

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**

**OPEN MINUTES**

**JUNE 2, 2022**

**FORSGATE COUNTRY CLUB, MONROE NJ – 11:15 AM**

Chairwoman Tozzi called the meeting to order and read the statement of compliance open public meeting act.

**ROLL CALL OF 2022 BOARD OF FUND COMMISSIONERS**

Joy Tozzi	Township of Robbinsville - Mid-Jersey JIF	Present
Paul Tomasko	Borough of Alpine – Bergen 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
Tom Merchel	Township of Moorestown- PMM JIF	Present
Joseph Catenaro	Township of Fairfield – Sub Essex JIF	Present
Thomas Nolan	Borough of Brielle - Monmouth JIF	Present
Bernard Rutkowski	NJUA JIF – Toms River MUA	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	Present
Meghan Jack	Riverside 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	Pequannock Township – Morris JIF	Absent
Brian McNeilly – Morris JIF Alternate	Stanhope Borough – Morris JIF	Present
James Ulrich	Clark Township – NJSI JIF	Present
Sherry Sims	Boonton Housing Authority*	Present

*\*Special Commissioner – to vote in the event of a tie vote.*

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Adm	PERMA Risk Management Services <b>David N. Grubb, Joseph Hrubash, Cate Kiernan Nancy A. Ghani</b>
Attorney	Dorsey & Semrau <b>Fred Semrau, Esq.</b>
Producer	Arthur J. Gallagher <b>Paul Forlenza, Paul Miola, Kamini Patel</b>
Actuary	The Actuarial Advantage <b>Kyle Mrotek, Eric Bause</b>
Ex Worker’s Comp Claims Administrator	Qual-Lynx <b>Kathy Kissane, Chris Healey</b>
Safety Director	JA Montgomery Risk Control Services <b>Paul Shives</b>
Treasurer	<b>Mike Zambito</b>

Excess Liability  
Claims Administrator

CB Claims LLC  
**Christopher Botta, Laura Sable**

Underwriting Manager

Conner Strong & Buckelew  
**Edward Cooney, Jonathon Tavares  
Rachel Perry, Alyssa Rowland**

Lobbyist

Pathways  
**Paul Bent**

Managed Care

QualCare  
**Lisa Gallo**

Marketing Coordinator

Acrisure  
**Amy Pieroni, Lindsay Travali**

Auditor

Nisivoccia  
**Bud Jones**

**ALSO PRESENT:**

Kellie Seib, Atlantic JIF Commissioner – Sea Isle City  
Glen Kurtz, Governmental Risk Mgmt. Associates  
John Casagrande, Danskin Agency  
Chuck Casagrande, Danskin Agency  
Alison Kelly, Danskin Agency  
Rich Erickon, First Environment  
Frank Covelli, P.I.A  
Ezio Altamura, GJEM Otterstedt  
Barbara Murphy, RLM  
Pauline Kontomanolis, PERMA Risk Management Services  
Steve Sacco, PERMA Risk Management Services  
Robyn Walcoff, PERMA Risk Management Services  
Jennifer Conicella, PERMA Risk Management Services

**MINUTES:** Included in the agenda were the open minutes of March 25, 2022

**MOTION TO APPROVE MARCH 25, 2022 OPEN MINUTES:**

Moved: Commissioner Clarke  
Second: Commissioner Jack  
Vote: Unanimous - 4 Abstentions by Commissioners  
Law, Wolk, Davis and Ulrich

**CORRESPONDENCE:**

NONE

**AUDITOR:**

**AUDITOR YEAR-END REPORT:** Executive Director Grubb reported the Audit Committee met on May 23, 2022 to review the Year-End Financials, Actuarial Valuation Report and the Internal Audits for “Accounting & Report”, “Investments & Treasury” and “Reinsurance Review”. Minutes of the meeting were included in the agenda for information.

Enclosed separately from the agenda booklet was the Audit Report as of December 31, 2021. 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 \$15,157,816. Fund Auditor concluded the review and said there are no findings or recommendations.

**ACTUARY YEAR-END REPORT:** Enclosed separately from the agenda booklet was the Actuarial Valuation Report as of December 31, 2021. Fund Actuary provided a summary review of the report and said the MEL’s carried reserves are \$33 million and Incurred But Not Reported (IBNR) or developed reserves is \$43 million for a total of \$76 million and added that the IBNR is consistent with the carried reserves.

