

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

NOVEMBER 15, 2023 – 12:30PM

SHERATON HOTEL – STEEL PIER – ATLANTIC CITY, NJ

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

ROLL CALL OF 2023 BOARD OF FUND COMMISSIONERS

Joy Tozzi	Township of Robbinsville - Mid-Jersey JIF	Present
Paul Tomasko	Borough of Alpine – Bergen JIF	Present
Greg Franz	Edgewater – South Bergen JIF	Present
Joseph Wolk	Borough of Mount Ephraim- Camden JIF	Present
Tom Merchel	Township of Moorestown- PMM JIF	Absent
Charles Cuccia	Township of Little Falls – Sub Metro JIF	Present
Thomas Nolan	Borough of Brielle - Monmouth JIF	Absent
Bernard Rutkowski	NJUA JIF – Toms River MUA	Present
John Clarke	Princeton Housing Authority- PHA JIF	Present
Veronica Laureigh	Township of Lacey – Ocean JIF	Present
William Northgrave	Township of Edison – Central JIF	Absent
Megan Champney	City of Summit- Suburban Municipal JIF	Present
Kevin Davis	Hunterdon County – PAIC JIF	Absent
Megan Jack	Riverside Twp- Burlco JIF	Absent
Adam Brewer	Pequannock Township – Morris JIF	Present
James Ulrich	Twp. of Clark - NJMSI JIF	Present
Michael Razze	Pitman Borough TRICO JIF	Absent
Robert MacFarland	Bordentown Fire District #2 FRESP JIF	Absent
Lisa McLaughlin	Margate City - Atlantic 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, Kamini Patel
Actuary	The Actuarial Advantage Kyle Mrotek, Jamie Shooks
Excess Worker’s Comp Claims Administrator	Qual-Lynx Kathy Kissane, Claudia Acosta
Safety Director	JA Montgomery Risk Control Services Paul Shives
Excess Liability Claims Administrator	CB Claims LLC Christopher Botta
Underwriting Manager	Conner Strong & Buckelew Edward Cooney, Jonathon Tavares Rachel Perry

Managed Care

QualCare
Donna Setzer

Lobbyist

Pathways Governmental
Paul Bent

Asset Manager

Eagle Asset Management
Patrick Marsh, Chad Stone

Marketing Manager

Princeton Strategic Communications
Stacey Ehling

ALSO PRESENT:

Matt McArow Jr., GJEM-Otterstedt Agency
Ezio Altamura, GJEM-Otterstedt Agency
Alison Kelly, Danskin Agency
Jacklyn Lindsay, Conner Strong & Buckelew
Katie Waters, Conner Strong & Buckelew
Brian Maitland, J.A. Montgomery
Glenn Prince, J.A. Montgomery
Pauline Kontomanolis, PERMA Risk Management Services
Zareena Majeed, PERMA Risk Management Services
Tracy Lopez, PERMA Risk Management Services
Brad Stokes, 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 October 19, 2023.

MOTION TO APPROVE OCTOBER 19, 2023 OPEN MINUTES:

Moved: Commissioner Wolk
Second: Commissioner Clarke
Vote: Unanimous – 1 Abstention Commissioner Laureigh

CORRESPONDENCE:

NONE

EXECUTIVE DIRECTOR REPORT:

2024 RATE TABLE & BUDGET: Included in the agenda was the 2024 Rate Table, Budget and a memo summarizing the increases. Also enclosed in the agenda was a copy of the correspondence written by the MEL Executive Director to the newly appointed Commissioner of DOBI outlining various matters impacting Joint Insurance Funds and their member entities.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2024 RATE TABLE AND BUDGET:

Moved: Commissioner Cuccia
Second: Commissioner Brewer
Vote: Unanimous

Executive Director Grubb referred to the memo (*page 8 of the agenda*) and reviewed the changes from 2023 to 2024 by line of coverage. Executive Director Grubb said the 2024 budgets being introduced and adopted by the MEL and affiliated local joint insurance funds are all experiencing the same significant budget increases given the various factors and referred

to the memo drafted to the DOBI (*page 9 of the agenda*). Executive Director Grubb briefly reviewed the balance of the budget and asked if there was any discussion or questions on the budget.

DISCUSSION OF RATE TABLE AND BUDGET. Seeing no discussion and/or questions Executive Director Grubb requested a motion to close the public hearing, approve the rate table and budget and certify the 2024 assessments.

MOTION TO CLOSE THE PUBLIC HEARING AND APPROVE THE 2024 RATE TABLE AND BUDGET AND CERTIFY THE 2024 ASSESSMENTS:

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

2024 EXCESS RENEWALS: Underwriting Manager reported he is still marketing and negotiating the 2024 renewals, has approached both domestic and international markets for renewal quotes and hopes to finalize the renewal soon and report back.

Executive Director Hrubash said it would be appropriate to authorize the Reinsurance Committee, comprised of the MEL Chair & Secretary, MEL Executive Director, the local JIF Executive Directors, Underwriting Manager, Actuary and Attorney to negotiate with excess carriers and enter into the required agreements for excess insurance. Underwriting Manager will also be working with the Qualified Purchasing Agent (QPA) to meet filing requirements with the Comptroller’s Office.

