

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
OPEN MINUTES**

NOVEMBER 17, 2021

SHERATON HOTEL – STEEL PIER ROOM – ATLANTIC CITY, NJ 12:30PM

Meeting was called to order by Acting Chair Commissioner Cuccia. 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	Absent
Joy Tozzi	Township of Robbinsville - Mid-Jersey JIF	Absent
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	Absent
Thomas Nolan	Borough of Brielle - Monmouth JIF	Absent
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	Absent
Kevin Davis	Hunterdon County – PAIC JIF	Absent
Megan Jack	Riverside Twp- Burlco JIF	Absent
Steven Scholey	Bordentown Fire Company - District #1- FRESP JIF	Absent
Joseph Zanga	Borough of South River – Middlesex JIF	Present
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 Forlenza, Paul Miola, Kamini Patel
Lobbyist	Pathways Government Relations Paul Bent
Safety Director	JA Montgomery Risk Control Services Paul Shives
Underwriting Manager	Conner Strong & Buckelew Edward Cooney
Actuary	The Actuarial Advantage Eric Bause

Excess Workers Comp
Claims Administrator

Qual-Lynx
Chris Healey

Managed Care Provider

QualCare
Claudia Acosta

ALSO PRESENT:

Ezio Altamura, GJEM Agency
Allison Kelly, Danskin Insurance Agency
Chuck Casagrande, Danskin Insurance Agency
John Casagrande, Danskin Insurance Agency
Robyn Walcoff, PERMA Risk Management Services
Brad Stokes, PERMA Risk Management Services
Karen Read, PERMA Risk Management Services
Glenn Prince, J.A. Montgomery
Art Clarke, First Environment
Richard Erickson, First Environment

MINUTES: Included in the agenda were the open minutes of October 20, 2021.

MOTION TO APPROVE OPEN MINUTES OF OCTOBER 20, 2021:

Moved: Commissioner Hirsch
Second: Commissioner Wolk
Vote: Unanimous

CORRESPONDENCE:

NONE

EXECUTIVE DIRECTOR REPORT:

2022 RATE TABLE & BUDGET: Enclosed in the agenda was the 2022 Rate Table and Budget, as well as, a memorandum explaining factors affecting the budget.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2022 BUDGET RATE TABLE:

Moved: Commissioner D'Arco
Second: Commissioner Law
Vote: Unanimous

DISCUSSION OF BUDGET RATE TABLE

Seeing no discussion or questions...

MOTION TO CLOSE THE PUBLIC HEARING:

Moved: Commissioner Laureigh
Second: Commissioner Zanga
Vote: Unanimous

MOTION TO APPROVE THE 2022 BUDGET AND RATE TABLE:

Moved: Commissioner Hirsch
Second: Commissioner Laureigh
Roll Call Vote: 12 Ayes – 0 Nays

2022 EXCESS RENEWALS: Underwriting Manager reported he is still marketing and negotiating the 2022 renewals. If necessary, a meeting may be scheduled when that process is complete so the Board can adopt the necessary extraordinary & unspecifiable services for excess coverages.

SPECIALIZED LEGAL SERVICES: Executive Director Grubb said in 2020, the MEL awarded a professional service contract to Dughi, Hewit & Domalewski, P.C. to provide special legal counsel services in the area of insurance coverage analysis and advice. Enclosed in the agenda was a Resolution to renew that appointment for one year, at a fee of \$195 per hour and \$95 per hour for paralegal.

