

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

OPEN MINUTES

OCTOBER 20, 2021

FORSGATE COUNTRY CLUB, MONROE NJ – 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
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	Present
Thomas Nolan	Borough of Brielle - Monmouth JIF	Present
Joseph D’Arco	Borough of Paramus - NJMSI JIF	Present
Bernard Rutkowski	NJUA JIF – Toms River MUA	Present
Paul Tomasko	Borough of Alpine – Bergen JIF	Present
John Clarke	New Brunswick Housing Authority- PHA JIF	Present
Veronica Laureigh	Township of Lacey – Ocean JIF	Absent
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	Absent
Dave Matchett-alternate	Shamong Twp – Burlco JIF	Present
Steven Scholey	Bordentown Fire Company - District #1- FRESP JIF	Absent
Joseph Zanga	Borough of South River – Middlesex JIF	Absent
Adam Brewer – alternate	Pequannock Township – Morris JIF	Present
Carolyn Rinaldi – Special Commr.	Mount Arlington Borough – Morris 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 Miola
Lobbyist	Pathways Government Relations Paul Bent
Safety Director	JA Montgomery Risk Control Services Paul Shives
Treasurer	Michael Zambito
Underwriting Manager	Conner Strong & Buckelew Edward Cooney, Jonathon Tavares

Actuary	The Actuarial Advantage Eric Bause
Excess Liability Claims Administrator	CB Claims LLC Chris Botta, Laura Sable
Excess Workers Comp Claims Administrator	Qual-Lynx Kathy Kissane, Jim Renner
Asset Manager	Clearbrook Investment Consulting Fernando Garip
Managed Care Provider	QualCare Donna Setzer
Strategic Planner Mgmt. Supervisory Training	LaMendola Associates Clark LaMendola
Marketing Coordinator	Acrisure Amy Pieroni, Lindsay Travali

ALSO PRESENT:

Allison Kelly, Danskin Insurance Agency
 Chuck Casagrande, Danskin Insurance Agency
 John Casagrande, Danskin Insurance Agency
 Ezio Altamura, GJEM 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
 Sandra Cantwell, PERMA Risk Management Services
 Jason Thorpe, PERMA Risk Management Services

MINUTES: Included in the agenda were the open minutes of September 1, 2021; distributed to the Board only were copies of the closed minutes of September 1, 2021.

MOTION TO APPROVE OPEN & CLOSED MINUTES OF SEPTEMBER 1, 2021:

Moved:	Commissioner Wolk
Second:	Commissioner Clarke
Vote:	Unanimous

CORRESPONDENCE:

NONE

EXECUTIVE DIRECTOR REPORT:

BOARD OF FUND COMMISSIONERS – MORRIS JIF & SPECIAL COMMISSIONER: Executive Director Grubb reported Commissioner Jon Rheinhardt left Wharton-Morris JIF to pursue a new opportunity. On behalf of the MEL Board, Executive Director Grubb wished him all the best and said an opportunity to recognize his service may be done at the November meeting. Executive Director Grubb introduced Alternate

Commissioner Adam Brewer; the Morris JIF has not yet appointed a Fund Commissioner. Mr. Rheinhardt served as Committee Chair on the MEL Audit & Investment Committees; Executive Director Grubb reported Chairman Merchel has volunteered to fill the committee vacancies for the remainder of the year.

Executive Director Grubb said with the addition of Middlesex County Joint Insurance Fund as the 20th member of the MEL, the Bylaws call for the appointment of a Special Commissioners when there is a tie, which is rotated alphabetically. For 2021, that appointment falls to the Morris JIF; Executive Director Grubb introduced Commissioner Carolyn Rinaldi of Mt. Arlington.

MANAGEMENT COMMITTEE: Executive Director Grubb said the Management Committee met on October 7th to discuss the following items and made the noted recommendations (underlined for reference).

2022 Budget: Enclosed with the agenda was the preliminary 2022 budget with rate table along with a memorandum outlining changes. The budget reflected an overall increase of 9.9% when applying the 2021 exposures and limits against the 2022 rate table to provide a comparison. Committee recommended the budget and rate table be introduced at this meeting.

