

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
OPEN MINUTES
SEPTEMBER 1, 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	Present
Megan Champney	City of Summit- Suburban Municipal JIF	Present
Kevin Davis	Hunterdon County – PAIC JIF	Absent
Megan Jack	Riverside Twp- Burlco JIF	Present
Steven Scholey	Bordentown Fire Company - District #1- FRESP JIF	Present
Joseph Zanga	Borough of South River – Middlesex 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., Sue Sharpe, Esq. Kathie Tyler Schohl
Producer	Risk Program Administrators Paul Forlenza, Paul Miola
Lobbyist	Pathways Government Relations Paul Bent
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, Eric Bause
Excess Liability Claims Administrator	CB Claims LLC Chris Botta, Georganne Jussel
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
Marketing Manager	Princeton Strategic Communications Stacey Ehling

ALSO PRESENT:

Elizabeth Randall, MEL Corporate Board Member – Audit Committee
George Destafney, MEL Corporate Board Member – Audit Committee
Michael Avalone, Conner Strong & Buckelew
Allison Kelly, Danskin Insurance Agency
Chuck Casagrande, Danskin Insurance Agency
John Casagrande, Danskin Insurance Agency
Ezio Altamura, GJEM Agency
Charles Hartsoe, PEGAS
Frank Covelli, P.I.A.
Robin Racioppi, NAIM
Dave Vozza, The Vozza Agency
Barbara Murphy, RLM
Pauline Kontomanolis, PERMA Risk Management Services
Steve Sacco, PERMA Risk Management Services
Brad Stokes, PERMA Risk Management Services
Robyn Walcoff, PERMA Risk Management Services
Tracy Lopez, PERMA Risk Management Services
Sandra Cantwell, PERMA Risk Management Services
Jason Thorpe, PERMA Risk Management Services
Karen Read, PERMA Risk Management Services

MINUTES: Included in the agenda were the open minutes of June 2, 2021.

MOTION TO APPROVE JUNE 2, 2021 OPEN MINUTES:

Moved: Commissioner Wolk
Second: Commissioner Hirsch
Vote: Unanimous

CORRESPONDENCE:

NONE

MOMENT OF SILENCE: Russell F. Bent, the MEL's first Lobbyist, passed away on June 15, 2021 at the age of 90. During his long tenure, he was instrumental in securing legislative approval to create the Utility Authorities JIF and the E-JIF. Executive Director Grubb requested a moment of silence to honor his life and services provided to the MEL and its affiliated members.

EXECUTIVE DIRECTOR REPORT:

JOSEPH ZANGA, BOROUGH OF SOUTH RIVER: Executive Director Grubb welcomed Joseph Zanga as the newest member of the MEL Board of Fund Commissioners, representing the Middlesex JIF. Fund Attorney administered the Oath of Office to Commissioner Zanga.

2022 BUDGET: Enclosed in the agenda was the preliminary 2022 budget with rate table along with a memorandum outlining the various factors impacting property, liability and workers' compensation claims and insurance premiums.

RETROSPECTIVE PREMIUM: Executive Director Grubb said in 2016, the MEL implemented a retrospective premium program where each member's liability and workers' compensation claims fund assessment is discounted, but subject to an additional assessment if a members claims exceed the amount collected. Executive Director said the problem is that the MEL's claims often take years (or longer) to develop, requiring local JIFs to maintain a substantial contingency. Executive Director Grubb said a recommendation will be made to the Management Committee that the retrospective premium program be eliminated.

MIDDLESEX COUNTY JIF: Executive Director Grubb reported on August 4, 2021, the Management Committee accepted the Ad-hoc Committee's recommendation to appoint Landolfi & Associates as a Monitor on the JIF's compliance with the MEL's 13 membership conditions for an hourly rate of \$150 not to exceed \$44,000. Mr. Landolfi has met several times with the Assistant Administrator for the Middlesex County JIF to review compliance requirements and set forth deadlines.

