

**MUNICIPAL EXCESS RESIDUAL CLAIMS LIABILITY FUND**

**June 2, 2023**

**Forsgate County Club, Monroe, NJ**

**10:30 AM**

Meeting of Executive Committee called to order by Chairman John Clarke.

**ROLL CALL OF 2023 EXECUTIVE COMMITTEE/FUND COMMISSIONERS:**

John Clarke	Chairman	MEL	Present
Megan Champney	Secretary	Suburban Municipal	Present
Paul Tomasko	Executive Committee	Bergen	Present
Tom Nolan	Executive Committee	Monmouth	Present
Joseph Wolk	Executive Committee	Camden	Present
Brian Bigler	Executive Committee	NJUA	Present
Tom Merchel	Executive Committee	PMM	Present
Meghan Jack	Alternate #1	Burlco	Present
Adam Brewer (Alt.)	Alternate #2	Morris	Present
Sherry Sims	Alternate #3	PHA	Present
Veronica Laureigh	Alternate #4	Ocean	Present
William Northgrave	Alternate #5	Central	Absent
Gregory Franz	Alternate #6	South Bergen	Present
Steve Rovell	Alternate #7	Suburban Metro	Present
Michael Razze	Alternate #8	Trico	Present
Lisa McLaughlin	Alternate #9	Atlantic	Present

Executive Director

PERMA Risk Management Services

**Joseph Hrubash, Cathleen Kiernan**

Deputy Executive Director

Arthur J. Gallagher RMS, Inc.

**Paul Forlenza**

Attorney

Dorsey &amp; Semrau

**Fred Semrau, Esq.**

Treasurer

# Charles Cuccia

## Claims Supervisor

## CB Claims

# Christopher Botta

Actuary

## The Actuarial Advantage

**Kyle Mrotek**

**Eric Bause**

Auditor

Wielkocz & Company, LLC

James Cerullo

## ALSO PRESENT:

Bernie Rutkowski, NJUA JIF

Dave Grubb, PERMA  
 Brad Stokes, PERMA  
 Steve Sacco, PERMA  
 Pauline Kontomanolis, PERMA  
 Robyn Walcoff, PERMA  
 Jennifer Conicella, PERMA  
 Jennifer Davis, PERMA  
 Zareena Majeed, PERMA  
 Nancy Ghani, PERMA  
 Jason Thorpe, PERMA  
 Brandon Tracy, PERMA  
 Crystal Chuck, PERMA  
 Sandra Cantwell, PERMA  
 Ed Cooney, Conner, Strong & Buckelew  
 Katie Walters, Conner, Strong & Buckelew  
 Paul Shives, JA Montgomery  
 Kamini Patel, AJ Gallagher  
 Barbara Murphy, RLM  
 Laura Sable, CB Claims  
 Charles Casagrande, Danskin Agency  
 John Casagrande, Danskin Agency  
 Alison Kelly, Danskin Agency  
 Kathy Kissane, Qual-Lynx  
 Chris Healy, Qual-Lynx  
 Ezio Altamura, GJEM-Otterstedt Agency  
 Enrique Urquiola, Alamo Insurance Group  
 Amy Pieroni, Acrisure  
 Lindsay Travali, Acrisure

**APPROVAL OF MINUTES:** May 8, 2023 Open Session

**MOTION TO APPROVE May 8, 2023 OPEN MINUTES:**

Moved: Commissioner Wolk  
 Second: Commissioner Sims  
 Roll Call Vote: Unanimous

**APPROVAL OF MINUTES:** March 24, 2023 Open Session. Correction: Commissioner McNeilly was in attendance and should be marked as Present.

**MOTION TO APPROVE March 24, 2023 OPEN MINUTES AS AMMENDED:**

Moved: Commissioner Sims  
 Second: Commissioner Tomasko  
 Roll Call Vote: 10 Ayes, 5 Abstentions (Commissioners Champney, Wolk, Jack, Laureigh, McLaughlin)

**CORRESPONDENCE:**

NONE

**TREASURER:**

**RESOLUTION 14-23 CONFIRMATION OF PAYMENT – APRIL 2023**

<b>2023</b>	\$50,312.12
<b>TOTAL</b>	\$50,312.12

**RESOLUTION 15-23 CONFIRMING PAYMENTS - MAY 2023**

<b>2023</b>	\$36,962.61
<b>TOTAL</b>	\$36,962.61

**RESOLUTION 16-23 CONFIRMING JUNE VOUCHER PAYMENTS**

<b>2022</b>	\$24,589.00
<b>2023</b>	\$36,985.71
<b>TOTAL</b>	\$61,574.71

**MOTION TO CONFIRM BILLS LISTS RESOLUTION 14-23 APRIL 2023, RESOLUTION 15-23 MAY 2023 AND TO ADOPT RESOLUTION 16-23 APPROVING THE JUNE 2023 VOUCHER LIST, AS SUBMITTED:**

Moved: Commissioner Nolan  
Second: Commissioner Laureigh  
Roll Call Vote: 15 Ayes – 0 Nays

**EXECUTIVE DIRECTOR:**

**AUDIT YEAR-END REPORTS:** The Audit Report as of December 31, 2022 and the Actuarial Valuation as of December 31, 2022 were enclosed separately from the agenda.