**MOTION TO APPROVE AUDIT REPORT AND ACTUARIAL VALUATION REPORT AS OF DECEMBER 31, 2021 AND ADOPT RESOLUTION NO. 28-22 AND EXECUTE AN AFFIDAVIT INDICATING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT.**

**MOTION TO ACCEPT THE INTERNAL AUDITS FOR ACCOUNTING & REPORT, INVESTMENTS & TREASURY AND REINSURANCE REVIEW AS PRESENTED.**

Moved:	Commissioner Tomasko
Second:	Commissioner Laureigh
Vote:	Unanimous

**EXECUTIVE DIRECTOR REPORT:**

**MEL & RCF YEAR-END FINANCIALS:** Included in the agenda was a memorandum outlining the MEL and RCF’s strategy to strengthen their financials in response to a multitude of unexpected factors impacting those Funds namely, change in pension offset for accidental disability pensions, Covid claims, Hurricane Ida and other increased storm activity as well as increasing risk of cyber liability.

Executive Director Grubb said these factors impact existing fund years for all JIFs in the state and will also impact 2023 budgets. Unlike most non-MEL affiliated JIFs, the JIFs in the MEL retain strong surplus positions that will allow them to reduce the impact on their members.

Executive Director Grubb said instituting the following plan to avoid an additional assessment. As a result, the year-end statutory surplus will remain basically unchanged at just over \$8 million.

1. Call in the Premium Deferral – from 2016 to 2021, the MEL had a retrospective premium program where 15% of the MEL loss funds for each local JIF was deferred with the understanding that The MEL could collect this deferred assessment retroactively depending on actual losses. Calling in this deferred premium along with the other recommended steps will eliminate the need for an additional assessment.
2. COVID-19 2021 Claims – Executive Director said the original intent was for the MEL to assume all 2021 COVID-19 claims; however, based on all the factors affecting the MEL’s financials each local JIF will assume these claims within their retentions.
3. Plan of Risk Management Amendment – Executive Director said the MEL will amend the current plan so the surplus trigger is not based on a percentage of its reserves, but instead will be triggered if the statutory surplus is negative.

Included in the agenda was Resolution 24-22 revising “surplus floor” so that it will no longer be a percentage of the outstanding claim reserves plus IBNR. Under the amendment, the floor will require an additional assessment only if the surplus is negative.

Included in the agenda was Resolution 25-22 authorizing the collection of the deferred claims fund billing that had been part of the Retrospective Rating Program for Fund years 2016 through 2021.

**MOTION TO ADOPT RESOLUTION 24 -22 AMENDING THE 2022 MEL PLAN OF RISK MANAGEMENT AS PRESENTED AND RESOLUTION 25-22 AUTHORIZING THE COLLECTION OF THE 2016 THROUGH 2021 DEFERRED CLAIMS FUND ASSESSMENTS.**

Moved: Commissioner Hirsch  
Second: Commissioner Merchel  
Vote: Unanimous

**MANAGEMENT COMMITTEE:** The Management Committee met on June 1<sup>st</sup> for agenda review. Executive Director Grubb reported Management Committee considered a recommendation to amend the MEL’s contract with the Executive Director to allow for additional claims supervision staffing to provide for greater response to the increased workers’ compensation and property claims experience. Included in the agenda was Resolution 26-22 authorizing that change. In addition, Management Committee considered a modified fee structure to allow for Underwriting Manager fee to be offset by commissions from the workers’ compensation and property carriers. Included in the agenda was Resolution 27-22 authorizing that change.

Fund Attorney said he and the MEL’s Qualified Purchasing Agent reviewed the suggested contractual changes and determined they are permissible under the competitive contract procurement. Executive Director Hrubash said the change to the Underwriting Manager contract would be effective January 1, 2023. Executive Director Hrubash said PERMA would seek appropriate candidates to fill the claims supervision staffing if approved.

Fund Attorney said the changes to the contracts are independent of each other but are mutually beneficial to the Fund in allowing these costs to be budget neutral. In response to Commissioner Tomasko inquiry on the change to compensation, Fund Attorney said it would be \$250,000 additional compensation for each position, pro-rated to effective date of change.