Two of MEL's condition for Middlesex JIF membership is an independent claims audit and a second actuarial opinion; the current MEL contracts allows Baker Tilly (Internal Auditor) to be compensated for additional services requested by the board. Executive Director Grubb reported the Management Committee recommendation that Baker Tilly be asked to provide both the claims audit and second actuarial review through the MEL's contract and bill back the Middlesex JIF.

MOTION TO ADOPT RESOLUTION 25-21 CONFIRMING THE APPOINTMENT OF LANDOLFI & ASSOCIATES.

Moved: Commissioner Rheinhardt
Second: Commissioner Cuccia

MOTION TO ACCEPT THE RECOMMENDATION FOR BAKER TILLY TO CONDUCT A CLAIMS AUDIT AND SECOND ACTUARIAL REVIEW ON MIDDLESEX JIF.

Moved: Commissioner Cuccia
Second: Commissioner Nolan

SPECIAL COUNSEL COVID-19 RELATED WC MATTERS: Deputy Executive Director reported last year, at the onset of Covid, the MEL formed a sub-committee to handle COVID-19 matters & awarded a professional service agreement not to exceed \$5,000 to Jim Pietras, Esq. to provide guidance to the MEL and the TPAs on handling these claims. It would be appropriate to renew these services; enclosed in the agenda was a resolution authorizing the award of professional services not to exceed \$5,000 to Jim Pietras, Esq.

MOTION TO ADOPT RESOLUTION 26-21 AUTHORIZING THE AWARD OF PROFESSIONAL SERVICES TO JIM PIETRAS TO SERVE AS SPECIAL COUNSEL.

Moved: Commissioner Tomasko
Second: Commissioner Champney

COVID-19 VACCINATIONS: In January, a bulletin was issued to provide guidance on legal considerations relating to vaccinations. Enclosed in the agenda was an updated memorandum issued by the Fund Attorney and in Appendix II was the January 2021 bulletin for information.

LEGISLATIVE COMMITTEE: Committee met on May 27th; minutes of the meeting were enclosed in the agenda. The committee also met on August 26th; Committee Chairman Cuccia noted the legislature will not be in session until November.

SAFETY & EDUCATION COMMITTEE: Committee met on July 16th; minutes of the meeting were enclosed in the agenda.

COVERAGE COMMITTEE: Committee will be scheduling a meeting in October.

MARKETING COMMITTEE: Committee is scheduling a meeting for September to review marketing materials (mobile app & website) and discuss potential membership opportunities for 2022.

EXCESS PROPERTY CLAIMS ADMINISTRATOR: Deputy Executive Director reported in March, a contract was awarded to Qual-Lynx to serve as Property Claims Administrator for the contract period of July 1, 2021 to December 31, 2023; however, the contract period was amended to August 31, 2021 to allow for an orderly claims data transition from the prior service provider.

EXCESS LIABILITY CLAIM ADMINISTRATOR: Executive Director Grubb asked meeting participants to extend congratulations to and appreciation of Georganne Jussel who will be retiring from CB Claims LLC on October 15, 2021. Georganne has been part of the JIF and MEL team since the 1990's and has been an integral part of its successes. Laura Sable, who has many years of liability adjusting experience with Qual-lynx, will join the firm as of September 27, 2021. Ms. Jussel expressed thanks to the MEL Board and Fund Professionals for the gesture and said it has been her pleasure to be involved with and work for the MEL and its affiliated JIFs.

Executive Director Grubb said it would be appropriate to amend and update the Fiscal Management Plan to reflect Laura Sable as an authorized signatory for claims payments. Enclosed is the plan with the amendments highlighted for reference.

MOTION TO AMEND THE 2021 FISCAL MANAGEMENT PLAN TO REFLECT UPDATED SIGNATORY FOR CB CLAIMS LLC.

Moved: Commissioner Cuccia
Second: Commissioner Champney

RISK MANAGEMENT PLAN: Based on the recommendation of the Fund Underwriting Manager, the cyber coverage limits should be removed from the Risk Management Plan. This document is posted to the fund's website and could be an incentive for cyber hacker attacks should limits of coverage be known.