Executive Director Grubb reviewed the issues driving the increase: the impact of global, national and state disasters such as hurricanes, excess heat, fires and flood. The impact of the erosion of Title 59 in New Jersey's courts and recent amendment in the sexual molestation statute of limitations - which will increase total liability costs by an estimated 6% (although the MEL was able to restructure its program in 2021 by increasing its retention to offset premium increases). The impact of a recent Department of Labor decision that increase workers' compensation by 11% by directing governmental entities to pay workers' compensation on many accidental disability claims that were paid by the pension plans before the change. Executive Director Grubb said the significant increase in cyber loss experience, although a smaller percentage of the JIF and MEL losses, premiums are doubling each year. At the rate of increasing and costly loss experience, Executive Director Grubb said there may come a time where the MEL may not even be able to purchase this coverage.

Retrospective Premium: 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. The problem is that the MEL's claims often take years (or longer) to develop, requiring local JIFs to maintain a substantial contingency. Committee reviewed the matter and recommends the eliminating the program.

2022 Meeting Dates and Times: Committee reviewed the 2022 meeting dates. In order to avoid conflicts with holidays; Committee is recommending scheduling the first Thursday January, June and September meetings. Below is the proposed schedule for 2022.

Thursday January 6, 2022 - Reorganization

March 25, 2022 – *Meeting & Retreat*

Thursday June 2, 2022 – Year-End Audit

Thursday September 8, 2022

October 19, 2022– *Budget/Rate Table Introduction*

November 16, 2022 – *Budget/Rate Table Adoption*

Co-op Purchasing Group: The Cyber Task Force prepared a Request for Proposal for Cyber Training - they were hoping to release that would follow the process we put in place for Emergency Restoration Vendors – which was to identify companies qualified to perform restoration services for public contracts & to put pricing in place. Members are able to select these vendors and enter into contract during an emergency. The MEL’s QPA has indicated that the Cyber Training is not an emergency and members could not select vendors using that process for non-emergencies. The QPA then suggested the MEL consider establishing a Cooperative Purchasing Group. Committee authorized the Fund Office to review next steps with MEL QPA to establish a Cooperative Purchasing Group.

Middlesex JIF: Committee agreed to issue a conditional notice of non-renewal should Middlesex JIF fail to meet underwriting conditions by year-end.

MOTION TO INTRODUCE THE 2022 BUDGET AND RATE TABLE AND SCHEDULE A PUBLIC HEARING ON NOVEMBER 17, 2021 AT 12:30PM AT THE SHERATON HOTEL- ATLANTIC CITY, NJ.

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

MOTION TO ACCEPT THE RECOMMENDATION OF THE MANAGEMENT COMMITTEE TO ELIMINATE THE MEL RETROSPECTIVE PREMIUM:

Moved: Commissioner Tomasko
Second: Commissioner Law
Vote: Unanimous

MOTION TO ACCPET THE RECOMMENDATION OF THE MANAGEMENT COMMITTEE AND ADJUST THE 2022 MEETING DATES:

Moved: Commissioner Nolan
Second: Commissioner Champney
Vote: Unanimous

COVERAGE COMMITTEE: Committee will be scheduling a meeting in late October or early November.

MARKETING COMMITTEE: Committee met September 28th; enclosed in the agenda were the minutes for information.

LEGISLATIVE COMMITTEE: Committee met on August 26th; enclosed in the agenda were the minutes for information.

SAFETY & EDUCATION COMMITTEE: Committee met on October 1st; enclosed in the agenda were minutes for information. Commissioner Tozzi expressed appreciation for the “Protecting Our Children” instructor led webinar adding that it was informative.

RCF REPORT: The public hearing on the RCF 2022 budget was held on October 20, 2021 prior to this meeting. Enclosed in the agenda was a copy of Commissioner Clarke’s report on the RCF’s September meeting.