**MOTION TO ADOPT RESOLUTION 26-22 AMENDING THE FUND’S CONTRACT WITH THE EXECUTIVE DIRECTOR AND MOTION TO ADOPT RESOLUTION 27-22 AMENDING THE FUND’S CONTRACT WITH THE UNDERWRITING MANAGER.**

Moved: Commissioner Nolan  
Second: Commissioner Clarke  
Roll Call Vote: 19 Ayes – 0 Nays

Lastly, Management Committee is reviewing scheduling management committee work sessions in advance of each regularly scheduled MEL JIF meeting.

**SAFETY & EDUCATION COMMITTEE:** At the March meeting, it was reported that FirstNet is no longer able to support the MEL’s current Learning Management System and a competitive contracting RFP was issued with responses from two vendors. Safety & Education was designated to serve as the Evaluation Committee, which met on April 13<sup>th</sup> and May 13<sup>th</sup>. Deputy Executive Director reported MEL Board members on the committee completed the scoring and are recommending BIS Safety Software at an estimated cost of \$76,400 in year one and \$71,400 in year two and in year three. Deputy Executive Director said the Fund office would issue a 90-day termination notice to FirstNet subject to the Board’s contract authorization to BIS Safety Software.

**MOTION TO ADOPT RESOLUTION 29-22 AUTHORIZING THE AWARD OF CC#22-02 TO BIS SAFETY SOFTWARE FOR LEARNING MANAGEMENT SYSTEMS.**

Moved: Commissioner Rutkowski

Second: Commissioner Clarke  
Roll Call Vote: 19 Ayes – 0 Nays

Committee also met on May 20, 2022; included in the agenda were the minutes for information.

**MEL CYBER LIABILITY JIF:** A committee was formed at the MEL’s 2022 Reorganization meeting to research the creation of a special JIF to insure Cyber Liability. To date the full committee has met four times to discuss and execute progressive steps towards the target start-up date of January 1, 2023. Underwriting Manager said the Cyber Committee recommends the MEL enter a contract with the Chertoff Group, cyber security experts, to assist the MEL in identifying the steps necessary to put the Cyber JIF in the best position to manage the cyber risk.

Included in the agenda was Resolution 30–22 authorizing the filing with the Department of Banking and Insurance to create a Cyber Joint Insurance Fund. Also included was Resolution 31-22 authorizing the award of a contract to the Chertoff Group to assist the MEL in developing and implementing a Joint Insurance Fund (JIF) focused on cybersecurity. This contract would be awarded as an extraordinary and unspecifiable services contract with the Chertoff Group for a four-month term at a fee of \$60,000

**MOTION TO ADOPT RESOLUTION 30-22 AUTHORIZING THE CYBER JIF FILING AND MOTION TO ADOPT RESOLUTION 31-22 AUTHORIZING THE AWARD OF A CONTRACT TO THE CHERTOFF GROUP TO ASSIST THE MEL IN DEVELOPING AND IMPLEMENTING A JOINT INSURANCE FUND (JIF) FOCUSED ON CYBERSECURITY.**

Moved: Commissioner Clarke  
Second: Commissioner Jack  
Roll Call Vote: 19 Ayes – 0 Nays

**LEGISLATIVE COMMITTEE:** Committee met on April 14, 2022; included in the agenda were the minutes for information. Committee Chairman said efforts are underway to work with legislators to expand S2619 to include more insurance costs in this bill that would allow a number of items be outside the levy cap.

Chairwoman Tozzi appointed Keith Hummel of J.A. Montgomery to serve on the Legislative Committee.

**MARKETING COMMITTEE:** Committee met on May 16, 2022; included in the agenda were the minutes for information. Committee is scheduled to meet again in September. Committee Chairman Commissioner Hirsch noted that almost half of the membership in MEL affiliated local Joint Insurance Funds are up for renewal January 1, 2023. Additionally, the MEL’s webpage is in the process of being revamped.

**COVERAGE COMMITTEE:** A meeting of this committee will be scheduled for June.

**CLAIMS COMMITTEE:** The Claims Review Committee met on May 4<sup>th</sup>; minutes of these meetings are sent to the full MEL Board separately from the agenda. Committee is scheduled to meet immediately following today’s meeting.

