34,846.87

**RESOLUTION 10-21, CONFIRMING JANUARY 2021 VOUCHER PAYMENTS
(BILLS LIST):**

2020	119.14
2021	45,841.68
TOTAL	\$45,960.82

**MOTION TO CONFIRM BILLS LISTS RESOLUTION 8-21 NOVEMBER 2020,
RESOLUTION 9-21 DECEMBER 2020 AND TO ADOPT RESOLUTION 10-21
APPROVING THE JANUARY 2021 VOUCHER LIST, AS SUBMITTED:**

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

EXECUTIVE DIRECTOR:

Executive Director reported the Board of Fund Commissioners Annual Retreat has been scheduled for March 26, 2021 starting at 10:00AM and will be held remotely via Zoom. Registration information and agenda will be distributed prior to the Retreat.

Executive Director said the Claims Review Committee met this morning and on December 3, 2020 at 3:00PM; minutes will be distributed under separate cover.

ATTORNEY:

REPORT: Fund Attorney thanked the Board for his reappointment, and said the RCF runs very well, as evidenced by the fact that we do not have any disputes pending with our members, or any excess carriers. This a real positive attribute of the fund.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved: Commissioner Rheinhardt
Second: Commissioner Laureigh
Vote: Unanimous

MEETING ADJOURNED: 10:42AM

Sandra Cantwell, Assisting Secretary
for
John Clarke, SECRETARY

**RESOLUTION NO. 1-21
OF THE
MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**

APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS

WHEREAS, The Municipal Excess Liability Residual Claims Fund (hereinafter the Fund) authorized the competitive contract process to be administered by the Executive Director through resolution 12-20 on June 3, 2020 for the positions of:

ACTUARY
AUDITOR
CLAIMS SUPERVISOR
DEPUTY ADMINISTRATOR
EXECUTIVE DIRECTOR
FUND ATTORNEY
TREASURER

and

WHEREAS services were procured according to the competitive contracting process under N.J.S.A. 40A:11-4.1 et. Seq., and

WHEREAS a notice advising of competitive contracts was published in the July 22, 2020 edition of the Star Ledger, and posted on the Fund website www.njmel.org under the Public Bids section.

WHEREAS the Fund received Competitive Contract responses were received from professional service providers and service organizations on September 9, 2020 at 10:00AM.

WHEREAS the ad-hoc Contract Review Committee for the respective Professional Service Provider and Service Organization to rate the proposals upon the standards of factors being Technical, Managerial and Cost factors in accord with N.J.A.C.5:34-4.3(d); and

WHEREAS the ad-hoc Contract Review Committee made recommendations on the award of contracts to the below listed Professional Service Providers and Service Organizations based on a review of their responses, experience and prior service provided at the rates established by the Board of Fund Commissioners; and

WHEREAS, the report produced by the committee, recommending the below was made available to the public and governing body at least 48 hours prior to the meeting of the governing body in accord with N.J.S.A 40A:11-4.1 and N.J.A.C 5:34-4; and

WHEREAS, the Fund Treasurer has indicated that sufficient funds exist for the award of these contracts in the usual and customary accounts.

WHEREAS the Board of Fund Commissioners of the Municipal Excess Liability Residual Claims Fund resolves to appoint the Fund Professionals – noted below – to three-year terms commencing on January 1, 2021 and ending on December 31, 2023 (unless otherwise noted) at its

January 2021 Reorganization Meeting in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.

NOW THEREFORE, BE IT RESOLVED that the contracts for the following professionals be appointed for a three year term (*unless otherwise specified*):