MOTION TO AUTHORIZE THE REINSURANCE COMMITTEE TO ENTER INTO THE REQUIRED AGREEMENTS FOR 2024 OPTIONAL EXCESS LIABILITY, OPTIONAL PUBLIC OFFICIALS/EMPLOYMENT PRACTICES LIABILITY, EXCESS PROPERTY AND BOILER & MACHINERY, EXCESS WORKERS’ COMPENSATION AND NON-OWNED AIRCRAFT LIABILITY.

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

ORIGAMI: Executive Director Hrubash reported the MEL’s contract with Origami includes a predetermined amount of support hours for each year (May to May). This year, a lot of hours were exhausted since PERMA’s claims team worked extensively with Origami to link primary to excess claims to provide accurate claims information to strengthen our claims data analytics as well as to improve our data for marketing. Enclosed in the agenda was a charge order to add more hours at a cost of \$22,500. Last month, the Board approved a statement of work to begin to download Public Officials/Employment Practices claim data from Summit Risk.

MOTION TO APPROVE CONTRACT AMENDMENT WITH ORIGAMI TO ADD SUPPORT HOURS AT A COST OF \$22,500.

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

SECOND ACTUARIAL ANALYSIS: Executive Director Hrubash reported at the September meeting, the Board accepted the recommendation of the Management Committee to conduct a second actuarial analysis by Actuarial Advisors Inc. for a fee not to exceed \$30,000. Executive Director Hrubash said it would be appropriate to memorialize this action by adopting the

resolution that was included in the agenda. PERMA staff met with Actuarial Advisors Inc. on October 19, 2023 to outline the information needed in order to begin the review.

MOTION TO ADOPT RESOLUTION 35-23 AUTHORIZING THE AWARD OF A PROFESSIONAL SERVICES CONTRACT TO ACTUARIAL ADVISORS, INC.

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

RCF REPORT: The RCF met on October 19, 2023 to adopt their 2024 budget and confirm the transfer of Fund Year 2029 claim liabilities. Enclosed in the agenda was a copy of Commissioner Clarke’s report on the RCF October meeting.

MOTION TO ADOPT RESOLUTION 36-23 AUTHORIZING THE TRANSFER OF FUND YEAR 2019 VALUED AS OF DECEMBER 31, 2023.

Moved: Commissioner McLaughlin
Second: Commissioner Rutkowski
Roll Call Vote: 12 Ayes – 0 Nays

The RCF will meet next on Monday January 8, 2024 at 10:30AM. Executive Director Grubb said it would be appropriate to nominate a commissioner to serve on the RCF Board as the MEL 2024 representative.

MOTION TO ELECT JOHN CLARKE AS THE MEL 2024 REPRESENTATIVE TO THE MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND.

Moved: Commissioner Wolk
Second: Commissioner Cuccia
Vote: Unanimous

JOINT CASH MANAGEMENT & INVESTMENT PROGRAM (JCMI): The JCMI Operating Committee has put together a “Banking Best Practices” memorandum providing guidance for members to manage the growing fraud risk. The memorandum was included in the agenda and will be distributed to members this month. These Best Practices are expected to be included the Cyber JIF’s Risk Management Program.

MOTION TO APPROVE THE BANKING BEST PRACTICES.

Moved: Commissioner Cuccia
Second: Commissioner Ulrich
Vote: Unanimous

MARKETING COMMITTEE: This committee met on October 19, 2023; enclosed in the agenda were the meeting minutes for information.

SAFETY & EDUCATION COMMITTEE: This committee met on October 27, 2023; enclosed in the agenda were the meeting minutes for information.

Ms. Ehling of Princeton Strategic Communications (PSC) reported the MEL’s mobile app has not been available for a few months due to a problem with Apple. Ms. Ehling reported that PSC has been working on resolving this issue & believes it will be available very soon.

COVERAGE COMMITTEE: This committee met on November 2, 2023; enclosed in the agenda were the meeting minutes for information. Coverage Committee appointed a sub-committee task force to review the MEL’s limits for crime coverage.

LEGISLATIVE COMMITTEE: This committee met on November 15, 2023 at 11:00AM at the Sheraton Hotel, Atlantic City. Committee Chairman Cuccia said the committee continues to meet on as-needed basis to review introduced legislation and noted the legislature will be entering lame duck session.

Enclosed in the agenda for information was a copy of a resolution drafted by the Fund office and submitted to the NJ State League of Municipalities (NJSLOM) at their request. The resolution outlines the various matters impacting joint insurance funds and their member entities.

CLAIMS COMMITTEE: This committee met on October 18, 2023; minutes of these meetings are sent to the full MEL Board separately from the agenda.

CYBER JIF: The Cyber JIF met on October 19, 2023 to introduce the 2024 budget and schedule a public hearing for November 20, 2023. Enclosed in the agenda was a copy of the report for information.