**Auditor Report:** Fund Auditor said the recent legislation and additional IBNR reserves caused the operating results to be in a negative position and on paper, the addition of unrealized loss on investments brought the surplus into a negative position of \$7,208,000. The special assessment approved at the May meeting will help with operating losses and puts the Fund in a stronger position. Comments and Recommendations are consistent with previous years, noting the fund years in deficit.

Executive Director said the unrealized loss on investments will correct itself as the Fund's investments mature. MEL co-Executive Director said they have met with the Department of Banking and Insurance to discuss the impact of the unrealized loss on investments, and they indicated no regulatory action is needed.

**Actuary Report:** Fund Actuary said the total discounted reserves as of December 31, 2022 is \$147.3 million and is made up of \$107.5 million in case reserves and \$39.7 million in IBNR reserves. Fund Actuary reported the loss reserves are consistent with their estimate of unpaid claim liabilities.

**MOTION TO APPROVE YEAR-END FINANCIALS AND ADOPT RESOLUTION 17-23 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT**

Moved: Commissioner Merchel  
Second: Commissioner Laureigh  
Roll Call Vote: 15 Ayes – 0 Nays

**2022 BUDGET AMENDMENT:** Executive Director said at the June meeting, the Fund approves an amendment to the current year's budget to accept the transfer of liabilities as of

December 31<sup>st</sup>. The amended 2022 budget, included in the agenda, reflects the closure/transfer of Fund Year 2018 into the RCF. The revised budget totals \$31,049,409.

**MOTION TO INTRODUCE ON FIRST READING THE AMENDMENT TO THE 2022 BUDGET AND TO SCHEDULE THE PUBLIC HEARING AT THE SEPTEMBER 15, 2023 MEETING**

Moved:	Commissioner Franz
Second:	Commissioner Wolk
Roll Call Vote:	15 Ayes – 0 Nays

**JCMI Quarterly Report:** Eagle Asset Management’s quarterly investment report is included in the agenda. In response to Executive Director, Ms. Kontomanolis said it is a pleasure working with Eagle and they are reviewing the portfolio to see if any instruments can be reinvested at a higher rate. Mr. Cuccia added they are looking at reinvesting for shorter terms and where beneficial, selling before maturity to capture the higher reinvestment rates.

**2023 MEL, MR HIF & NJCE JIF Educational Seminar:** Executive Director said the 12<sup>th</sup> annual seminar was conducted virtually in 2 half-day sessions on Friday, April 21<sup>st</sup> and Friday, April 28<sup>th</sup>. There was a record 450 combined attendance for the two sessions this year. Also notable were the panel of Senators that served as the keynote speakers, which Mr. Sacco was instrumental in setting up.

**ATTORNEY:** Fund Attorney said the JCMI made the decision to change Asset Managers, as recommended by Ms. Kontomanolis, which was a very good decision, as we currently have a lawsuit now against the previous asset manager.

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

NONE

**PUBLIC COMMENT:**

NONE

**MOTION TO ADJOURN:**

Moved:	Commissioner Tomasko
Second:	Commissioner Rovell
Vote:	Unanimous

**MEETING ADJOURNED: 10:41 AM**

Sandra Cantwell, Assisting Secretary  
for  
Megan Champney, SECRETARY

# MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

## BILLS LIST

Resolution No. 14-23

APRIL 2023

**WHEREAS**, the Treasurer has certified that funding is available to pay the following bills:

**BE IT RESOLVED** that the Municipal Excess Liability Residual Claim 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 2023

<u>Check Number</u>	<u>VendorName</u>	<u>Comment</u>	<u>Invoice Amount</u>
001815			
001815	PERMA RISK MANAGEMENT SERVICES	POSTAGE 03/23	112.66
001815	PERMA RISK MANAGEMENT SERVICES	ADMINISTRATOR 04/23	18,094.65
001815	PERMA RISK MANAGEMENT SERVICES	POSTAGE 02/23	40.10
			<b>18,247.41</b>
001816			
001816	THE ACTUARIAL ADVANTAGE	DEPUTY ADMIN 04/23	3,731.41
			<b>3,731.41</b>
001817			
001817	DORSEY & SEMRAU	ATTORNEY 2ND QTR 2023	10,764.79
			<b>10,764.79</b>
001818			
001818	CHARLES CUCCIA	TREASURER 04/23	3,538.24
			<b>3,538.24</b>
001819			
001819	MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND	2020 WC ERROR. DEPOSITED IN RCF LOCKBOX	152.00
			<b>152.00</b>
001820			
001820	CB CLAIMS, LLC	CLAIMS SUPERVISION SERVICE 04/23	5,447.83
			<b>5,447.83</b>
001821			
001821	CONNER STRONG & BUCKELEW	SELECT. INS. BOND RENEWAL 5/1/23-5/1/24	2,219.00
			<b>2,219.00</b>
001822			
001822	ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, LLC	DEPUTY ADMIN 04/23	6,116.77
			<b>6,116.77</b>
001823			
001823	ACCESS	DEPT 809 CUST 224 STORE/2/28/23 FOR MAR	34.67
			<b>34.67</b>
001824			
001824	TROPHY KING OF RAMSEY	A6707 W/LOGO- LAZER ETCHED 03/23	60.00
			<b>60.00</b>
		<b>Total Payments FY 2023</b>	<b>50,312.12</b>