1. **PERMA Risk Management Services** is hereby appointed as **Administrator, Joseph Hrubash** is appointed as **Executive Director**, and **Cathleen Kiernan** as **Deputy Executive Director**, and all as agent for process of service. \$638,718.08 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$208,704.12 has been appropriated in the Administrator Line Item of the 2021 budget.
2. **Fred Semrau, Esq of Dorsey & Semrau** is hereby appointed as **General Counsel and Fund Attorney**. \$126,661.12 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$41,387.11 has been appropriated in the Attorney Line Item of the 2021 budget. \$39,000 is the estimated dollars that will be expended in connection with Litigation Management over the three-year term. The annual amount of \$12,000 has been appropriated in the Liability Claims Fund Line Item of the 2021 budget.
3. **Christopher Botta of CB Claims LLC** is designated as **Claims Supervisor**. \$192,301.57 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$62,835.44 has been appropriated in the Claims Supervision and Audit Line Item of the 2021 budget.
4. **Charles Cuccia** is hereby appointed as **Fund Treasurer**. \$124,895.35 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$40,810.14 has been appropriated in the Treasurer Item of the 2021 budget.
5. **The Actuarial Advantage** is hereby appointed as **Fund Actuary**. \$131,714.03 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$43,038.18 has been appropriated in the Actuary Line Item of the 2021 budget.
6. **Arthur J. Gallagher Risk Management Services (Risk Program Administrators)** is hereby appointed as **Deputy Administrator**. \$215,914.26 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$70,550.99 has been appropriated in the Deputy Administrator Line Item of the 2021 budget.
7. **James Cerullo of Wielkottz & Company, LLC** is hereby appointed as **Fund Auditor**. \$72,331.84 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$23,634.77 has been appropriated in the Auditor Line Item of the 2021 budget.

NOW, THEREFORE, BE IT RESOLVED by the Municipal Excess Liability Residual Claims Fund as follows: The Fund's Executive Director is hereby authorized to enter into a contract with the above professionals for a period of three (3) years with an option to renew for a 4th and 5th year encompassing the scope of work as outlined within CC#20-01.

BE IT FURTHER RESOLVED, all Professional Service Providers and Service Organizations appointed pursuant to this Resolution shall service the Fund in accordance with the terms and conditions of the Professional Service Agreements.

BE IT FURTHER RESOLVED, that in accordance with NJSA 19:44A-20.7, the decision of the Fund's Board of Fund Commissioners that the procurement process utilized, constitutes a fair and open process, shall be final.

ADOPTED:
this day before the Governing Body:

_____	_____
Chairman	Dated

_____	_____
Secretary	Dated

RESOLUTION 2-21
of the
MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

APPOINTING FUND OFFICIAL DEPOSITORY FOR THE 2021 FUND YEAR

WHEREAS, the Municipal Excess Liability Residual Claims Fund (hereinafter the Fund), finds it necessary for the proper conduct and order of business that official depositories for the Fund be designated and named; and

WHEREAS Investors Bank for Banking Manager at an earnings rate based on a combined average balance of \$20,000,000 of participating joint insurance funds which will earn the federal funds rate less .25% with a floor of .50% - is hereby proposed by the Board of Fund Commissioners as the official designated depository in accord with N.J.S.A. 40A:11-5-15.1(f)

NOW, THEREFORE, BE IT RESOLVED, by the Fund, that Investors Bank for Banking Manager at an earnings rate based on a combined average balance of \$20,000,000 of participating joint insurance funds which will earn the federal funds rate less .25%. is hereby approved by the Board of Fund Commissioners as the official designated depository in accord with N.J.S.A. 40A:11-5-15.1(f) and that sums so deposited may be withdrawn upon a check, draft or order of the Board of Fund Commissioners; and

BE IT FURTHER RESOLVED that a certified copy of this Resolution, duly executed, be delivered to the proper officers of Investor Bank.

ADOPTED:

this day before the Governing Body:

Chairman

date

Secretary

date

RESOLUTION NO: 3-21

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
(hereafter referred to as "THE FUND")

ESTABLISHING A FISCAL MANAGEMENT PLAN

FOR THE 2021 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 2021 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;

_____, CHAIRMAN

_____, SECRETARY

Charles Cuccia, TREASURER

_____, COMMISSIONER

- II.** All funds for Claims payments handled by the applicable Claims Administrator noted below 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. The Chairman and Secretary or designated Commissioner shall also be a signatory.

Charles Cuccia	Fund Treasurer
Fred Semrau	Dorsey & Semrau
Kathie Tyler Schohl	Dorsey & Semrau
Dave S. Ruber	Qual-Lynx
Alice H. Lihou	Qual-Lynx
Russell Huntington	JIF Claims L.L.C.
Dawn Mulligan	JIF Claims L.L.C.
Kathleen McGuire	Bergen Risk Managers
Jason Cosimano	Bergen Risk Managers
Jennifer Dittermer	Bergen Risk Managers
John Markel	Bergen Risk Managers
Christopher Botta, Esquire	CB Claims, LLC
Georganne Jussel	CB Claims, LLC
Robert Fisher	Robert Fisher, Esq.
Susan C. Hammer	Lenape Claims Management
Lauren Jensen	Lenape Claims Management

