

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

OPEN MINUTES

JUNE 2, 2021

VIA TELECONFERENCE – 11:15AM

Meeting was called to order by Chair Commissioner Merchel. Open Public Meetings notice read into record and the Pledge of Allegiance was conducted.

ROLL CALL OF BOARD OF FUND COMMISSIONERS

Thomas Merchel	Township of Moorestown- PMM JIF	Present
Joy Tozzi	Township of Robbinsville - Mid-Jersey JIF	Present
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
Joseph Catenaro	Township of Fairfield – Sub Essex JIF	Absent
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
Megan Champney	City of Summit- Suburban Municipal JIF	Present
Kevin Davis	Hunterdon County – PAIC JIF	Present
Megan Jack	Riverside Twp- Burlco JIF	Present
Steven Scholey	Bordentown Fire Company - District #1- FRESP JIF	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, Esq.
Producer	Risk Program Administrators Paul Forlenza, Paul Miola
Safety Director	JA Montgomery Risk Control Services Paul Shives
Treasurer	Michael Zambito
Auditor	Nisivoccia LLP Bud Jones
Underwriting Manager	Conner Strong & Buckelew Edward Cooney, Jonathon Tavares
Actuary	The Actuarial Advantage Kyle Mrotek

Excess Liability Claims Administrator	CB Claims LLC Chris Botta
Excess Workers Comp Claims Administrator	Qual-Lynx Kathy Kissane
Asset Manager	Clearbrook Investment Consulting Fernando Garip
Excess Property Claims Administrator	York Risk Services Group Richard Cisak
Managed Care Provider	QualCare Donna Setzer
Strategic Planner Mgmt. Supervisory Training	LaMendola Associates Clark LaMendola
Marketing Coordinator	Acrisure Amy Pieroni, Lindsay Travali

ALSO PRESENT:

Joseph A Giorgio, Hanover Township Administrator
 Krista DiGiorgio
 Ron Francioli, Hanover Township Council
 Sue Sharpe, Esq., Dorsey & Semrau
 Gabrielle Canaie, Dorsey & Semrau
 Elizabeth Randall, MEL Audit Committee Corporate Board member
 Michael Guarino, Alternate Morris JIF Commissioner/MEL Board
 Barbara Murphy, RLM
 Bill Young, PEGAS
 Charles Hartsoe, PEGAS
 Frank Covelli, P.I.A.
 Ezio Altamura, GJEM Agency
 Dave Voza, The Voza Agency
 Robin Racioppi, NAIM
 Michael Avalone, Conner Strong & Buckelew
 Chuck Casagrande, Danskin Insurance Agency
 John Casagrande, Danskin Insurance Agency
 Pauline Kontomanolis, PERMA Risk Management Services
 Steve Sacco, PERMA Risk Management Services
 Brad Stokes, PERMA Risk Management Services
 Rachel Chwastek, PERMA Risk Management Services
 Robyn Walcoff, PERMA Risk Management Services
 Jennifer Conicella, PERMA Risk Management Services
 Jacqueline Cardenosa, PERMA Risk Management Services
 Sandra Cantwell, PERMA Risk Management Services
 Brandon Tracy, PERMA Risk Management Services

MINUTES: Included in the agenda were the open minutes of March 26, 2021 and April 27, 2021.

MOTION TO APPROVE MARCH 26, 2021 AND APRIL 27, 2021 OPEN

MINUTES:

Moved:	Commissioner Clarke
Second:	Commissioner Wolk
Vote:	Unanimous

CORRESPONDENCE: Included in the agenda was notification that QualCare Alliance Networks, Inc. (QANI) will be acquired by Mitchell | Genex | Coventry, or M|G|C, a leader in cost containment technology, provider networks, clinical services, pharmacy benefit management (PBM) and disability management. Executive Director Grubb said no changes are expected in terms of professionals currently servicing the MEL.

SPECIAL PRESENTATION – JOSEPH GIORGIO: Executive Director Grubb said Joseph Giorgio will be retiring from the Township of Hanover on August 1st and was asked to attend this meeting to allow us the opportunity to express our well wishes. Executive Director Grubb said it is with his tremendous honor to recognize the retirement of Joseph Giorgio, Administrator of Hanover Township after 40 years of service who also served as the initial MEL Chairman in 1987 and 1988.