2023/2024 ELECTED OFFICIALS SEMINAR: The MEL's Annual Elected Officials Seminar will focus on Local Government Risk Management. A seminar is scheduled to take place during the NJSLOM conference on November 15, 2023 at 2:00PM in Room 303 of the AC Convention Center.

POWER OF COLLABORATION: Enclosed 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 the importance and priority the MEL has placed on risk control and safety training. Supported by a dedicated staff of experienced professionals, the MEL Safety Institute (MSI) – now in its 21st year – provides MEL JIF members with essential training, onsite risk management and more.

2024 MEETING DATES: As a reminder, the following 2024 dates were presented at last month's meeting for consideration. With the exception of the March and November, all meetings will be held at the Forsgate Country Club in Monroe, NJ at 11:15AM.

Monday January 8, 2024

March – To be Determined

Monday June 10, 2023

Monday September 9, 2024

Wednesday October 16, 2024

Wednesday November 20, 2024

As previously discussed, the MEL's Sub-Committee Charters include a requirement that committees report annually to the Board. This has historically been met by expanding the March meeting into an Annual Retreat. Executive Director Hrubash reported a meeting of the Management Committee will be scheduled to consider various options for sub-committees to deliver an annual report on their activities.

Executive Director Hrubash said it would be appropriate to take formal action to change the 2024 Reorganization meeting date from Thursday January 4, 2024 to Monday January 8, 2024; location will still be the Forsgate Country Club in Monroe Twp., NJ.

MOTION TO CHANGE THE 2024 REORGANIZATION MEETING FROM THURSDAY JANUARY 4, 2024 TO MONDAY JANUARY 8, 2024 AT 11:15AM AT THE FORSGATE COUNTRY CLUB, MONROE TWP. NJ:

Moved: Commissioner Cuccia
Second: Commissioner Ulrich
Vote: Unanimous

SERVICE PROFESSIONAL ANNOUNCEMENT: Executive Director Grubb announced that effective January 1, 2024 he will be stepping down as the Executive Director of the Municipal Excess Liability Joint Insurance Fund and Joseph Hrubash will succeed him as the Executive Director. David Grubb has been the MEL Executive Director since 1990 and Joseph Hrubash has been serving as co-Executive Director. Fund Commissioners expressed their appreciation for Mr. Grubb's leadership and contributions with a standing ovation. Mr. Grubb added that he will assume the title MEL Executive Director Emeritus and will also continue to serve as Executive Director to the Bergen County Municipal Joint Insurance Fund and will remain active with MEL affairs through that role and through Perma's administration.

UNDERWRITING MANAGER:

REPORT: Underwriting Manager reported there was nothing additional to report for the meeting.

CLAIMS – EXCESS WORKERS COMPENSATION:

REPORT: Workers' Compensation Claims Manager 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 thanked the efforts of the Underwriting Manager and Qualified Purchasing Agent to meet the necessary filing requirements related to procurement of insurance coverages as set by the NJ Office of the State Comptroller.

MANAGED CARE:

REPORT: Managed Care Provider submitted a Savings and Penetration Summary report as of October 2023. Report noted total charges of \$7,087,419.61, which were approved and repriced to \$2,722,855.06 for a 62% savings.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

CHAIRWOMAN JOY TOZZI: Chairwoman expressed her appreciation for the support of the MEL Board of Fund Commissioner and MEL Fund Professionals throughout her two-year tenure as the MEL Chair.

CLOSED SESSION: There was no need for Closed Session.

MOTION TO ADJOURN:

Moved: Commissioner Brewer
Second: Commissioner Clarke
Vote: Unanimous

MEETING ADJOURNED: 12:48PM

NEXT MEETING: Monday January 8, 2024 – 11:15AM
Forsgate Country Club – Monroe Twp., NJ

Nancy A. Ghani, Assisting Secretary

For

PAUL TOMASKO, SECRETARY

**RESOLUTION No. 35-23
OF THE
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
AUTHORIZING THE AWARD OF PROFESSIONAL SERVICES CONTRACTS
WITHOUT COMPETITIVE BIDDING TO PROVIDE ACTUARIAL SERVICES**

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 provide Actuarial Services; and

WHEREAS, the MEL Management Committee recommends the MEL engage the services of an actuarial firm to review and provide a 2nd analysis of the undiscounted reserves as of December 31, 2022 and the rate change percentage for auto & general liability, workers’ compensation and property for the 2024 policy year; and

WHEREAS, a proposal was received from **Actuarial Advisors, Inc.** to provide such services at a fee not to exceed \$30,000; and

WHEREAS, the Fund desires to retain the services of Actuarial Advisors, Inc. ; 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 **Actuarial Advisors, Inc.** for a fee not to exceed \$30,000; and
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 Scott Anderson of Actuarial Advisors, Inc. 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.

Joy Tozzi, MEL Chairwoman

Date

Paul Tomasko, MEL Secretary

Date

**RESOLUTION NO. 36-23
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>
2019	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 12/31/23

**MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND**

Joy Tozzi, Chairperson

Date

Paul Tomasko, Secretary

Date