Patricia Muldoon
Juan Lopez
Michael Sullivan
Benjamin Hilton
Debra Davenport
Bob Blankenship
Joseph House

Lenape Claims Management
AmeriHealth Casualty Services
AmeriHealth Casualty Services
Sedgwick Claims Management Services
Sedgwick Claims Management Services
Sedgwick Claims Management Services
Sedgwick Claims Management Services

- III. 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.
- IV. The Cash and Investment Policy attached herewith, shall be adopted.
- V. 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.
- VI. 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

RESOLUTION NO: 4-21

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
(hereafter the “FUND”)**

ESTABLISHING PUBLIC MEETING PROCEDURES

WHEREAS, the FUND must establish meeting procedures for Fund Year 2021, and

NOW, THEREFORE BE IT RESOLVED, by the Governing Body of the FUND that:

- I.** That the FUND shall hold public meetings during the year 2021 as follows: 9:00AM on Friday March 26, 2021 via Zoom and a MEL Retreat at 10:00AM on Friday March 26, 2021 via Zoom. Meetings for June 2, 2021, September 1, 2021 and October 20, 2021 will be held at 10:30AM at the Forsgate Country Club, Monroe Twp. NJ. The 2022 Reorganization will be scheduled for Wednesday January 5, 2022 at 10:30AM in the Forsgate Country Club, Monroe Twp. NJ.
- II.** The RCF Claims Committee will meet on the same day as the Board of Fund Commissioners / Executive Committee at the above listed locations at 9:30AM before the Fund meeting with the exception of the March meeting. The RCF Claims Committee will also meet via Zoom at 9:30AM on March 3 and May 5, 2021. Claims meetings for July 7 and December 1, 2021 will be held at PERMA’s Camden office at 2 Cooper Street, Camden, NJ and via teleconference at 9:30AM.
- III.** The following is hereby designated the official newspaper (s) of the Fund:
The Star Ledger, Newark, New Jersey 07102. In addition, the MEL’s webpage is designated for official notices – www.njmel.org.
- IV.** The FUND Secretary or designated assistant shall provide notice of any and all meetings, including special or emergency meetings, to each official newspaper and shall issue all official notices required to be published in at least one of the official newspapers.

ADOPTED this day

Chairman

date

Secretary

date

RESOLUTION NO. 5-21

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND (hereafter the “FUND”)

RESOLUTION TO ESTABLISH REMOTE MEETING PROCEDURES APPLICABLE DURING A DECLARED STATE OF EMERGENCY

WHEREAS, on March 9, 2020 in response to COVID-19, Governor Phil Murphy issued Executive Order 103, which declared a state of emergency that has been extended by the Governor and remains in full force to this day; and

WHEREAS, by way of additional Executive Orders, the Governor has established extensive social distancing protocols to protect the health, safety and welfare of New Jersey citizens; and

WHEREAS, in accordance with the Executive Orders relating to COVID-19 and the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq. (“OPMA”), local government units, including the Municipal Excess Liability Residual Claims Fund (“Fund”), have continued to hold public meetings via remote platforms to ensure the continued operation of local government with participation by the public, in a way that limits public health risk; and

WHEREAS, in March 2020, the New Jersey Department of Community Affairs, Division of Local Government Services (“DLGS”) issued “Local Operational Guidance – COVID-19: Guidance for Remote Public Meetings in New Jersey,” which provided specific guidance regarding holding remote public meetings under the OPMA; and

WHEREAS, on September 24, 2020, the DLGS issued Local Finance Notice 2020-21 (“LFN 2020-21”), which provided a synopsis of newly promulgated emergency regulations N.J.A.C. 5:39-1.1 through 1.7, which establish standard protocols for remote public meetings governed by the OPMA and held during a Governor-declared state of emergency; and

WHEREAS, LFN 2020-21 additionally stated that the emergency regulations presently in effect are proposed for permanent adoption in the October 19, 2020 New Jersey Register, with comments submitted no later than November 18, 2020; and

WHEREAS, under emergency regulation N.J.A.C. 5:39-1.4(h), a local government unit is required to adopt by resolution standard procedures and requirements for public comment made during remote public meetings, as well as for public comments submitted in writing ahead of the remote public meeting.