Executive Director Grubb said Mr. Giorgio showed incredible leadership during the MEL’s formation and recalled a particular property insurer that agreed to cover inland communities, but not the shoreline communities. At this point, the Morris JIF and Atlantic JIF were the first two members JIF of the MEL. Executive Director Grubb said Mr. Giorgio responded by noting the MEL would not be interested in any program that singles out any of its members. Executive Director Grubb said Mr. Giorgio was instrumental in establishing the foundation of the MEL organization, which has saved \$3.4 billion to its members and taxpayers as of year-end.

Executive Director Grubb said the office had a little difficulty determining the appropriate token of appreciation to present to Mr. Giorgio. Executive Director Grubb said Hanover Township is naming the administrative wing after Mr. Giorgio and presented Joseph Giorgio with a commemorative insurance policy for that wing. Executive Director Grubb thanked Mr. Giorgio for his tremendous leadership, his years of service as both colleague and friend and congratulated him on his retirement on behalf of the MEL Board of Fund Commissioners.

Mr. Giorgio thanked Executive Director Grubb and the MEL Board of Fund Commissioners for their kind words. Mr. Giorgio recalled the March 1986 meeting attended by Dave Grubb as Special Commissioner of Insurance, Hanover Twp. Mayor Iannacone and Senator John Dorsey discussing the formation of a joint insurance fund. Mr. Giorgio noted the growth of both the Morris JIF and MEL since their respective formation dates and complimented the dedication and willingness of both Commissioners and Professionals to serve the public. Mr. Giorgio said the savings alone in terms of safety and loss control efforts have made a tremendous impact.

Committeeman Ron Francioli of Hanover Township congratulated Mr. Giorgio on all his efforts in Hanover, as well as, the Morris JIF and the MEL JIF. Committeeman Francioli said Mr. Giorgio served his position with sincere involvement, dedication and has left an incredible impression on Hanover Township. Committeeman Francioli said the township is looking forward to the renaming the administrative wing and expressed his congratulations.

Fund Attorney said he has had the honor of working for Mr. Giorgio in the township and noted he served the township as he did the MEL with dedication, diligence, integrity and professionalism. Fund Attorney expressed his congratulations.

Commissioner Cuccia said he and Commissioner Wolk may be the only two current MEL Board members that served along with Mr. Giorgio. Commissioner Cuccia thanked Mr. Giorgio for his guidance when he first became involved in the MEL noting that Mr. Giorgio instilled a lot of the understanding of JIF operations to treat and serve all members collectively.

The Board of MEL Fund Commissioner and others present collectively expressed their congratulations to Joseph Giorgio.

Executive Director Grubb said the action items noted in the agenda would be conducted as a consent agenda.

AUDITOR:

AUDITOR YEAR-END REPORT: Executive Director Grubb reported the Audit Committee met on May 24, 2021 to review the Year-End Financials, Actuarial Valuation Report and the Internal Audits for Actuarial Second Opinion and Actuarial Pricing Review; minutes of that meeting were enclosed with the agenda.

Enclosed separately from the agenda booklet was the Audit Report as of December 31, 2020. Fund Auditor referred to the Statement of Revenue, Expenses and Changes in Net Position and reviewed the operating revenue, operating expenses, non-operating income figures; the overall Net Position was approximately \$17.5 million. Fund Auditor concluded the review, said there are no findings or recommendations, and added that the Fund is in excellent financial condition.

ACTUARY YEAR-END REPORT: Enclosed separately from the agenda booklet was the Actuarial Valuation Report as of December 31, 2020. Fund Actuary provided a summary review of the report. Fund Actuary said the Statement of Actuarial Opinion would be issued to correspond to loss development of known claims and reserves for incurred but not yet reported claims.

FINANCIAL FAST TRACK AS OF DECEMBER 31, 2020: Enclosed in the agenda was the MEL's updated year-end financials. Executive Director Grubb said as previously discussed, the strategy is to be especially conservative considering all of the current uncertainty because of COVID claims, the recent changes in WC/pension offsets, firefighter's cancer WC presumption, and the extension of the statute of limitations for sexual molestation claims. Executive Director Grubb said the statutory surplus declined to \$8.3 million and is now at the surplus floor established by the MEL Commissioners. The overall JIF/MEL combined surplus remains in excess of \$200 million.