MOTION TO ADOPT RESOLUTION 27-21 AMENDING THE 2021 RISK MANAGEMENT PLAN REMOVING CYBER COVERAGE LIMITS.

Moved: Commissioner Champney
Second: Commissioner Clarke
Vote: Unanimous

RCF: Enclosed in the agenda was a copy of Commissioner Clarke's report of the RCF June meeting. The RCF Board met this morning to adopt amendments to the 2020 budget and introduce their 2022 budget.

POWER OF COLLABORATION: Enclosed 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 \$3.4 billion in savings to taxpayers and \$322 million in dividends paid to members since its inception, as well as, the purchase of debt securities.

MEMBERSHIP RENEWALS: Atlantic, Burlington, Trico, Mid-Jersey, NJSI and PAIC JIFs are set to renew their three-year memberships with MEL as of January 1, 2022. Membership renewal documents have been sent.

EMPLOYMENT PRACTICES PROGRAM: 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/>

CYBER TASK FORCE: 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/>

CLAIMS COMMITTEE: The Claims Review Committee met on June 2nd and July 7th; minutes of these meetings were sent to the full MEL Board separately from the agenda. The Claims Review Committee is scheduled to meet after this meeting.

MEETING DATES AND TIMES: We will schedule discussion of 2022 meeting dates and times on the Management Committee's next meeting agenda.

UNDERWRITING MANAGER:

REPORT: Included in the agenda was a copy of the 2022 Renewal Memorandum Report submitted by the Underwriting Manager.

TREASURER:

CONFIRMATION OF PAYMENTS

June 2021 supplemental	\$101,363.21
July 2021	\$12,409,478.67
August 2021	\$652,566.22

RESOLUTION 28-21 FOR JUNE 2021 VOUCHERS:

September 2021	\$ 469,007.28
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Confirmation Of May 2021 Claims Payments/Certification Of Claims Transfers:

1988 WC	3505.59
CLOSED	0.00
2017	248569.05
2018	23335.57
2019	191726.07
2020	677179.86
2021	71801.80
TOTAL	1,216,117.94

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

1988 WC	57416.62
CLOSED	0.00
2017	7099.08
2018	155930.50
2019	165370.66
2020	356470.48
2021	162796.99
TOTAL	905,084.33

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

1988 WC	20425.49
CLOSED	0.00
2017	164720.50
2018	41423.72
2019	92252.48
2020	1443977.04
2021	174401.00
TOTAL	1,937,200.23

MOTION TO CONFIRM PAYMENTS OF JUNE 2021 SUPPLEMENTAL, JULY 2021 AND AUGUST 2021 AND TO APPROVE SEPTEMBER 2021

BILLS LIST RESOLUTION 28-21 AND TO APPROVE TREASURER'S REPORT; CURRENT AND CONFIRMING EXPENSES AS PRESENTED:

Moved: Commissioner Cuccia
Second: Commissioner D'Arco

CLAIMS – EXCESS WORKERS COMPENSATION:

REPORT: Claims Administrator said there was nothing to report for the month.

ATTORNEY:

REPORT: Fund Attorney reported the MEL authorized the submission of an Amicus Brief on the matter of Gonzales vs Richter vs Jersey City Board of Education. Fund Attorney said it is the best interest of members of the MEL that New Jersey Law Against Discrimination (LAD) claims be subject to the exclusive remedy provision of Workers' Compensation and whether employees making such LAD claims must prove an intentional wrong pursuant to the Workers' Compensation Claims Act. Supreme Court has decided that the Appellate Court needed to do more fact finding.

Fund Attorney also reported that the MEL team handles more than 100 OPRA requests a year. Mr. Stokes noted majority are from the press.