RCF MEMBERSHIP RENEWAL: Executive Director Grubb reported the Fund’s three-year membership in the RCF is scheduled to expire on December 31, 2021. Enclosed in the

agenda was Resolution 30-21 renewing the Fund's membership in the Residual Claims Fund for the period of January 1, 2022 through December 31, 2024.

MOTION TO ADOPT RESOLUTION 30-21 RENEWING THE FUND'S MEMBERSHIP IN THE RESIDUAL CLAIMS FUND FOR THE PERIOD OF JANUARY 1, 2022 THROUGH DECEMBER 31, 2024.

Moved: Commissioner Catenaro
Second: Commissioner Clarke
Roll Call Vote: 17 Ayes – 0 Nays

POWER OF COLLABORATION: Enclosed in the agenda was the latest in the series of “Power of Collaboration ad that will appear in the November League of Municipalities magazine. The ad highlights the MEL’s quick transition to online training during the pandemic and the value provided to its members through high quality accessible training.

In addition, copies of the December ad were distributed for information; that ad highlights the MEL Safety Institute Leadership Academy, which is a four-part course to review risk management and workplace challenges facing public sector managers. Enrollment in the MEL Safety Institute Leadership Academy will be available February 2022.

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/>

POLICE CHIEF & COMMAND STAFF: A make-up session was held Thursday September 23, 2021 from 8:30 AM - 11:45 AM in Lyndhurst. An additional training has been scheduled for November 1, 2021 at Montville Senior House from 8:30AM – 11:45AM. Enclosed in the agenda was the training flyer.

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 September 1, 2021; minutes of that meeting are sent to the full MEL Board separately from the agenda. The Claims Review Committee is scheduled to meet after this meeting.

AMERICA CARES ACT: Executive Director said the JIFs and the MEL are looking into the possibility of recovering any of the payments made for 2020 COVID-19 claims through filings with Counties; copies of an exhibit of COVID payments by County were distributed for information.

Commissioner Champney inquired about the criteria to accept or deny a submitted claim related to COVID-19; in response Ms. Kissane, WC Claims Administrator and Ms. Walcoff, PERMA Claims Manager discussed various factors determining whether employees exposed to or contracting the COVID virus are compensable. Ms. Kissane said Qual-Lynx developed a standard set of questions to manage any submitted COVID-19 claims and continually

monitors the claim activity of all MEL-affiliated JIFs. Executive Director Hrubash added the MEL Board authorized the appointment of Special Legal Counsel to assist with compensability of any submitted COVID-19 claim.

UNDERWRITING MANAGER:

REPORT: Included in the agenda was a copy of the 2022 Renewal Memorandum Report and a notice on October Cybersecurity Awareness submitted by the Underwriting Manager. Underwriting Manager reviewed the marketing report and said the property and liability markets are still difficult. The frequency and severity of property losses has significantly increased over the last 40 years and the impact of social inflation has caused liability settlements to increase 3x over the last seven years.

TREASURER:

CONFIRMATION OF PAYMENTS

September 2021 supplemental \$270,103.27

RESOLUTION 31-21 FOR VOUCHERS:

October 2021 \$493,088.44

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

SURPLUS TRIGGER	0.00
1988 WC	40030.22
CLOSED	0.00
2017	26117.53
2018	68475.09
2019	85020.79
2020	1004677.81
2021	144250.88
TOTAL	\$1,368,572.32

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

SURPLUS TRIGGER	0.00
1988 WC	19306.22
CLOSED	0.00
2017	25646.78
2018	28244.19
2019	78078.19
2020	845826.39
2021	267755.47
TOTAL	\$1,264,837.24

MOTION TO CONFIRM PAYMENTS OF SEPTEMBER 2021 SUPPLEMENTAL AND TO APPROVE OCTOBER 2021 BILLS LIST RESOLUTION 31-21 AND TO APPROVE TREASURER’S REPORT; CURRENT AND CONFIRMING EXPENSES AS PRESENTED:

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

CLAIMS – EXCESS WORKERS COMPENSATION:

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

CLAIMS – EXCESS LIABILITY:

REPORT: Mr. Botta, Liability Claims Administrator, referred to the Power of Collaboration MEL advertisement and noted it is also the sharing of knowledge and resources amongst the various members of defense panels & provided a recent example to the Board.