Executive Director Grubb referred to the financial summary write-up on page 1 of the agenda which noted the following:

COVID: The most significant charge is the projected \$20 million that COVID related workers' compensation claims will eventually cost the MEL. The MEL is strengthening its claim and IBNR reserves (by \$7.5 million) because of the uncertainty over the recovery from Safety National. The strategy is to book \$7.5 million for COVID claims and IBNR at the MEL level to relieve the member JIFs

of this liability. Hopefully, the MEL will be successful in making a full recovery from Safety National so that it can reverse this accrual.

General Claim Reserves: The MEL is also strengthening general claim reserves by \$2.6 million to cover non-COVID related claims.

RCF: The fast track also records a \$3 million additional assessment payable to the RCF.

Under the plan of risk management, the MEL will adopt an additional assessment of \$3 million, payable in 10 annual installments to maintain the surplus at the \$8.3 million surplus floor. Because this additional assessment is over 10 years, the impact on each individual JIF will not be significant.

RECAP

\$18.4 Million – MEL Statutory surplus as of 12/31/2019
(\$7.5 million) - Special COVID reserve and additional COVID IBNR
(\$2.6 million) - General Claim Development
(\$3.0 million) - RCF Assessment

\$5.3 million - Statutory surplus before MEL assessment
\$3.0 million - Credit for MEL additional assessment payable over 10 years
\$8.3 million – MEL Statutory Surplus as of 12/31/2020

Executive Director Grubb concluded review of the financials. Commissioner Rheinhardt said the Audit Committee will include a review of the Joint Cash Management and Investment program in its audit universe.

MOTION TO APPROVE AUDIT REPORT AND ACTUARIAL VALUATION REPORT AS OF DECEMBER 31, 2020 AND ADOPT RESOLUTION NO. 21-21 AND EXECUTE AN AFFIDAVIT INDICATING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT:

Moved: Commissioner D’Arco
Second: Commissioner Cuccia

MOTION TO ACCEPT THE INTERNAL AUDIT FOR ACTUARIAL SECOND OPINION/PEER REVIEW AND ACTUARIAL PRICING REVIEW AS PRESENTED:

Moved: Commissioner D’Arco
Second: Commissioner Clarke

MOTION TO CONFIRM THE SURPLUS TRIGGER IN THE AMOUNT OF \$2,978,484.00:

Moved: Commissioner Cuccia
Second: Commissioner D’Arco

EXECUTIVE DIRECTOR REPORT:

EXCESS PROPERTY CLAIMS ADMINISTRATOR: Executive Director Grubb reported at the March 26th meeting, the MEL Board authorized the issuance of a competitive contract RFP for Property Claims Administrator. A total of 3 responses were received: a) Engle,

Martin & Associates, b) Crawford & Company and c) Qual-Lynx. The MEL QPA reviewed the responses for completeness and determined Engle, Martin & Associates had a fatal flaw in their submission and was eliminated from review. Committee Chair Commissioner Hirsch reported the MEL Claims Review Committee conducted interviews on May 25th of the other two vendors and is recommending award of contract to Qual-Lynx for a contract period of July 1, 2021 to December 31, 2023 with two one-year options to renew for an annual fee of \$175,000 plus an hourly rate of \$99.00 for time and expense for CAT claims handling.

MOTION TO ACCEPT THE RECOMMENDATION OF THE CLAIMS REVIEW COMMITTEE AND ADOPT RESOLUTION 22-21 AWARDED QUAL-LYNX AS PROPERTY CLAIMS ADMINISTRATOR FOR THE CONTRACT PERIOD OF JULY 1, 2021 TO DECEMBER 31, 2023 WITH TWO 1-YEAR OPTIONS TO RENEW FOR AN ANNUAL FEE OF \$175,000 PLUS AN HOURLY RATE OF \$99.00 FOR TIME AND EXPENSE FOR CAT CLAIMS HANDLING.

Moved: Commissioner Tozzi
Second: Commissioner Law

LIABILITY CLAIMS ADMINISTRATION: Executive Director Grubb said during 2020, the MEL issued Competitive Contracting RFPs. Rather than asking the responders to submit a fee request, the form asked the responder to agree to compensation set forth by the Board of Fund Commissioners. Botta & Associates provided that commitment, but they also submitted a request for additional fee resulting from changes to the MEL's liability retention structure in addition to an increase in responsibility for managing reimbursement for public officials/employment practices claims that pierce the optional POL/EPL layer. Request was for an additional fee component of \$197 hour for these type of claims. In January of 2021, the MEL also added the responsibility of managing the MEL's share of the \$200,000 retention in the primary cyber policy. Executive Director Grubb said the MEL Claims Review reviewed this request and is recommending the additional fees of \$197/hour not to exceed \$20,000.