NOW THEREFORE BE IT RESOLVED that the Executive Director’s Office of the Fund, does hereby resolve and agree to adopt the following procedures regarding public comments during remote public meetings:

1. Public comments for a remote public meeting shall be limited to 5 minutes for each speaker and may be made during the designated public comment section of the meeting or submitted in writing to the Executive Director’s Office of the Fund no later than four (4) hours prior to published start time of the remote meeting. Written public comments must be emailed to the Executive Director’s Office at jhrubash@permainc.com or scantwell@permainc.com or mailed to the Executive Director’s Office at 9 Campus Drive, Suite 216, Parsippany, NJ

07054. Written public comments may not be submitted via any other form of electronic communication.

2. Written public comments submitted via email or mail must include the individual's name, full address and contact information (telephone number and/or email address), as the Executive Director's Office reserves the right to verify the submitter's identity.
3. Written public comments submitted in accordance with this resolution shall be read into the remote meeting record at the end of the last public comment section, subject to the time limit in place for in-person comments. Written public comments containing profanity or vulgarity will not be read into the record. The chair and/or presiding officer of the remote meeting reserves the right to read similar or duplicative comments into the record in a summary fashion and will do so uniformly for all similar/duplicative comments.
4. Members of the public who submit written public comments regarding a specific agenda item that is scheduled for public hearing (such as a budget or bylaws amendment, etc.), should designate the agenda item and title to which their written public comments apply. Written public comments received after the four (4) hour deadline set forth by this resolution will not be read into the record or become part of the meeting record.
5. The procedures and requirements for making public comments during a remote meeting, along with an explanation of the audio muting function of the electronic communications platform being used, shall be announced at the beginning of the remote public meeting.
6. With respect to public participation at a remote public meeting, the following procedures shall be incorporated:
 - a. A member of the public who has submitted written comments prior to the meeting in accordance with this resolution, attends the remote public meeting, and wishes to participate during the public comment portion, will be deemed and treated as having already had the floor once.
 - b. If a member of the public disrupts a remote public meeting, the chair and/or presiding officer of the remote public meeting shall facilitate a dialogue with that member of the public to the extent reasonably permitted by the electronic communications technology.
 - c. The chair and/or presiding officer of the meeting shall mute or continue muting, or direct appropriate staff to mute or continue muting, the disruptive member of the public and warn them that continued disruption may result in their being prevented from speaking during the remote public meeting or removed from the remote public meeting. Disruptive conduct includes sustained inappropriate behaviors such as, but not necessarily limited to, shouting, interruption and use of profanity.
 - d. A member of the public who continues to act in a disruptive manner after receiving an initial warning shall be muted while other members of the public are allowed to proceed with their questions or comments. If time permits, the disruptive individual shall be allowed to speak after all other members of the public have been given the opportunity to make comment. Should the person remain disruptive, the individual may be muted or kept on mute for the remainder of the remote public meeting, or

removed from the remote public meeting.

- e. The chair and/or presiding officer of the remote meeting shall reserve the right to take necessary action to protect the rights of the public to participate in the remote public meeting.
7. If this resolution conflicts with any other policy or procedures of the Fund, the terms herein shall prevail.

This Resolution shall take effect immediately.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

Chairperson

Secretary

Date: _____

RESOLUTION NO. 6-21

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS
FUND**

(Hereinafter the "FUND")

ESTABLISHING A FUND RECORDS PROGRAM

WHEREAS: The FUND must establish a formal record retention program for the 2021 fund year.

NOW, THEREFORE BE IT RESOLVED, by the FUND's Governing Body that:

- I.** _____, **Fund Secretary**, is hereby designated as custodian of the FUND records, which shall be kept at the office of the Fund Administrator, located at 9 Campus Drive Suite 216 – Parsippany, NJ 07054.
- II.** The Account Manager designated by the Executive Director is hereby appointed as **Assistant Fund Secretary**.
- III.** The records of the FUND shall be retained in accordance with the municipal records retention schedule as promulgated by the New Jersey Division of Archives and Records Management, and/or otherwise specified by the New Jersey Department of Insurance and Community Affairs.
- IV.** Each fund professional and service organization shall have the duty and obligation to maintain such records as are entrusted to him/her and to relinquish such records to the Fund Secretary upon termination of services or otherwise upon request.

Records and files not required to support current operations, but which must otherwise be retained, shall be stored in the record retention facility, located at Allstate Archives, 24 Beckwith, Avenue, Paterson, New Jersey. The FUND's Executive Director shall coordinate the archive process and shall insure that all records are properly indexed and accessible.