MOTION TO ADOPT RESOLUTION 32-21 AUTHORIZING THE AWARD OF PROFESSIONAL SERVICES CONTRACT WITHOUT COMPETITIVE BIDDING TO DUGHI, HEWIT & DOMALEWSKI, P.C. TO PERFORM SPECIAL LEGAL COUNSEL SERVICES:

Moved: Commissioner Clarke
Second: Commissioner Laureigh
Vote: Unanimous

FISCAL MANAGEMENT PLAN SIGNATORIES- EXCESS PROPERTY CLAIMS ADMINISTRATOR: A contract was awarded to Qual-Lynx to serve as Property Claims Administrator for the contract period of August 31, 2021 to December 31, 2023 to allow for an orderly claims data transition from the prior service provider. Executive Director said with this change it would be appropriate to amend and update the Fiscal Management Plan to remove the prior service provider. Included in the agenda was the plan with the amendments highlighted for reference.

MOTION TO AMEND THE 2021 FISCAL MANAGEMENT PLAN TO REMOVE SEDGEWICK AS AUTHORIZED SIGNATORIES:

Moved: Commissioner D'Arco
Second: Commissioner Law
Vote: Unanimous

COVERAGE COMMITTEE: Committee met on November 12th at 1:00PM; Underwriting Manager provided a brief overview of discussion topics for information only.

RCF REPORT: The RCF met on October 20th to adopt their 2022 budget and confirm transfer of Fund Year 2017 claim liabilities. Enclosed in the agenda was a copy of Commissioner Clarke's report on the RCF's October meeting and a resolution authorizing the transfer of MEL 2017 liabilities valued as of December 31, 2021.

MOTION TO ADOPT RESOLUTION 33-21 AUTHORIZING THE TRANSFER OF FUND YEAR 2017 VALUED AS OF DECEMBER 31, 2021:

Moved: Commissioner Clarke
Second: Commissioner Laureigh
Roll Call Vote: 12 Ayes – 0 Nays

Executive Director Grubb reported the RCF will meet next on Thursday January 6, 2022. It would be appropriate to nominate a Commissioner to serve on the RCF Board as the MEL representative.

MOTION TO ELECT JOHN CLARKE AS THE MEL 2022 REPRESENTATIVE TO THE MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND:

Moved: Commissioner Laureigh
Second: Commissioner Wolk
Vote: Unanimous

WC PENSION OFFSET LEGISLATION: Executive Director Grubb reported the League of Municipalities will be submitting a resolution to propose amendments to the proposed changes to regulations concerning workers' compensation/pension offsets for accidental disability claims; Executive Director Grubb requested the MEL adopt a similar resolution.

MOTION TO ADOPT A RESOLUTION PROPOSING AMENDMENTS TO PROPOSED CHANGES TO REGULATIONS CONCERNING WORKERS' COMPENSATION/PENSION OFFSETS FOR ACCIDENTAL DISABILITY CLAIMS:

Moved: Commissioner Tomasko
Second: Commissioner Clarke
Vote: Unanimous

UNDERWRITING MANAGER:

REPORT: Underwriting Manager reported he is still marketing and negotiating the 2022 renewals. Underwriting Manager noted that the property market has been heavily impacted due to storms like Hurricane Ida.

CLAIMS – EXCESS WORKERS COMPENSATION:

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

ATTORNEY:

REPORT: Fund Attorney thanked Fund Commissioners and Professionals for attending the special MEL meeting on November 15, 2021.

MANAGED CARE:

REPORT: A copy of the Savings and Penetration report as of October 2021 was included in the agenda. The total billed was \$6,513,368.05 with approved bills of \$2,409,403.21 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 Laureigh
Second: Commissioner Wolk
Vote: Unanimous

MEETING ADJOURNED: 12:37PM

NEXT MEETING: January 6, 2022 – 11:15AM
Forsgate Country Club, Monroe Twp. NJ

Nancy A. Ghani, Assisting Secretary

For

JOY TOZZI, SECRETARY

Resolution 32-21
RESOLUTION AUTHORIZING THE AWARD OF A PROFESSIONAL SERVICES CONTRACT WITHOUT COMPETITIVE BIDDING TO DUGHI, HEWIT & DOMALEWSKI, P.C. TO PERFORM SPECIAL LEGAL COUNSEL SERVICES FOR THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