MOTION TO AMEND THE COMPENSATION FOR BOTTA AND ASSOCIATES TO INCLUDE AN HOURLY RATE OF \$197 PER HOUR NOT TO EXCEED \$20,000 TO MANAGE OPTIONAL PUBLIC OFFICIALS/EMPLOYMENT PRACTICES LIABILITY PAYMENTS AND RECOVERIES AND MANAGE THE MEL'S CYBER LIABILITY RETENTION.

Moved: Commissioner Tomasko
Second: Commissioner Wolk

MIDDLESEX COUNTY MUNICIPAL JIF: A special meeting of the MEL Board was held on April 27, 2021 to consider membership of Middlesex County Municipal Joint Insurance; minutes of the meeting were enclosed in Appendix II of the agenda.

Executive Director Grubb said the Middlesex JIF has accepted the MEL's conditions for membership and noted the Fund office is waiting for the Department of Banking and Insurance to put the Middlesex JIF under supervision. In the interim, the MEL has bound coverage for Cyber Liability and Excess Workers' Compensation (excess of JIF retention) for Middlesex JIF members, which expires at the end of June.

Executive Director Grubb suggested an ad-hoc committee be formed to oversee the transition and monitor the process; Commissioners Cuccia, Northgrave and D'Arco volunteered to serve including fund professionals.

LEGISLATIVE COMMITTEE: Committee met on May 27th. Committee Chairman Cuccia said the committee is monitoring certain pending legislation evolving around law enforcement.

SAFETY & EDUCATION COMMITTEE: Committee met on April 30th; minutes of the meeting were included in the agenda. Also, enclosed was a memorandum concerning the addition of a Defensive Driving Course in the MEL's Learning Management System. Committee Chairman Rutkowski said the committee reviewed the defense driving expenditure and is recommending approval and payment.

MOTION TO AUTHORIZE PAYMENT OF EXPENDITURE OF \$27,900 FOR DEFENSE DRIVING.

Moved: Commissioner Hirsch
Second: Commissioner D'Arco

COVERAGE COMMITTEE: Committee met on April 6th; minutes of the meeting were enclosed in the agenda.

Statutory Bond: Committee Chairwoman Tozzi said the committee discussed and is recommending a higher deductible of \$10,000 be imposed when an appeal on the statutory bond coverage is approved.

MOTION TO ACCEPT THE RECOMMENDATIONS OF THE COVERAGE COMMITTEE AND IMPOSE A DEDUCTIBLE OF \$10,000 WHEN AN APPEAL ON A STATUTORY BOND COVERAGE IS APPROVED.

Moved: Commissioner Clarke
Second: Commissioner D'Arco

Watercraft: Occasionally, our water-adjacent members have watercraft larger than our automatic coverage grant in the policy, which allows us the time to underwrite the exposure. City of Gloucester is requesting an exception to the watercraft length limitation for their 57ft watercraft (hull is actually less than our threshold, but the bow pulpit extends past our threshold). Committee Chairwoman Tozzi said the committee reviewed and recommends the exception be made. The Camden JIF has already reviewed and approved.

MEL Liability threshold is 50 feet and Property threshold is 32 feet. The watercraft value will be at an Agreed Upon Value of \$275,000.

MOTION TO GRANT THE EXCEPTION TO THE CITY OF GLOUCESTER FOR LIABILITY AND PROPERTY COVERAGE ON THE 57FT WATERCRAFT WITH AN AGREED UPON VALUE OF \$275,000.