ADOPTED:

this day before the Governing Body

Chairman

date

Secretary

date

RESOLUTION NO. 7-21

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

(hereinafter the "Fund" or the "RCF")

2021 PLAN OF RISK MANAGEMENT

Plan of Risk Management

Definitions

Commissioners mean: The Board of Fund Commissioners or the Executive Committee thereof as appropriate.

Member means: A Joint Insurance Fund that is a member of the RCF.

Perils of Liability to be Insured Against:

The RCF provides residual coverage for any claim which otherwise would be payable by a member for the following coverages and member fund years.

Member Fund Coverages:

- ☐ General Liability (including Police Professional Liability)
- ☐ Employee Benefits Liability
- ☐ Public Officials Liability
- ☐ Automobile Liability
- ☐ Workers' Compensation
- ☐ Property

Member Fund Years:

MEL -	1987 through 2016
B-MEL	1987 through 1990
Atlantic -	1987 through 2016
Bergen -	1985 through 2016
Burlco -	1991 through 2016
Camden -	1987 through 2016
Monmouth -	1988 through 2016
Morris -	1987 through 2016
NJUA -	1991 through 2016
Ocean -	1987 through 2016
PMM -	1987 through 2016
South Bergen -	1986 through 2016
Suburban Essex -	1992 through 2016
Trico -	1991 through 2016
Suburban Municipal	1994 through 2016
NJPHA JIF	1994 through 2016
Central Jersey JIF (Edison & Woodbridge)	Run-in claims incurred through 7/1/98
Brick Township	Run-in claims incurred through 1/1/99

The terms and conditions of these coverages insured by the RCF shall be the terms and conditions of these coverages provided by the member joint insurance funds in accordance with the coverage documents and plans of risk management of the member joint insurance funds.

Limits of Coverage:

1.) The RCF's limits shall be equal to the per occurrence self-insured retention of the member joint insurance funds. The amount of any claim in excess of the member joint insurance fund's self-insured retention shall be the responsibility of the applicable excess insurer or reinsurer, the member joint insurance fund, or the member local unit as the case may be in accordance with the member joint insurance fund's coverage documents and plan of risk management.

2.) The RCF shall self-insure this limit except for run-in claims assumed from the Central Jersey JIF for Edison and Woodbridge and Ocean JIF for Brick Township.

Fund Retention:

The RCF shall retain the entire risk except for run-in.

Reserves to be Established:

1.) The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the RCF would expect the claims servicing company to set reserves at 85% accuracy. The RCF also establishes reserves recommended by the Fund's actuary for claims that have been incurred but not yet reported so that the RCF has adequate reserves to pay all claims and allocated loss adjusted expense liability.

2.) Claim reserves are subject to regular review by the Fund's Executive Director/Administrator, Attorney, Commissioners and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the member Funds. The Fund's actuary will conduct a complete actuarial reevaluation before establishing the budget, and assessments for the transfer of any member fund year to the RCF.

3.) The RCF may also establish an aggregate excess loss contingency fund consistent with NJAS 11:15-2.23 (f) 2.

Assessment Methodology:

1.) By November of each year, the RCF shall prepare the budget for the upcoming fiscal year. The budget shall identify the proposed items and amounts of expenditure for its operations, the anticipated amounts and sources of assessments and other income to be received during the fiscal year, and the status of the self-insurance or loss retention accounts.

2.) Non-claim expenses shall be allocated among fund years.

3.) In the event the budget for the upcoming fiscal year includes provision for the transfer residual risk by member joint insurance funds for member fund years not yet transferred:

a.) participation by a member joint insurance fund in such transfer shall be optional; and

b.) the budget for such transfer shall include provision to pay non-claim expenses associated with the transfer.