MANAGED CARE:

REPORT: A copy of the Savings and Penetration report as of July 2021 was included in the agenda. The total billed was \$4,209,645.39 with approved bills of \$1,630,541.74 for a total savings of 61% and network penetration of 78%.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

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: 18 Ayes – 0 Nays

PUBLIC COMMENT:

NONE

CLOSED SESSION: Motion to enter into executive session for the purpose of discussing potential or pending litigation on a workers' compensation matter.

MOTION TO ENTER INTO CLOSED SESSION:

Moved: Commissioner Hirsch
Second: Commissioner Wolk
Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION:

Moved: Commissioner Nolan
Second: Commissioner Wolk
Vote: Unanimous

MOTION TO ADOPT RESOLUTION 29-21 AUTHORIZING THE AWARD OF PROFESSIONAL SERVICES CONTRACT WITHOUT COMPETITIVE BIDDING TO ANDERSON KILL P.C. TO SERVE AS THE FUND'S SPECIAL COUNSEL FOR LEGAL SERVICES IN COVERAGE DISPUTE AS AMENDED:

Moved: Commissioner Nolan
Second: Commissioner Clarke
Vote: 18 Ayes – 0 Nays

MOTION TO ADJOURN:

Moved: Commissioner
Second: Commissioner Clarke
Vote: Unanimous

MEETING ADJOURNED: 12:18pm

NEXT MEETING: October 20, 2021 at 11:15AM
Forsgate Country Club, Monroe NJ

Nancy A. Ghani, Assisting Secretary
For

JOY TOZZI, SECRETARY

RESOLUTION #25-21
Of the
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

RESOLUTION AUTHORIZING THE AWARD OF AN EXTRAORDINARY AND UNSPECIFIABLE SERVICES CONTRACT WITHOUT COMPETITIVE BIDDING TO LANDOLFI & ASSOCIATES, TO SERVE AS THE FUND'S MIDDLESEX COUNTY JOINT INSURANCE FUND SUPPORT PROGRAM MONITOR

WHEREAS, the Municipal Excess Liability Joint Insurance Fund (hereinafter “the Fund”) finds it necessary and appropriate to obtain certain extraordinary and unspecifiable services (“EUS”), as defined in the Local Public Contracts Law, (N.J.S.A. 40A-11-1 et. seq.), to serve as the Fund’s Middlesex County Joint Insurance Fund Support Program Monitor; and

WHEREAS, the Board of Fund Commissioners offered membership to the Middlesex County Municipal Joint Insurance Fund, subject to 13 specific conditions, at its April 27, 2021 meeting,

WHEREAS, the Fund’s Ad-Hoc Management Committee met on July 27, 2021 agreed to recommend the MEL appoint an independent consultant to monitor the Middlesex County Municipal Joint Insurance Fund’s implementation of those conditions; and

WHEREAS, the Board of Fund Commissioners agreed that the independent consultant should have specialized experience as a municipal chief operating officer and experience as a joint insurance fund commissioner; and

WHEREAS, a proposal dated August 2, 2021 was received from Robert Landolfi, to provide such services for an hourly rate of \$150 not to exceed \$44,000; and

WHEREAS, the Fund desires to retain the services of Robert Landolfi; and

WHEREAS, insurance consulting services are permitted to be considered EUS pursuant to N.J.S.A. 40A:11-2(7) and N.J.S.A. 40A:11-5(m); and

WHEREAS, in accordance with N.J.A.C. 5:34-2.3, the required EUS certification has been filed with the Board of Fund Commissioners, which certification is attached hereto and incorporated herein; and

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

WHEREAS, the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., requires that the resolution authorizing the award of a contract for extraordinary and unspecifiable services without competitive bidding, and the contract itself, be available for public inspection.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Fund Commissioners of the Municipal Excess Liability Joint Insurance Fund (“the Fund”) as follows:

1. The Fund hereby awards and authorizes execution of an extraordinary and unspecifiable service agreement with Robert Landolfi at an hourly rate of \$150 not to exceed \$44,000, per his proposal dated August 2, 2021, to serve as the Fund’s Middlesex County Municipal Joint Insurance Fund Support Program Monitor.