Moved: Commissioner Wolk
Second: Commissioner Nolan

EMPLOYMENT PRACTICES PROGRAM: Executive Director Grubb reported the deadline for EPL Compliance has been extended to November 1st to provide MEL members' additional time to complete the program requirements. Based on member requests, an abbreviated handbook was developed for volunteers as an optional policy. This policy – and all other model policies – and the checklist to be submitted can be found on the MEL website at <https://njmel.org/insurance/public-officials/risk-management-program/>

BACKGROUND CHECKS: Executive Director Grubb reported at the March meeting, the Board authorized the release of a Competitive Contracting RFP to qualify vendors able to provide Background Checks. The MEL's "Protecting Children From Abuse" model policy

calls for increased background checks and members were looking for assistance in identifying vendors. Below is a listing of the five vendors that responded and that have been posted to the MEL website on this page: <https://njmel.org/insurance/public-officials/risk-management-program/>

Castle Branch, Inc. – Wilmington, NC
Adam Safeguard – Toms River, NJ
Southern Background Services – Hazlehurst, GA
TABB Inc. – Chester, NJ
True View BSI LLC – Hicksville, NY

MOTION TO APPROVE THE VENDORS RESPONDING TO THE RFP FOR BACKGROUND CHECKS AND POST RESPONSES TO THE MEL WEBSITE:

Moved: Commissioner Tomasko
Second: Commissioner Tozzi

BIDNET DIRECT SOFTWARE E-PROCUREMENT: Executive Director Grubb said Bidnet Direct is an online site for governmental entities to publish and distribute bid opportunities. Executive Director Grubb said the MEL QPA is recommending the use of Bidnet Direct for future procurement to efficiently handle vendor responses to bids or RFPs. There is no cost to the Fund to use the platform.

MOTION TO ADOPT RESOLUTION 23-21 AUTHORIZING THE MEL QPA TO USE BIDNET DIRECT TO RECEIVE BIDS IN ACCORDANCE WITH N.J.A.C.5:34-5.1, E-PROCUREMENT:

Moved: Commissioner Cuccia
Second: Commissioner Clarke

CANNABIS LEGALIZATION: Executive Director Grubb said the MEL Fund Attorney has been working with Matt Giacobbe generating bulletins on the impact to members of the legalization of cannabis. These bulletins have been posted to the MEL webpage - <https://njmel.org/mel-safety-institute/resource-center/cannabis-guidance/>

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

2021 MEL, MR HIF & NJCE JIF EDUCATIONAL SEMINAR: Executive Director Grubb said the 10th annual seminar was conducted virtually on 2 half-day sessions on Friday, May 14th and Friday, May 21st and received positive feedback. There were 224 participants in the 1st session and 217 participants in the 2nd session. The fund office is in the process of uploading seminar materials to the MEL webpage.

CYBER TASK FORCE: Underwriting Manager reported on March 8th, the MEL Cyber Task Force released the updated MEL Cyber Risk Management Program. Members in compliance with the 1st version will have “grandfathered status” as compliance until January 1, 2022. The updated program can be found on the MEL website: <https://njmel.org/mel-safety-institute/resource-center/public-officials/public-officials-cyber-risk-control/>

Commissioner Laureigh inquired if there were any vendors that test firewall systems or conduct employee phishing exercises and/or training. In response, Underwriting Manager said the Cyber Task Force discussed issuing an RFP for employee testing and training on cyber security issues, as well as, explored the idea of a MEL Chief Information Officer to serve as a consultant for cyber security. In addition, Underwriting Manager said many insurance companies offer external securing testing to check for gaps in the system.

CLAIMS COMMITTEE: The Claims Review Committee met on May 5th; minutes of these meetings were sent to the full MEL Board separately from the agenda. The Claims Review Committee is scheduled to meet this afternoon.

POWER OF COLLABORATION: Enclosed in the agenda were three latest in the series of “Power of Collaboration ad that appeared in the League of Municipalities magazine. Each highlights the following:

The MEL model policy *Addressing the Protection and Safe Treatment of Minors*.

The EJIF’s continued defense efforts in the Passaic River II Litigation.

The MEL’s response to addressing the Public Health Crisis.

2021 FINANCIAL DISCLOSURES: The Local Finance Board voted to extend the date at which the Board would take enforcement action against non-fillers of the 2021 FDS until July 30th from the statutory deadline of April 30th. As of May 27th all but 5 Commissioners have completed the filing.

MEETING DATES AND TIMES: Executive Director Grubb said the scheduled MEL Board of Fund Commissioner meetings frequently conflict with holidays. Executive Director Grubb recommended the Board refer a review of meeting dates and times to the Management Committee. In addition, committee can consider scheduling virtual meetings in between regularly scheduled meetings – to allow better flow for action items.