- 4.) The budget shall be reviewed by an actuary who shall comment on its adequacy and shall recommend changes, as appropriate, prior to Budget adoption or amendment.
- 5.) Not later than December 31st of each year, the Commissioners shall adopt, by majority vote, the budget for the Fund's operation for the coming fiscal year.
- 6.) A copy of the Fund's proposed budget, as changed to reflect the actuary report, shall be sent to each participating joint insurance fund at least two (2) weeks prior to the time scheduled for its adoption. No budget or amendment shall be adopted until a hearing has been held giving all participating member joint insurance funds the opportunity to present comments or objections.
- 7.) Any time during the year, the RCF may investigate the feasibility of assuming the residual risk of additional member fund years. Participation in such transfers shall be optional on the part of each member joint insurance fund, and shall require the-RCF to amend its budget and secure an amended indemnity and trust agreement from each member joint insurance fund which wishes to transfer the residual risk for additional member fund years.
- 8.) An adopted budget may be amended by majority vote of Commissioners after giving the participating joint insurance funds two (2) weeks advance written notice, and conducting a hearing on the proposed amendment.
- 9.) A copy of the adopted budget and any amendment shall be filed within thirty (30) days of its adoption with the governing body of each participating joint insurance fund, the Commissioner of Banking and Insurance, and the Commissioner of the Department of Community Affairs.
- 10.) That portion of the non-claim budget which relates to residual risk already transferred to the Fund shall be charged to the member funds based on their share of each such fund year.
- 11.) That portion of the budget related to the transferring residual risk not yet transferred shall be charged to the members pro rata, based on the actuarial evaluation of the ultimate cost, including IBNR of the claims to be transferred.
- 12.) Any other budget item shall be charged to the members, based on the value of the service provided.
- 13.) The total amount of each member's annual assessment shall be certified by majority vote of the Commissioners to the governing body of each participating member at least one (1) month prior to the beginning of the next fiscal year.
- 14.) The annual assessment shall be paid to the RCF in installments, to be determined by the Commissioners which shall conform with N.J.A.C. 11:15-2.15(a).
- 15.) In the event the final budget passed by December necessitates changes in the annual assessment, the second installment shall be adjusted to reflect this difference.
- 16.) The Treasurer shall deposit each member's assessment into the appropriate accounts, including the administrative account and the claim or loss retention trust fund account by fund year in which the member participates.
- 17.) The Commissioners shall, by majority vote, levy additional assessments wherever needed, or so ordered by the Commissioner of Banking and Insurance to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

- a.) All supplemental assessments shall be charged to the participating joint insurance fund by applicable fund year, and shall be apportioned by that year's premium.
- b.) All joint insurance funds shall be given ninety (90) days advance written notice of the Fund's intention to charge an additional assessment, and the Fund shall conduct a hearing before adopting the supplemental assessment.
- c.) After the end of the year before the Fund has finalized its year end accounting, the Fund's Commissioners shall levy an additional supplementary assessment so that the Fund's statutory surplus for all fund years combined is no less than 12.5 percent of unpaid claims including IBNR.

18.) The RCF shall submit to the Commissioner of Banking and Insurance and the Commissioner of Community Affairs a report of the causes of the Fund's insufficiency, the assessments necessary to replenish it, and the steps taken to prevent a reoccurrence of such circumstances.

Procedures Governing Loss Adjustment and Legal Fees:

- 1.) Each member shall maintain in full force and effect a contract with a qualified adjusting service company to adjust the member's residual claims. The claims adjuster service so engaged shall be designated as a claims adjusting service company of the RCF.
- 2.) All claims shall be reported to the claims adjusting service in accordance with the procedures established by the member joint insurance fund.
- 3.) Each member joint insurance fund shall engage a qualified Fund attorney to coordinate the legal defense of the member's residual claims. The individual or firm so engaged shall be designated as a deputy fund attorney of the Fund.
- 4.) The Fund accepts the Defense panel of each member joint insurance fund.

Coverage to be Purchased from a Commercial Insurer, if any:

None.

Reinsurance to be Purchased, if any, and the Amount of Premium therefore:

None.

Procedures for the Closure of Fund Years:

- 1.) Since it is the purpose of the RCF to serve as the mechanism to permit member Funds to close Fund years, the Residual Claims Fund will only close Fund years upon a determination that the residual risk has been extinguished to a higher level of certitude. Specifically, the RCF will only close a Fund year if:
 - a.) a portfolio transfer of residual risk has been effected; or
 - b.) upon the later of the tolling of the statute of limitations for all potential claims incurred during the Fund Year or the closure of all potential claims incurred or 21 years since the end of the latest member Fund year included in the Residual Fund year.
- 2.) A Fund year may only be closed by resolution adopted after a public hearing.