**RCF MARCH REPORT:** Included in the agenda was a copy of Commissioner Clarke’s report of the RCF March meeting.

**SEPTEMBER MEETING:** This year, we reset the MEL scheduled meeting dates to avoid conflicts with holidays. However, the September 8<sup>th</sup> date conflicts with other JIF meetings.

Executive Director Grubb said the recommendation is the meeting be rescheduled to Wednesday, September 7<sup>th</sup>.

**MOTION TO RESCHEDULE SEPTEMBER MEETING TO WEDNESDAY, SEPTEMBER 7, 2022.**

Moved: Commissioner Hirsch  
 Second: Commissioner Jack  
 Vote: Unanimous

**POWER OF COLLABORATION:** Included in the agenda was the latest in a series of Power of Collaboration advertisement to be published in the League of Municipalities magazine. The ad highlights a variety of factors that will affect municipal insurance budgets and asks municipalities to adopt a resolution to urge the New Jersey legislature to amend the budget cap law.

**2022 MEL, MR HIF & NJCE JIF EDUCATIONAL SEMINAR:** The 11<sup>th</sup> annual seminar was conducted virtually on Friday, April 29<sup>th</sup> and Friday, May 6<sup>th</sup>; with attendance exceeding 260 for each session. The Fund office has submitted attendance to the respective agencies for continuing education credits. Executive Director’s office has already issued the approved CEU/TCHs for municipal personnel and provided attendance records to the agency that issues credits for accountants, insurance producers and lawyers.

**UNDERWRITING MANAGER:**

**REPORT:** Underwriting Manager submitted a Cyber Task Force Bulletin, which detailed two cyber incidents/claims that affected two MEL affiliated members.

**TREASURER:**

**CONFIRMATION OF PAYMENTS**

April 2022	\$1,529,658.69
April 2022 Supplemental	\$1,473.00
April 2022 Supplemental #2	\$632,986.08
May 2022	\$1,913.00
May 2022 Supplemental	\$682,633.51

**RESOLUTIONS 32-22 FOR JUNE 2022 VOUCHERS:**

June 2022	\$534,360.50
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**CONFIRMATION OF MARCH 2022 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:**

<b>1988 WC</b>	58,980.27
<b>CLOSED</b>	0.00
<b>2018</b>	222,000.88
<b>2019</b>	141,512.20
<b>2020</b>	104,713.94
<b>2021</b>	3,713,787.66
<b>2022</b>	3,499.09
<b>TOTAL</b>	<b>\$4,244,494.04</b>

**CONFIRMATION OF APRIL 2022 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:**

<b>1988 WC</b>	1,836.40
<b>CLOSED</b>	0.00
<b>2018</b>	54,731.34
<b>2019</b>	173,993.20

<b>2020</b>	1,808,891.38
<b>2021</b>	618,224.19
<b>2022</b>	932.12
<b>TOTAL</b>	<b>\$2,658,608.63</b>

**MOTION TO CONFIRM PAYMENTS OF APRIL 2022, MAY 2022, APPROVE JUNE 2022 BILLS LIST RESOLUTIONS 32-22 AND TO APPROVE TREASURER’S REPORT; CURRENT AND CONFIRMING EXPENSES AS PRESENTED:**

Moved: Commissioner Merchel  
 Second: Commissioner Clarke  
 Roll Call Vote: 19 Ayes – 0 Nays

**CLAIMS – EXCESS WORKERS COMPENSATION:**

**REPORT:** Claims Administrator said there was nothing to report for this meeting.

**CLAIMS – EXCESS LIABILITY:**

**REPORT:** Claims Administrator said there was nothing to report for this meeting.

**ATTORNEY:**

**REPORT:** Fund Attorney provided an overview on the results of discussions with Safety National on the MEL’s recovery for COVID-19 claims. Fund Attorney recalled the MEL awarded a contract Anderson Kill to represent the MEL and its local affiliated JIFs and complimented efforts by Ms. Walcoff of PERMA and other professionals in compiling data and in attending several internal meetings. Fund Attorney said it was a positive step in that there is dialogue but noted we are still far from Safety National’s opening negotiation. Fund Attorney said additional information if any will be provided at the next meeting.