Commissioner Tozzi inquired if the Management Committee would also discuss in-person meetings vs remote meetings. In response, Executive Director Grubb said it would be appropriate to discuss this now with Board members. A majority of Board members expressed their support to meet in person for the September 1st meeting; there were no objections noted.

UNDERWRITING MANAGER:

REPORT: Included in Appendix II of the agenda was the Underwriting Manager’s final marketing report. Underwriting Manager provided a brief summary review of the report and encouraged review of the updated MEL Cyber Risk Management Program as it takes time to implement.

TREASURER:

CONFIRMATION OF PAYMENTS

March 2021 Supplemental	\$305,532
April 2021	\$541,722.89
May 2021	\$1,071,804.87

RESOLUTION 24-21 FOR JUNE 2021 VOUCHERS:

Resolution 24-21 June 2021 \$1,470,180.38

Confirmation Of March 2021 Claims Payments/Certification Of Claims Transfers:

1988 WC	45,569.91
CLOSED	0.00
2017	24,004.36
2018	41,906.77
2019	212,133.87
2020	2,901,254.79
2021	0.00

TOTAL	3,224,867.70
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Confirmation Of April 2021 Claims Payments/Certification Of Claims Transfers:

1988 WC	21,276.35
CLOSED	0.00
2017	49,913.67
2018	124,328.52
2019	103,746.25
2020	79,029.62
2021	12,474.82
TOTAL	390,769.23

MOTION TO CONFIRM PAYMENTS OF MARCH 2021 SUPPLEMENTAL, APRIL 2021 AND MAY 2021 AND TO APPROVE JUNE 2021 BILLS LIST RESOLUTIONS 24-21 AND TO APPROVE TREASURER’S REPORT; CURRENT AND CONFIRMING EXPENSES AS PRESENTED:

Moved: Commissioner Clarke
 Second: Commissioner Wolk

CLAIMS – EXCESS WORKERS COMPENSATION:

REPORT: Workers’ Compensation Claims Manager thanked the Board for the appointment of Excess Property Claims Administrator. In addition, Claims Manager said the acquisition of QualCare Alliance Networks, Inc by MGC will be seamless to members, claims teams and the managed care organization.

ATTORNEY:

REPORT: Fund Attorney highlighted the importance for members to begin review of the EPL Compliance program including meeting training requirements and the updating model policies to meet the November 1st deadline.

Fund Attorney also highlighted municipalities need to formally opt out of some or all of the types of recreational cannabis businesses by adopting an “opt out” ordinance by the August 21, 2021 deadline otherwise it will be deemed to have opted in for same and in locked in for a period of five years.

MANAGED CARE:

REPORT: A copy of the Savings and Penetration report as of April 2021 was included in the agenda. The total billed was \$2. 339,790.11 with approved bills of \$953,806.96 for a total savings of 59% and network penetration of 76%.

OLD BUSINESS:

NONE

NEW BUSINESS:

CONSENT AGENDA ROLL CALL: Executive Director Grubb requested the Fund Secretary take a roll call vote on approval of the consent agenda items:

Roll Call Vote: 17 Ayes – 0 Nays

PUBLIC COMMENT:

2021 EDUCATIONAL SEMINAR: Mr. Altamura complimented the speakers and professionals involved in the 2021 Educational Seminar. Mr. Altamura said the speakers were engaging and the format to hold the seminar over two days prevented online fatigue.

CLOSED SESSION: There was no need for Closed Session.

MOTION TO ADJOURN:

Moved:	Commissioner Laureigh
Second:	Commissioner Clarke
Vote:	Unanimous

MEETING ADJOURNED: 11:53AM

NEXT MEETING: September 1, 2021 at 11:15AM
Forsgate Country Club, Monroe NJ

Nancy A. Ghani, Assisting Secretary

For

JOY TOZZI, SECRETARY

Resolution No. 21-21
Resolution of Certification
Annual Audit Report for Period Ending December 31, 2020

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, the Annual Report of Audit for the year 2020 has been filed by the appointed Fund Auditor with the Secretary of the Fund as per the requirements of N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36, and a copy has been received by each member of the BOARD OF FUND COMMISSIONERS, and

WHEREAS, the Local Finance Board of the State of New Jersey is authorized to prescribe reports pertaining to the local fiscal affairs, as per R.S. 52:27BB-34, and

WHEREAS, the Local Finance Board has promulgated a regulation requiring that the BOARD OF FUND COMMISSIONERS of the Fund shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all members of the BOARD OF FUND COMMISSIONERS have reviewed, as a minimum, the sections of the annual audit entitled:

General Comments
and
Recommendations

and

WHEREAS, the members of the BOARD OF FUND COMMISSIONERS have personally reviewed, as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled:

General Comments
and
Recommendations

as evidenced by the group affidavit form of the BOARD OF FUND COMMISSIONERS.