- a.) All members must be given at least one (1) month notice prior to the public hearing.
 - b.) The resolution shall provide for the maintenance of all records in accordance with the requirements of the Commissioner of Banking and Insurance, Commissioner of the Department of Community Affairs, and all other regulations and statutes then in effect.
 - c.) The resolution shall provide for written notice to the Department of Banking and Insurance and the Department of Community Affairs at least two (2) months before the resolution becomes effective.
- 3.) a.) Each year, the Commissioners will determine if a dividend is appropriate and will make application to the Department of Banking and Insurance as appropriate. Further, in the event an open Fund year incurs a deficit, the Commissioners will consider an inter-year transfer from the closed Fund year account to offset the deficit. In either case, the dividend or inter-Fund year transfer will be calculated on a member by member basis.
- b.) The dividend of any member that is no longer a member of the Fund shall be held in escrow until the tolling of the statute of limitations for all potential claims incurred during the membership period. A former member may apply to the Commissioners for a return of that member's remaining share of the closed Fund year account when five (5) years have passed since the last Fund year in which the member participated has been closed. The Commissioners will decide on the former member's request after evaluating the likelihood of any additional assessments in consultation with the Fund Actuary.
- 4.) The Fund will retain all records in accordance with the Fund's record retention program.

Assumptions and Methodology used for the calculation of appropriate reserves requirements to be established and administered in accordance with sound actuarial principles.

- 1.) The general approach in estimating the loss reserves of the RCF is to project ultimate losses for each member Fund year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Fund Actuary chooses a "select" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields that loss reserve liability or funding requirement.
- 2.) The following is an overview of the two actuarial methods used to project the ultimate losses.
- a.) Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.
 - b.) Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22.

1.) \$10,000. Any claim in excess of \$10,000 must be reviewed by the Executive Director/Administrator and approved by the Commissioners, Executive Committee of the member joint insurance fund or designated township of official for the townships of Edison, Woodbridge and Brick. In advance of each meeting of the RCF, the Executive Director/Administrator shall prepare a report of the claims approved by the member joint insurance fund.

2.) In addition to the approval required under the 1.) above, any claim other than Public Officials and Employment Practices Liability in excess of \$50,000 must also be reviewed by the RCF's Executive Director/Administrator, and approved by the RCF Commissioners or any claim in excess of \$100,000 for the townships of Edison, Woodbridge and Brick. The RCF Commissioners have established a claims subcommittee comprised of at least three of its members to exercise this power. This subcommittee may meet telephonically when required.

3. Public Officials and Employment Practices Liability: Any claim in excess of \$10,000 must be approved by the Fund Attorney and Executive Director/Administrator. All such approvals shall be reported to the claims sub-committee at their next meeting.

4. With the advance approval of the Fund Attorney or the Executive Director/Administrator, the certifying and approving officer may also pay hospital bills if waiting until after the next regularly scheduled FUND meeting would result in the loss of a discount on such bills. When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.

ADOPTED: *this _____ day of _____, 2021 by the Governing Body:*

Chairman

Secretary

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND BILLS LIST

Resolution No. 8-21

November 2020

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:
BE IT RESOLVED that the Municipal Excess Liability Residual Claim 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 2020

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001542			
001542	PERMA RISK MANAGEMENT SERVICES	POSTAGE 11/20	7.60
001542	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 11/20	17,050.99
			17,058.59
001543			
001543	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 11/20	3,516.17
			3,516.17
001544			
001544	CHARLES CUCCIA	TREASURER FEE 11/20	3,334.16
			3,334.16
001545			
001545	JOSEPH CATENARO	ATTENDANCE AT 5 RCF MEETINGS	750.00
			750.00
001546			
001546	GREGORY S. FRANZ	ATTENDANCE AT 5 RCF MEETINGS	750.00
			750.00
001547			
001547	DAVID MATCHETT	ATTENDANCE AT 5 RCF MEETINGS	750.00
			750.00
001548			
001548	JOHN CLARKE	ATTENDANCE AT 4 RCF MEETINGS	600.00
			600.00
001549			
001549	JON RHEINHARDT	ATTENDANCE AT 5 RCF MEETINGS	750.00
			750.00
001550			
001550	ROBERT LAW	ATTENDANCE AT 5 RCF MEETINGS	750.00
			750.00
001551			
001551	PAUL H. TOMASKO	ATTENDANCE AT ALL RCF MEETINGS	750.00
			750.00
001552			
001552	JOSEPH E. WOLK	ATTENDANCE AT 5 RCF MEETINGS	750.00
			750.00
001553			
001553	NJ ADVANCE MEDIA	AD 10.15.2020	125.58
			125.58
001554			
001554	CB CLAIMS, LLC	CLAIMS SUPERVISION/ADMIN 10.24.20	5,133.61
			5,133.61