**MANAGED CARE:**

**REPORT:** Managed Care Provider submitted a Savings and Penetration Summary report as of April 2022. Report noted total charges of \$4.1 million, which were approved and repriced to \$1.2 million for a 70% savings.

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

NONE

**PUBLIC COMMENT:**

**KELLIE SEIB – ATLANTIC JIF COMMISSIONER:** Mr. Forlenza introduced Ms. Seib of Sea Isle who will replace Commissioner Hirsch once his retirement is confirmed.

**CLOSED SESSION:** There was no need for Closed Session.

**MOTION TO ADJOURN:**

Moved: Commissioner Laureigh  
 Second: Commissioner Merchel  
 Vote: Unanimous

**MEETING ADJOURNED:** 12:03PM

**NEXT MEETING:** September 7, 2022 – 11:15AM  
 Forsgate Country Club – Monroe, NJ

Nancy A. Ghani, Assisting Secretary

For  

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PAUL TOMASKO, SECRETARY



**RESOLUTION 21-22**

**Resolution Amending The Plan Of Risk Management Section On The Method Of Assessing Contributions To Be Paid By Each Member Of The Fund**

**WHEREAS**, the Board of Fund Commissioners amended its Risk Management Plan in October of 2019 to include language imposing a supplemental assessment insuring the MEL’s Statutory Surplus would be equal to at least 12.5% of Case Reserves and Incurred But Not Reported (IBNR) reserves.

**WHEREAS**, the Board of Fund Commissioner has now determined that could be an unnecessary burden to member Joint Insurance Funds;

**WHEREAS**, the Board of Fund Commissioners continues to recognize the importance of maintaining adequate surplus,

**WHEREAS**, the Board of Fund Commissioners received a recommendation that Risk Management Plan be amended to require the declaration of a supplemental assessment if the surplus is negative.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Fund Commissioners of the Municipal Excess Liability Joint Insurance Fund that the 2021 Plan of Risk Management be amended as follows (changes underlined)

**The Method of Assessing Contributions to be Paid by Each Member of the Fund**

7. After the end of the year before the Fund has finalized its year end accounting, the Fund’s Commissioners shall levy an additional supplementary assessment so that the Fund’s statutory surplus for all fund years combined is no less than \$0. 12.5 percent of unpaid claims including IBNR.
8. At the discretion of the Commissioners, any supplemental assessments may be payable in equal annual installments for up to ten years. Deferred assessments shall become due and immediately payable if a member leaves the Fund.

ADOPTED this day:

\_\_\_\_\_  
Joy Tozzi, Chairwoman

\_\_\_\_\_  
date

\_\_\_\_\_  
Paul Tomasko, Secretary

\_\_\_\_\_  
date

**RESOLUTION 25-22**  
**Municipal Excess Liability**  
**Joint Insurance Fund**

**Authorizing Collection Of Deferred Claims Fund Assessments 2016-2021**

**WHEREAS**, the MEL Board of Fund Commissioners implemented a modified Retrospective Premium Program effective January 1, 2016; namely, collect 85% of the experience modified rated claims fund assessment. If the member JIF's losses stay within that minimum, there would not be a need for an additional assessment. However, if the JIF's claims exceed that amount, there would be an additional assessment. Additional assessments would then be capped at 100%, 115% or 125% of the rated premium based on second experience modification calculation factor – ranging from .85 to 1.35.

**WHEREAS**, after 6 years, the Executive Director has determined that the Retrospective Premium program was not providing the expected results, and

**WHEREAS**, the Board of Fund Commissioner accepted the Executive Director's recommendation and suspended the Retrospective Premium program, effective January 1, 2022;

**WHEREAS**, the Board of Fund Commissioners has received a recommendation to collect the deferred balance of 15% of experience modified rated claims fund assessments from member JIFs from Fund years 2016 through 2021;

**NOW THEREFORE BE IT RESOLVED** that the Executive Director is hereby authorized to issue billings in accordance with the attached exhibit.