WHEREAS, such resolution of certification shall be adopted by the BOARD OF FUND COMMISSIONERS no later than forty-five days after the receipt of the annual audit, as per the regulations of the Local Finance Board, and

WHEREAS, all members of the BOARD OF FUND COMMISSIONERS have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and

WHEREAS, failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the members of the BOARD OF FUND COMMISSIONERS to the penalty provisions of R.S. 52:27BB-52 - to wit:

R.S. 52:27BB-52 - "A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand

dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office."

NOW, THEREFORE, BE IT RESOLVED, that the BOARD OF FUND COMMISSIONERS of the Municipal Excess Liability Joint Insurance Fund, hereby states that it has complied with the promulgation of the Local Finance Board of the State of New Jersey, dated July 30, 1968, and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON JUNE 2, 2021.

Joy Tozzi, MEL Fund Secretary

RESOLUTION 22-21

**of the
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
AWARDING COMPETITIVE CONTRACT #21-03 VARIOUS PROFESSIONALS**

WHEREAS the Municipal Excess Liability Joint Insurance Fund (hereinafter the Fund) authorized the competitive contract process to be administered by the Qualified Purchasing Agent through resolution 28-20 on June 3, 2020 for the positions of:

CLAIMS ADMINISTRATOR (EXCESS PROPERTY)

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 April 9, 2021 edition of the Star Ledger and Courier Post and posted on the MEL website www.njmel.org under the Public Bids section.

WHEREAS the Fund received Competitive Contract responses were received from service organizations on May 6, 2021 at 10:30AM.

WHEREAS the Fund's Claims Review served as the Evaluation Committee for the respective 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 Evaluation Committees made recommendations on the award of contracts to the below listed 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 Joint Insurance Fund resolves to appoint the Fund Professional – noted below – to three-year terms commencing on July 1, 2021 and ending on December 31, 2023 (unless otherwise noted) at its June 2, 2021 in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.

- 1) **Qual-Lynx** as the **Excess Property Claims Administrator**. \$635,570 is the estimated dollars that will be expended in connection with the Claims Administrator for Excess Property contract over its three-year term. The annual amount of \$175,000 for Claims Administration and \$75,000 for CAT Claims has been appropriated in the Claims Administration Line Item of the 2021 budget.

NOW, THEREFORE, BE IT RESOLVED by the Municipal Excess Liability Fund as follows: The Fund's Executive Director is hereby authorized to enter into a contract with the above professionals for the period July 1, 2021 and ending on December 31, 2023 with an option to renew for a 4th and 5th year encompassing the scope of work as outlined within CC#21-03.

BE IT FURTHER RESOLVED, all 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

date

Secretary

date

RESOLUTION 23-21

**RESOLUTION OF THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND,
AUTHORIZING THE QUALIFIED PURCHASING AGENT TO RECEIVE CERTAIN BIDS IN
ACCORD WITH N.J.A.C.5:34-5.1,
E- PROCUREMENT**

WHEREAS, the Municipal Excess Liability Joint Insurance Fund (FUND) has appointed a Qualified Purchasing Agent in accord with N.J.S.A. 40A:11-9; and

WHEREAS, the State of New Jersey in Administrative Code in response to the Covid 19 crisis has promulgated rules to allow for electronic receipt of bids with the rules at N.J.A.C. 5:34-1 et. Seq. and

WHEREAS, Sean P. Canning, QPA has recommended the use of Bidnet Direct software which complies with all the administrative rule as required by the New Jersey Administrative Rules; and

WHEREAS, the electronic procurement platform is available to other officials as required to virtually observe bid openings in a transparent manner and provide for bids available for public inspection; and

WHEREAS, the cost to the FUND and to the Vendors wishing to conduct business with the FUND is a zero cost.