001555			
001555	ALLSTATE INFORMATION MANAGEMNT	ACCT#809 - ARC & STOR - 9.30.20	31.31
			31.31
001556			
001556	RICHARD B. HIRSCH, JR	ATTENDANCE AT 5 RCF MEETINGS	750.00
			750.00
001557			
001557	BRIAN BIGLER	ATTENDANCE AT 5 RCF MEETINGS	750.00
			750.00
001558			
001558	THOMAS NOLAN	ATTENDANCE AT 5 RCF MEETINGS	750.00
			750.00
001559			
001559	THOMAS J MERCHEL	ATTENDANCE AT 5 RCF MEETINGS	750.00
			750.00
001560			
001560	ARTHUR J. GALLAGHER RISK MSI	DEPUTY ADMIN/EXEC 11/20	5,763.97
			5,763.97
001561			
001561	EDISON TOWNSHIP	ATTENDANCE AT 4 RCF MEETINGS	600.00
			600.00
001562			
001562	SHERRY SIMS	ATTENDANCE AT 4 RCF MEETINGS	600.00
			600.00
001563			
001563	VERONICA LAUREIGH	ATTENDANCE AT 3 RCF MEETINGS	450.00
			450.00
001564			
001564	MEGAN L. CHAMPNEY	ATTENDANCE AT 5 RCF MEETINGS	750.00
			750.00
		Total Payments FY 2020	46,213.39
		TOTAL PAYMENTS ALL FUND YEARS	\$46,213.39

Chairperson _____

Attest: _____ Dated: _____

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

Treasurer _____

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND BILLS LIST

Resolution No. 9-21

December 2020

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:
BE IT RESOLVED that the Municipal Excess Liability Residual Claim 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 2020

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001565			
001565	PERMA RISK MANAGEMENT SERVICES	POSTAGE 11/20	16.70
001565	PERMA RISK MANAGEMENT SERVICES	ED 12/20	17,050.99
			17,067.69
001566			
001566	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 12/20	3,516.13
			3,516.13
001567			
001567	CHARLES CUCCIA	TREASURER FEE 12/20	3,334.16
			3,334.16
001568			
001568	CB CLAIMS, LLC	CLAIMS ADMIN 12/20	5,133.61
			5,133.61
001569			
001569	ALLSTATE INFORMATION MANAGEMNT	ACCT224 MONTHLY SER&STOR 10/31/20	31.31
			31.31
001570			
001570	ARTHUR J. GALLAGHER RISK MSI	DEPUTY ADMIN. 12/20	5,763.97
			5,763.97
		Total Payments FY 2020	34,846.87

TOTAL PAYMENTS ALL FUND YEARS \$34,846.87

Chairperson _____

Attest: _____ Dated: _____

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

Treasurer _____

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND BILLS LIST

Resolution No. 10-21

January 2021

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

BE IT RESOLVED that the Municipal Excess Liability Residual Claim 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 2020

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001571		VOID	
001572			
001572	NJ ADVANCE MEDIA	AD 11/23/20	119.14
			119.14
		Total Payments FY 2020	119.14

FUND YEAR 2021

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001573			
001573	PERMA RISK MANAGEMENT SERVICES	ADMINISTRATOR 1/21	17,392.01
			17,392.01
001574			
001574	THE ACTUARIAL ADVANTAGE	ACTUARY 1/21	3,586.51
			3,586.51
001575			
001575	DORSEY & SEMRAU	2021 Q1 RETAINER	10,346.78
			10,346.78
001576			
001576	CHARLES CUCCIA	TREASURER 1/21	3,400.84
			3,400.84
001577			
001577	CB CLAIMS, LLC	CLAIMS ADMIN 01/21	5,236.29
			5,236.29
001578			
001578	ARTHUR J. GALLAGHER RISK MSI	DEPUTY ADMIN 1/21	5,879.25
			5,879.25
		Total Payments FY 2021	45,841.68

TOTAL PAYMENTS ALL FUND YEARS \$45,960.82

Chairperson: _____

Attest: _____

Dated: _____

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

Treasurer