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**

\_\_\_\_\_  
Joy Tozzi, CHAIRWOMAN

ATTEST:

\_\_\_\_\_  
Paul Tomasko, SECRETARY

Date: \_\_\_\_\_

**Resolution # 26-22**

**A Resolution Authorizing Change Order to Competitive Contract # 20-04  
Executive Director - an Increase in Claims Examination Staff**

**WHEREAS:** The Board of Fund Commissioners has appointed PERMA as the Executive Director pursuant to Resolution 1-21 as a result of Competitive Contract # 20-04; and

**WHEREAS:** A February 2021 change in the Pension System for local public employees has significantly increased the MEL's cost for employee accident claims by making the workers' compensation system primary for claims previously covered by accidental disability pensions; and

**WHEREAS:** In 2021, the MEL experienced a \$13 million increase in workers' compensation claims; and

**WHEREAS:** The MEL has also experienced a significant increase in the management, oversight and administration of claims associated with the adjustment of property losses because the deductible and copayment were increased to reduced excess property insurance premium costs and the increased frequency of catastrophic events; and

**WHEREAS:** In 2021, the MEL experienced \$8 million in additional property claims just from its retention of Hurricane IDA claims; and

**WHEREAS:** The MEL has determined that it requires the services of two experienced claims examiners to oversee large workers' compensation and property claims, and

**WHEREAS:** This examination staff will also benefit the excess and reinsurers by reducing the risk of claims reaching their layer; and

**WHEREAS,** in accord with N.J.A.C. 5:30-11.5, the Executive Director has alerted the Board of Fund Commissioners of unforeseen circumstances at time of initial procurement; and

**WHEREAS:** the change order is allowable under the New Jersey Administrative Code; and

**WHEREAS:** the change order is in excess of the twenty percent of award costs as per N.J.A.C. 5:30-11.9; and

**WHEREAS,** as per N.J.A.C. 5:30-11.9(c)(6) this change order shall be published in the official paper of the FUND; and

**WHEREAS,** as per N.J.A.C 5:30-11.9(d) this change order shall be listed on the 2023 annual budget.

**NOW THEREFORE BE IT RESOLVED** by the MEL Board of Fund Commissioners that the contract with the Executive Director be amended as follows:

The request for change order, in accord with N.J.A.C 5:30-11.5 is hereby approved and the Executive director shall be authorized to hire a workers' compensation claims examiner

not to exceed \$250,000 per annum including benefits and overhead commencing pro rata when the Executive Director hires this individual.

The Executive Director shall also be authorized to hire a property claims examiner not to exceed \$250,000 per annum including benefits and overhead commencing pro rata when Executive Director hires this individual, and

The Executive Director shall report to the Claims Committee the progress in hiring these individuals.

ADOPTED this day:

\_\_\_\_\_  
Joy Tozzi, Chairwoman

\_\_\_\_\_  
date

\_\_\_\_\_  
Paul Tomasko, Secretary

\_\_\_\_\_  
date

**Resolution # 27-22**

**A Resolution Authorizing Change Order to Competitive Contract # 20-04 Underwriting Manager – a Change in Compensation**

**WHEREAS:** The Board of Fund Commissioners has appointed Conner Strong & Buckelew as the Underwriting Manager pursuant to Resolution 1-21 as a result of Competitive Contract # 20-04; and

**WHEREAS:** The Fund’s current contract period with the Underwriting Manager is January 1, 2021 through December 31, 2023 with an option to renew for 2024 and 2025; and

**WHEREAS:** The Fund’s compensation structure with Conner Strong & Buckelew has been a flat fee in lieu of commissions; and

**WHEREAS:** The Board of Fund Commissioners has received a recommendation to allow a portion of the Underwriting Manager’s annual fee to be offset by payment of commission currently prohibited;

**WHEREAS,** in accord with N.J.A.C. 5:30-11.5, the Executive Director has alerted the Board of Fund Commissioners of unforeseen circumstances as well as opportunities at time of initial procurement; and

**WHEREAS:** the change order is allowable under the New Jersey Administrative Code; and

**WHEREAS:** the change order is not in excess of twenty percent of award costs as per N.J.A.C. 5:30-11.9; and

**WHEREAS,** as per N.J.A.C. 5:30-11.9(c)(6) this change order shall be published in the official paper of the FUND; and

**WHEREAS,** as per N.J.A.C 5:30-11.9(d) this change order shall be listed on the 2023 annual budget.

**NOW THEREFORE BE IT RESOLVED** by the MEL Board of Fund Commissioners that the contract with the Underwriting Manager be amended to include the following clause, effective January 1, 2023:

The Fund authorizes the Service Provider to negotiate the receipt of commissions included in the Excess Workers Compensation and Property Insurance Policies and such commissions shall reduce the fee paid by the Fund. In addition, upon consultation with the Fund Attorney and Executive Director, the Service Provider shall be permitted to earn additional incentive/ contingent commissions from the carriers to enhance its service offerings to the Fund for identified key initiatives.