ATTORNEY:

REPORT: Fund Attorney recalled in September, the Board authorized the award of a contract to Anderson Kill to assist with a coverage dispute and expected to provide a progress report in the coming months.

MANAGED CARE:

REPORT: A copy of the Savings and Penetration report as of September 2021 was distributed for information. The total billed was \$6,102,810.71 with approved bills of \$2,250,071.26 for a total savings of 63% and network penetration of 79%.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

CLOSED SESSION: Executive Director Grubb indicated there was no need for a Closed Session.

MOTION TO ADJOURN:

Moved:	Commissioner Tomasko
Second:	Commissioner Brewer
Vote:	Unanimous

MEETING ADJOURNED: 11:56am

NEXT MEETING: November 17, 2021 at 12:30PM
Sheraton Hotel – Steel Pier Room – Atlantic City, NJ

Nancy A. Ghani, Assisting Secretary

For

JOY TOZZI, SECRETARY

**RESOLUTION TO RENEW MEMBERSHIP
MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**

WHEREAS, the Municipal Excess Liability Residual Claims Fund (“RCF”), a nonprofit public entity in the State of New Jersey, was formed pursuant to N.J.S.A. 40A:10-36, et seq., to provide residual risk management to its member Joint Insurance Funds (“JIF”); and

WHEREAS, in accordance with N.J.S.A. 40A:10-42, the RCF may provide coverage to its member JIFs by self-insurance, the purchase of commercial insurance or reinsurance, or any combination thereof; and

WHEREAS, the purchase of such coverage by the RCF is exempt from public advertising and bidding requirements pursuant to N.J.S.A. 40A:11-5(1)(a)(ii) and 40A:11-5(1)(m) as an extraordinary unspecifiable service (“EUS”) so long as the contract entered into is awarded in accordance with the requirements for EUSs; and

WHEREAS, pursuant to N.J.S.A. 40A:65-14, the governing bodies of two or more Local Units may enter into an agreement to provide for the formation of the joint operation of any public services, public improvements, works, facilities, or undertakings which the local units are empowered to operate; and

WHEREAS, pursuant to N.J.S.A. 40A:65-9 et seq. the RCF, if necessary, shall obtain coverage and fund approved claims on behalf of its members JIFs in accordance with the Local Public Contracts Law; and

WHEREAS, in accordance with N.J.S.A. 40A:10-36 et seq., a JIF wishing to join the RCF to obtain the benefits of joint public entity membership may do so by adopting a resolution; and

WHEREAS, the Executive Committee of the **Municipal Excess Liability Joint Insurance Fund** has determined that renewing their membership in the Residual Claims Fund is in the best interests of the member local units.

NOW, THEREFORE, BE IT RESOLVED that the Fund Commissioners of the **Municipal Excess Liability Joint Insurance Fund** does hereby resolve and agree to renew its membership in the Residual Claims Fund for a period of three (3) years, the commencement of which shall be January 1, 2022. For the purpose of determining the term, any portion of the Fund year shall be considered a full year; and

BE IT FURTHER RESOLVED that the **Municipal Excess Liability Joint Insurance Fund** hereby adopted the Bylaws of the Residual Claims Fund. Coverage will be provided in accordance with the terms, conditions and limitations as contained in the Residual Claim Fund's Commercial Excess Insurance or Reinsurance, and Bylaws; and,

BE IT FURTHER RESOLVED that the Chairperson of the **Municipal Excess Liability Joint Insurance Fund**, or other authorized representative, is authorized and directed to execute any and all written agreements necessary for membership in the Residual Claims Fund including, but not limited to, the Indemnity and Trust Agreement in order to implement membership by the **Municipal Excess Liability Joint Insurance Fund** in the Residual Claims Fund according to its Bylaws, N.J.S.A. 40A:10-36 et seq.), administrative regulations, and any other statutes or regulations pertaining thereto.

**MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND**

Chairperson

Attest

Date: _____

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

BILLS LIST

RESOLUTION 31-21

October 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>
002482			
002482	CONNER STRONG & BUCKELEW	VOID	-62.00
			-62.00
002800			
002800	PERMA	POSTAGE 12/20	25.30
			25.30
		Total Payments FY 2020	-36.70

FUND YEAR 2021

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002801			
002801	QUALCARE, INC.	MANAGED CARE FEES 10/21	45,543.51
			45,543.51
002802			
002802	QUAL-LYNX	CLAIM ADJUSTING SERVICES 10/21	53,400.00
002802	QUAL-LYNX	COMPUTER ACCESS FEES 10/21	1,377.00
			54,777.00
002803			
002803	CB CLAIMS LLC	HANDLING XS, EPL-POL, SAM CLAIMS - Q3 21	10,027.30
002803	CB CLAIMS LLC	CLAIMS & DISBURSEMENTS 9/21	36,643.72
			46,671.02
002804			
002804	J. A. MONTGOMERY RISK CONTROL	EMPLOYEE REP TRAINING WRKBKS 9/21	1,125.68
002804	J. A. MONTGOMERY RISK CONTROL	MSI ADMINISTRATION 10/21	111,742.17
			112,867.85
002805			
002805	PERMA	POSTAGE 9/21	27.02
002805	PERMA	EXECUTIVE DIRECTOR'S FEE 10/21	113,585.44
			113,612.46
002806			
002806	DORSEY & SEMRAU ESQ.	2021 4TH QUARTER RETAINER	10,924.20
002806	DORSEY & SEMRAU ESQ.	2021 4TH QUARTER RETAINER - OPRA	4,681.75
002806	DORSEY & SEMRAU ESQ.	MEL SPECIAL LITIGATION 9/21	7,176.72
002806	DORSEY & SEMRAU ESQ.	MEL EPL ROLLOFF 9/21	461.94
			23,244.61
002807			
002807	NEWTECH SERVICES, INC.	STREAMING VIDEO - DEDICATED SERVER 10/21	77.00
			77.00
002808			
002808	DUGH, HEWIT & DOMALWESKI, P.C.	KAZMARK V. BO. OF ELMWOOD PARK 7/21	78.00
002808	DUGH, HEWIT & DOMALWESKI, P.C.	K.J. V. GALLOWAY TWP 8.5.21	214.50
002808	DUGH, HEWIT & DOMALWESKI, P.C.	K.J. V. GALLOWAY TWP 8.5.21	1,170.00
			1,462.50
002809			
002809	THOMAS J. GERMINARIO, ESQ.	SPECIAL COUNSEL - LEGAL SERVICES 10.5.21	1,188.00
			1,188.00
002810			
002810	PRINCETON PUBLIC AFFAIRS GROUP INC.	RETAINER SERVICES 10/21	5,000.00
002810	PRINCETON PUBLIC AFFAIRS GROUP INC.	RETAINER SERVICES 7/21	5,000.00
			10,000.00
002811			
002811	ARTHUR J. GALLAGHER RMS, INC.	REINSURANCE MANAGER 10/21	26,485.42
			26,485.42
002812			
002812	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES 10/21	4,345.00
			4,345.00

002813			
002813	THE CANNING GROUP LLC	QPA SERVICES 9/1/21-9/30/21	1,250.00
			1,250.00
002814			
002814	ACCESS	ACCT #224-BOTTA - ARC. & STOR. - 9.30.21	271.31
002814	ACCESS	ACCT #224 - ARC. AND STOR. - 9.30.21	260.54
			531.85
002815			
002815	LaMENDOLA ASSOCIATES, INC.	CONSULTATION SAFETY TRAINING 10/21	2,065.50
002815	LaMENDOLA ASSOCIATES, INC.	CONSULTANT SUPPORT 10/21	3,137.42
			5,202.92
002816			
002816	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGERS FEE 10/21	45,866.00
			45,866.00
		Total Payments FY 2021	493,125.14
		TOTAL PAYMENTS ALL FUND YEARS	493,088.44

Chairperson

Attest:

Dated: _____

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

Treasurer