WHEREAS, there exists a need for special legal counsel services to be rendered to the Municipal Excess Liability Joint Insurance Fund (MEL) in connection with certain pending litigation involving the MEL; and

WHEREAS, the MEL wishes to retain Dughi, Hewit & Domalewski, P.C. to perform such services; and

WHEREAS, the fee for services under this contract shall be \$195 per hour for all lawyers and \$95 per hour for all paralegals; and

WHEREAS, funds are available for this purpose; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. §40A:11-1 *et seq.*) requires that the Resolution authorizing the award of contracts for “Professional Services” without competitive bids 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 that

1. The contract with Dughi, Hewit & Domalewski, P.C. is awarded without competitive bidding as a “Professional Service” in accordance with N.J.S.A. §40A:11-5(1)(a) of the Local Public Contracts Law because the contract is for a service performed by a person(s) authorized by law to practice a recognized profession that is regulated by law.
2. Dughi, Hewit & Domalewski, P.C. shall provide special legal counsel services to the MEL as set forth in its proposal of May 6, 2020.
3. A notice of this action shall be printed once in the legal newspaper of the MEL as required by law.
4. A copy of this Resolution shall be provided to Michael Zambito, Treasurer, and to Dughi, Hewit & Domalewski, P.C., 340 North Avenue East, Cranford, New Jersey 07016, for their information and guidance.

This Resolution shall take effect immediately.

ADOPTED this day:

Tom Merchel, Chairman

date

Joy Tozzi, Secretary

date

RESOLUTION NO: #2-21
MUNICIPAL EXCESS LIABILITY MUNICIPAL JOINT INSURANCE 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.

Tom Merchel, CHAIRMAN

Joy Tozzi, SECRETARY

MICHAEL ZAMBITO, TREASURER

Charles Cuccia, MEL FUND COMMISSIONER

- II.** All funds for Claims payments handled by **Qual-Lynx** 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.

Dave S. Ruber, Qual-Lynx

Alice H. Lihou, Qual-Lynx

Michael Zambito, Fund Treasurer

- III.** All funds for Claims payments handled by **CB Claims** 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.

Christopher Botta, Esquire

Laura Sable

Michael Zambito, Fund Treasurer

Charles Cuccia, MEL Fund Commissioner

- ~~**IV.** All funds for Claims payments handled by **Sedgwick CMS** 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.~~

~~Benjamin Hilton ————— Sedgwick CMS~~

~~Debra Davenport ————— Sedgwick CMS~~

~~Robert Blankenship ————— Sedgwick CMS~~

~~Joseph House ————— Sedgwick CMS~~

~~Michael Zambito, Fund Treasurer~~

- V. 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
- VI. The Cash and Investment Policy attached herewith, shall be adopted.
- VII. 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.
- VIII. 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. 33-21
OF THE
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
TO TRANSFER TO
MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND**

WHEREAS, the Municipal Excess Liability Residual Claims Fund was organized pursuant to N.J.S.A. 40A:10-36, et seq., to provide residual risk coverage to its member joint insurance funds; and,

WHEREAS, the Board of Fund Commissioners of the Municipal Excess Liability Joint Insurance Fund determined that membership in the Residual Claims Fund is in the best interest of the member local units and joined the Residual Claims Fund.

NOW, THEREFORE, BE IT RESOLVED that the Board of Fund Commissioners of the Municipal Excess Liability Joint Insurance Fund does hereby resolve and agree to transfer the following residual risks.

<u>Fund Year</u>	<u>Lines of Coverage</u>	<u>Member Fund S.I.R.</u>
2017	WC/GL/AL & PROPERTY	Varies

BE IT FURTHER RESOLVED that the actual transfer of claim liabilities to the Municipal Excess Liability Residual Claims Fund shall be based upon the following formula:

Case Reserves and IBNR as of 12/31/21

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Tom Merchel, Chairperson

Dated

Joy Tozzi, Secretary

Dated