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**

\_\_\_\_\_  
Joy Tozzi, CHAIRWOMAN

\_\_\_\_\_  
Paul Tomasko, SECRETARY

Date: \_\_\_\_\_

**Resolution No. 28-22**  
**Resolution of Certification**  
**Annual Audit Report for Period Ending December 31, 2021**

**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 2021 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, 2022.

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Paul Tomasko, MEL Fund Secretary

**RESOLUTION 29-22**

**Resolution Of The Municipal Excess Liability Joint Insurance Fund Authorizing The Award Of CC# 22-02 To BIS Safety Software For Learning Management Systems**

**WHEREAS**, the Fund has authorized competitive contract procurement for learning management systems through resolution; and

**WHEREAS**, the Fund duly advertised the competitive contract proposal for a minimum of 20 days, and received proposals on April 7, 2022 at 11:00 A.M. and

**WHEREAS**, the Fund established a rating committee rating the proposals upon the standards of Price and Other Factors, those factors being Technical, Managerial and Cost, in accord with N.J.A.C.5:34-4; and

**WHEREAS**, BIS Safety Software, 2833 Broadmoor Blvd., Suite 132, Sherwood Park, Alberta has provided a proposal deemed the most advantageous based upon Price and Other Factors under the New Jersey Local Publics Contract Law (N.J.S.A.40A:11-4.4.b,) and (N.J.A.C. 5:34-4); and

**WHEREAS**, the report produced by the committee, recommending BIS Safety Software, 2833 Broadmoor Blvd., Suite 132, Sherwood Park, Alberta, 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:11-4.5d and N.J.A.C 5:34-4; and

**WHEREAS**, it is the recommendation that the Fund enter into an agreement for services under CC#22-04 with BIS Safety Software, 2833 Broadmoor Blvd., Suite 132, Sherwood Park, Alberta for a period of three (3) years.

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

That the Fund Chairwoman is authorized to execute contract with BIS Safety Software, 2833 Broadmoor Blvd., Suite 132, Sherwood Park, Alberta, under the precepts of CC#22-02 for learning management systems for a three (3) year contract, based on attached fee schedule exhibit – with fee estimated to be \$76,400 in year one and \$71,400 in year two and year 3 three.

ADOPTED this day:

\_\_\_\_\_  
Joy Tozzi, Chairwoman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Paul Tomasko, Secretary

\_\_\_\_\_  
Date



**Resolution 30-22**

**Resolution Of The Municipal Excess Liability Joint Insurance Fund (Mel)  
Authorizing The Executive Director To File With The Department Of Banking  
And Insurance To Create A Cyber Joint Insurance Fund**

**WHEREAS**, the Municipal Excess Liability Joint Insurance Fund (MEL) has recognized that the rising costs, oversight and risk management relating to cyber liability necessitates the establishment of a separate entity to best position public entities for the most cost-efficient coverage; and

**WHEREAS**, the MEL believes that it would be in the best interest of its members if a Cyber Joint Insurance Fund were established to specialize in the needs of its members and provide appropriate risk management; and

**WHEREAS**, the successful specialized affiliates of the MEL, such as the environmental joint insurance fund, has provided a proven track record of an efficient way to provide members with the option of specialized risk management to address potential liability exposure.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Fund Commissioners of the Municipal Excess Liability Joint Insurance Fund that the Executive Director of the MEL is hereby authorized to file with the Department of Banking and Insurance to initiate the establishment of a Cyber Joint Insurance Fund to commence January 1, 2023, with an opportunity for members of the MEL to join the Cyber Joint Insurance Fund

**BE IT FURTHER RESOLVED** that the Executive Director is hereby authorized to take necessary steps, including but not limited to a \$15,000 filing fee with the State of New Jersey, to establish a Cyber Joint Insurance Fund

This Resolution shall take effect immediately.