2. The contract is awarded without competitive bidding as an extraordinary and unspecifiable service contract in accordance with the provisions of the Local Public Contracts Law because said services are specialized and qualitative in nature requiring expertise, extensive training and proven reputation in the field of endeavor.
3. A certification required pursuant to N.J.A.C. 5:34-2.3(b) has been filed with the Board of Fund Commissioners and is attached hereto and incorporated herein.
4. Notice of this action shall be published as required by law.
5. A copy of this resolution shall be provided to the Fund Treasurer and to Robert Landolfi, for their information and guidance.
6. A copy of this resolution and contract will be on file in the Fund office, located at 9 Campus Drive, Suite 216, Parsippany, NJ 07504.

Thomas Merchel, Chairperson

Dated

Joy Tozzi, Secretary

Dated

RESOLUTION #26-21
Of the
Municipal Excess Liability Joint Insurance Fund

**RESOLUTION AUTHORIZING THE AWARD OF PROFESSIONAL SERVICES
CONTRACT WITHOUT COMPETITIVE BIDDING TO THE JAMES G. PIETRAS,
PIETRAS SARACINO SMITH & MEEKS, LLP TO SERVE AS THE FUND'S SPECIAL
COUNSEL FOR COVID-19 RELATED WORKER'S COMPENSATION GUIDANCE**

WHEREAS, the Municipal Excess Liability Joint Insurance Fund (hereinafter "the Fund") finds it necessary and appropriate to obtain certain professional services, as defined in the Local Public Contracts Law, (N.J.S.A. 40A-11-1 et. seq.), to serve as the Fund's Special Counsel for COVID-19 Related Workers Compensation Guidance; and

WHEREAS, the Fund's Third Party Claims Administrator and Fund Attorney recommended the necessity to consult with an Attorney with Workers' Compensation expertise to provide guidance on claims handling for Covid19 related claims;

WHEREAS, the Fund's Third Party Claims Administrator and Fund Attorney recommend James G. Pietras, Esquire to serve in this role; and

WHEREAS, the Fund desires to retain the services of James G. Pietras, Esq. Pietras Saracino Smith & Meeks, LLP ; and

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

WHEREAS, the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., requires that the resolution authorizing the award of a contract for professional services without competitive bidding, and the contract itself, be available for public inspection.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Fund Commissioners of the Municipal Excess Liability Joint Insurance Fund ("the Fund") as follows:

1. The Fund hereby awards and authorizes execution of a professional service agreement with James G. Pietras, Esq. of Pietras Saracino Smith & Meeks, LLP in an amount not to exceed \$5,000 to serve as the Special Counsel to the Fund.
2. The contract is awarded without competitive bidding as a professional services contract in accordance with the provisions of the Local Public Contracts Law because said services are performed by a person licensed under law to practice a recognized profession.
3. Notice of this action shall be published as required by law.
4. A copy of this resolution shall be provided to the Fund Treasurer and to Pietras Saracino Smith & Meeks, LLP 2060 Fairfax Avenue, Cherry Hill, NJ 08003, for their information and guidance.
5. A copy of this resolution and contract will be on file in the Fund office, located at 9 Campus Drive, Suite 216, Parsippany, NJ 07504.

Thomas Merchel, Chairperson

Dated

Joy Tozzi, Secretary

Dated

RESOLUTION #27-21

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
AMENDING THE 2021 PLAN OF RISK MANAGEMENT**

Section – Limits of Coverage

10. Cyber

- Please contact your Risk Manager or the MEL JIF.

11. Excess Cyber

- Please contact your Risk Manager or the MEL JIF.

Section – The Amount of Risk to be Retained by the Fund

10. **Cyber:** Please contact your Risk Manager or the MEL JIF.

11. **Excess Cyber:** \$0

Section – Commercial Insurance/Reinsurance Purchased

7. **Excess Cyber:** Please contact your Risk Manager or the MEL JIF.

ADOPTED this 1st day of September, 2021 by the Commissioners:

Chairperson

Secretary