**TOTAL PAYMENTS ALL FUND YEARS 50,312.12**

\_\_\_\_\_  
Chairperson

Attest: \_\_\_\_\_

Dated: \_\_\_\_\_

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

\_\_\_\_\_  
Treasurer

# MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

## BILLS LIST

Resolution No. 15-23

MAY 2023

**WHEREAS**, the Treasurer has certified that funding is available to pay the following bills:

**BE IT RESOLVED** that the Municipal Excess Liability Residual Claim 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 2023**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001825			
001825	PERMA RISK MANAGEMENT SERVICES	ADMINISTRATOR 05/23	18,094.65
			<b>18,094.65</b>
001826			
001826	THE ACTUARIAL ADVANTAGE	ACTUARY SERVICES 05/23	3,731.41
			<b>3,731.41</b>
001827			
001827	CHARLES CUCCIA	TREASURER 05/23	3,538.24
			<b>3,538.24</b>
001828			
001828	CB CLAIMS, LLC	CLAIMS SUPERVISION SERVICE 05/23	5,447.83
			<b>5,447.83</b>
001829			
001829	ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, LLC	DEPUTY ADMIN 05/23	6,116.77
			<b>6,116.77</b>
001830			
001830	ACCESS	DEPT 809 CUST 224 STORE 3/23 FOR APR	33.71
			<b>33.71</b>
<b>Total Payments FY 2023</b>			<b>36,962.61</b>
<b>TOTAL PAYMENTS ALL FUND YEARS</b>			<b>36,962.61</b>

\_\_\_\_\_  
Chairperson

Attest: \_\_\_\_\_ Dated: \_\_\_\_\_  
I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

\_\_\_\_\_  
Treasurer

# MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

## BILLS LIST

Resolution No. 16-23

JUNE 2023

**WHEREAS**, the Treasurer has certified that funding is available to pay the following bills:

**BE IT RESOLVED** that the Municipal Excess Liability Residual Claim 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>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001831			
001831	WIELKOTZ & COMPANY, LLC	2022 AUDIT - PROF. SERVICES	24,589.00
			<b>24,589.00</b>
		<b>Total Payments FY 2022</b>	<b>24,589.00</b>

### **FUND YEAR 2023**

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
001832			
001832	PERMA RISK MANAGEMENT SERVICES	POSTAGE 04/23	22.14
001832	PERMA RISK MANAGEMENT SERVICES	ADMINISTRATOR 06/23	18,094.65
			<b>18,116.79</b>
001833			
001833	THE ACTUARIAL ADVANTAGE	ACTUARY SERVICES 06/23	3,731.41
			<b>3,731.41</b>
001834			
001834	CHARLES CUCCIA	TREASURER FEE 06/23	3,538.24
			<b>3,538.24</b>
001835			
001835	CB CLAIMS, LLC	CLAIMS SUPERVISION SERVICE 06/23	5,447.83
			<b>5,447.83</b>
001836			
001836	ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, LLC	DEPUTY ADMIN 06/23	6,116.77
			<b>6,116.77</b>
001837			
001837	ACCESS	DEPT 809 INV # 10205197 4/30/23 FOR MAY	34.67
			<b>34.67</b>
		<b>Total Payments FY 2023</b>	<b>36,985.71</b>
		<b>TOTAL PAYMENTS ALL FUND YEARS</b>	<b>61,574.71</b>

Chairperson \_\_\_\_\_

Attest: \_\_\_\_\_

Dated: \_\_\_\_\_

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

\_\_\_\_\_  
Treasurer



**Resolution No. 17-23**

**Resolution of Certification  
Annual Audit Report for Period Ending December 31, 2022**

**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 2022 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 Executive Committee, 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 Executive Committee of the Fund shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all members of the Executive Committee have reviewed, as a minimum, the sections of the annual audit entitled:

General Comments  
and  
Recommendations

and

**WHEREAS**, the members of the Executive Committee 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 Executive Committee.

**WHEREAS**, such resolution of certification shall be adopted by the Executive Committee 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 Executive Committee 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 Executive Committee 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 Executive Committee of the Municipal Excess Liability Residual Claims 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, 2023.

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Megan Champney Kweselait, Fund Secretary