ADOPTED this day:

\_\_\_\_\_  
Joy Tozzi, Chairwoman

\_\_\_\_\_  
date

\_\_\_\_\_  
Paul Tomasko, Secretary

\_\_\_\_\_  
date

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**

**RESOLUTION 31-22**

**Authorize the Award of an Extraordinary Unspecifiable Services Contract with The Chertoff Group for Cybersecurity Consulting**

**WHEREAS** there is a need for a cybersecurity consulting and claims control for the Municipal Excess Liability Joint Insurance Fund (FUND); and

**WHEREAS**, the Fund has received a proposal, dated May 26, 2022 from The Chertoff Group in accord with N.J.S.A. 40A:11-6; and

**WHEREAS** the services qualify as an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service N.J.S.A. 40A:11-5(1)(a)(ii) and N.J.A.C. 5:34-2.3(b); and

**WHEREAS**, the certification of an Extraordinary Unspecifiable Service as demanded by to N.J.A.C. 5:34-2.1 et. Seq., has been complied with and attached to resolution; and

**WHEREAS** the purchasing agent has concurred with the legality of the purchase in accord with the New Jersey Local Publics Contract Law (N.J.S..40A:11-1 et. Seq); and

**WHEREAS** this procurement has been conducted in accord with N.J.S.A 19:44A-20.5 et seq., and the Chertoff Group has provided for a political contribution disclosure form; and

**WHEREAS** the treasurer has certified that funding is available in the amount of \$60,000.00 in Line item: Administrative Miscellaneous Contingency

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Fund Commissioners of the Municipal Excess Liability Joint Insurance Fund authorizes the award of 4-month contract term with the Chertoff Group, 1399 New York Ave NW UNIT 1110, Washington, DC 20005 for cybersecurity consulting and claims control consultant.

ADOPTED this day:

\_\_\_\_\_  
Joy Tozzi, Chairwoman

\_\_\_\_\_  
date

\_\_\_\_\_  
Paul Tomasko, Secretary

\_\_\_\_\_  
date

# MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND BILLS LIST

Resolution 32-22

JUNE 2022

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 2022**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
003008			
003008	QUALCARE, INC.	MANAGED CARE 6/22	46,454.38
			<b>46,454.38</b>
003009			
003009	QUAL-LYNX	COMPUTER FEE 6/22	1,500.00
			<b>1,500.00</b>
003010			
003010	CB CLAIMS LLC	TPA 6/22	37,374.79
			<b>37,374.79</b>
003011			
003011	J. A. MONTGOMERY RISK CONTROL	MSI ADMIN 6/22	113,977.01
003011	J. A. MONTGOMERY RISK CONTROL	5.24.22 TRAINING EXPENSES	1,715.54
			<b>115,692.55</b>
003012			
003012	HUNTINGTON BAILEY, LLP	DEPUTY GENERAL COUNCIL 1ST HALF 2022	798.63
			<b>798.63</b>
003013			
003013	PERMA	ADMIN FEE 6/22	115,857.15
			<b>115,857.15</b>
003014			
003014	MICHAEL S. ZAMBITO	TREASURER Q2 2022	6,675.26
			<b>6,675.26</b>
003015			
003015	ARTHUR J. GALLAGHER RMS, INC.	REINSURANCE MGR 6/22	27,015.14
			<b>27,015.14</b>
003016			
003016	THE ACTUARIAL ADVANTAGE	ACTUARY 6/22	4,431.90
			<b>4,431.90</b>
003017			
003017	ENVIROFORENSICS LLC DBA POLICYFIND	INS. ARCHAEOLOGY - EGG HARBOR TWP 2022	2,819.20
			<b>2,819.20</b>
003018			
003018	CONNER STRONG & BUCKELEW	UNDERWRITING MGR 6/22	46,784.00
			<b>46,784.00</b>
003019			
003019	CONNER STRONG & BUCKELEW	MEL OCEAN RMC FEE 2ND INSTALL 2022	128,957.50
			<b>128,957.50</b>
		<b>Total Payments FY 2022</b>	<b>534,360.50</b>
		<b>TOTAL PAYMENTS ALL FUND YEARS</b>	<b>\$534,360.50</b>

\_\_\_\_\_  
Chairperson

Attest:

Dated:

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

\_\_\_\_\_  
Treasurer