NOW, THEREFORE, BE IT RESOLVED by the Municipal Excess Liability Joint Insurance Fund, as follows:

1. That Sean P. Canning QPA of The Canning Group LLC is hereby authorized to conduct bid openings and procurement in accord with N.J.S.A.40A:11-9 through E-Procurement in accord with N.J.A.C. 5:34-1 et. Seq., through Bidnet Direct at a zero cost to the FUND and to vendors for bid response.

ADOPTED:
this day before the Governing Body:

Chairman

date

Secretary

date

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

RESOLUTIONS 24-21

JUNE 2021

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 2020

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002707			
002707	E. FITZ ART, INC.	ANNUAL REPORT FULFILLMENT 2020	3,100.00
			3,100.00
		Total Payments FY 2020	3,100.00

FUND YEAR 2021

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002708			
002708	CONNER STRONG & BUCKELEW	OPT EX POL/EPL REINS - MUNICH RE 2/2	869,841.00
			869,841.00
002709			
002709	QUAL-LYNX	COMPUTER ACCESS FEES 6/21	1,377.00
002709	QUAL-LYNX	CLAIM ADJ SERVICES 6/21	53,400.00
			54,777.00
002710			
002710	CB CLAIMS LLC	CLAIMS 5/21	36,643.72
			36,643.72
002711			
002711	J. A. MONTGOMERY RISK CONTROL	MSI 6/21	111,742.17
			111,742.17
002712			
002712	HUNTINGTON BAILEY, LLP	DEPUTY GENERAL COUNSEL - 1/2 2021	783.00
			783.00
002713			
002713	SAFETYSERVE.COM	DEFENSIVE DRIVING COURSE 6/21	27,900.00
			27,900.00
002714			
002714	PERMA	POSTAGE 4/21	27.17
002714	PERMA	EXEC DIRECTOR FEE 6/21	113,585.44
			113,612.61
002715			
002715	MICHAEL S. ZAMBITO	TREASURER FEE - 2ND QTR 2021	6,544.37
			6,544.37
002716			
002716	PRINCETON PUBLIC AFFAIRS GROUP INC.	SPECIAL LOBBYING 5/21	5,000.00
002716	PRINCETON PUBLIC AFFAIRS GROUP INC.	SPECIAL LOBBYING 4/21	5,000.00
			10,000.00
002717			
002717	COURIER POST	ACCT:CHL-071051 - AD - 5.18.21	22.76
			22.76
002718			
002718	IRFAN A. BORA	MEL AUDIT COMM MTG 5/21	1,500.00
			1,500.00
002719			
002719	PRINCETON STRATEGIC COMMUNICATIONS GROUP LLC	MARKETING MNGMNT FEE & HOSTING 5/21	5,922.33
			5,922.33
002720			
002720	ALLSTATE INFORMATION MANAGEMNT	ACCT#224 - ARC & STOR - 4.30.21	251.33
002720	ALLSTATE INFORMATION MANAGEMNT	ACCT#224 - ARC & STOR - 4.30.21	260.54
			511.87
002721			
002721	ARTHUR J. GALLAGHER RMS, INC.	REINSURANCE MANAGER 6/21	26,485.42
			26,485.42
002722			
002722	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 6/21	4,345.00
			4,345.00

002723			
002723	ELIZABETH RANDALL	MEL AUDIT COMM MTG 5/21	1,500.00
			1,500.00
002724			
002724	THE CANNING GROUP LLC	QPA SERVICES 5/21	1,250.00
			1,250.00
002725			
002725	GEORGE DESTAFNEY	MEL AUDIT COMM MTG 5/21	1,500.00
			1,500.00
002726			
002726	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 6/21	45,866.00
			45,866.00
002727			
002727	CONNER STRONG & BUCKELEW	OCEAN - RMC - 2ND INSTALL 2021	107,031.00
			107,031.00
002728			
002728	PATHWAYS GOVERNMENT RELATIONS	GOVERNMENT RELATIONS - 2ND QTR 2021	6,802.13
			6,802.13
002729			
002729	ACRISURE LLC	MARKETING MNGER-1ST & 2ND QTR 2021	32,500.00
			32,500.00
		Total Payments FY 2021	1,467,080.38
		TOTAL PAYMENTS ALL FUND YEARS	1,470,180.38

Chairperson

Attest:

Dated:

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

Treasurer

