

**JANUARY 6, 2025 - REORGANIZATION
VIA TELECONFERENCE
11:30 AM**

Meeting called to order by Secretary Criscuolo and Open Public Meeting Notice was read into the record by Ms. Cantwell. The commissioners recited the Pledge of Allegiance.

ROLL CALL OF 2025 EXECUTIVE COMMITTEE/FUND COMMISSIONERS:

Megan Champney Kwesela	Chairwoman	SubMuni	Absent
Joseph Criscuolo	Secretary	Central	Present
Paul Tomasko	Executive Committee	Bergen	Present
Thomas Nolan	Executive Committee	Monmouth	Present
Joseph Wolk	Executive Committee	Camden	Present
Brian Bigler	Executive Committee	NJUA	Present
Sherry Sims	Executive Committee	NJPHA	Present
Veronica Laureigh	Alternate #1	Ocean	Present
Meghan Jack	Alternate #2	Burlco	Present
Brian McNeilly	Alternate #3	Morris	Present
Michael Raze	Alternate #4	Trico	Present
Gregory Franz	Alternate #5	South Bergen	Present
John Clarke	Alternate #6	MEL	Absent
Susan Danson	Alternate #7	PMM	Absent
James Pacanowski	Alternate #8	Atlantic	Absent
Vincent Quatrone	Alternate #9	Suburban Metro	Present

Executive Director

PERMA Risk Management Services

Joseph Hrubash, Cathleen Kiernan

Deputy Executive Director

Arthur J. Gallagher – Risk Program Managers, Inc.

Paul Forlenza

Attorney

Dorsey & Semrau

Fred Semrau, Esq.

Treasurer

Charles Cuccia

Claims Supervisor

CB Claims

Christopher Botta

Actuary

The Actuarial Advantage

**Kyle
Mrotek**

Auditor

To be determined

ALSO PRESENT:

Adam Brewer, Pequannock, Morris JIF
Casey Wagner, Woodbridge Twp, Central JIF
Dave Grubb, PERMA
Steve Sacco, PERMA
Brad Stokes, PERMA
Pauline Kontomanolis, PERMA
Robyn Walcoff, PERMA
Jennifer Conicella, PERMA
Nancy Ghani, PERMA
Brandon Tracy, PERMA
Steven Krolan, PERMA
Sandra Cantwell, PERMA
Barbara Murphy, RLM
Ed Cooney, Conner, Strong & Buckelew
Tom Merchel, Conner, Strong & Buckelew
Katie Walters, Conner, Strong & Buckelew
Paul Shives, J.A. Montgomery
Kamini Patel, RPA
Charles Casagrande, Danskin Agency
John Casagrande, Danskin Agency
Alison Kelly, Danskin Agency
Kathy Kissane, Qual-Lynx
Ezio Altamura, GJEM-Otterstedt Agency
Matthew T. McArow, GJEM-Otterstedt Agency
Frank Covelli, PIA
Don Sciolaro, PIA

APPROVAL OF MINUTES: October 16, 2024 Open Session

MOTION TO APPROVE OCTOBER 16, 2024 OPEN MINUTES:

Moved: Commissioner Wolk
Second: Commissioner Nolan
Vote: 10 Ayes, 0 Nays, 2 Abstentions (Commissioners Sims, Laureigh)

CORRESPONDENCE:

NONE

Executive Director said a quorum has been confirmed and the proposed 2025 slate for the Board of Fund Commissioners and the Claims Committee were presented for consideration.

Megan Champney Kweselait	Chairwoman	SubMuni
Joseph Criscuolo	Secretary	Central
Paul Tomasko	Executive Committee	Bergen
Thomas Nolan	Executive Committee	Monmouth
Joseph Wolk	Executive Committee	Camden
Brian Bigler	Executive Committee	NJUA
Sherry Sims	Executive Committee	NJPHA

Veronica Laureigh	Alternate #1	Ocean
Meghan Jack	Alternate #2	Burlco
Brian McNeilly	Alternate #3	Morris
Michael Razzo	Alternate #4	Trico
Gregory Franz	Alternate #5	South Bergen
John Clarke	Alternate #6	MEL
Susan Danson	Alternate #7	PMM
James Pacanowski	Alternate #8	Atlantic
Vincent Quatrone	Alternate #9	Suburban Metro

2025 Proposed Claims Committee Commissioners

Chair – Megan Champney Kweselait

Secretary –Joseph Criscuolo

Chair & Secretary are serving 2nd year of a 2-year term

Commissioners

Sherry Sims

Veronica Laureigh

Gregory Franz

Brian McNeilly

Executive Director asked for additional nominations and hearing none, asked for a motion to close nominations and confirm the slate as presented.

MOTION TO CLOSE NOMINATIONS AND CONFIRM ELECTIONS AS PRESENTED:

Moved: Commissioner

Tomasko Second: Commissioner

Sims

Vote: Unanimous

ATTORNEY ADMINISTERED OATH OF OFFICE TO OFFICERS, EXECUTIVE COMMITTEE AND ALTERNATES.

2025 REORGANIZATION RESOLUTIONS

At the request of the Secretary, Executive Director reviewed the 2025 Reorganization Resolutions.

RESOLUTION 1-25 APPOINTING FUND DEPOSITORY: The RCF Board awarded
a
professional service agreement in accordance with a fair and open process pursuant to N.J.S.A. 19:44A –20.4 et. seq. appointing TD Bank as the Fund’s Banking Manager.

RESOLUTION 2-25 ESTABLISHING A FISCAL MANAGEMENT PLAN:

Resolution

designating Official Depositories and approving a Cash Management Plan; authorizing Signatories on Administrative Accounts; authorizing Signatories on Claim Accounts; establishing a rate of interest for delinquent assessments; establishing a wire transfer procedure; and certifying Approval Officer for all Fund expenses. Resolution 2-25 noted that in addition to the Chair, Secretary and

Treasurer, Commissioner Greg Franz was designated as the additional RCF Commissioner signatory.

RESOLUTION 3-25 ESTABLISHING PUBLIC MEETING PROCEDURES: Resolution establishing 2025 Meeting Dates, 2026 Reorganizational meeting and official Fund newspapers. The FUND shall hold public meetings during the year 2025 as follows: 11:30am on March 21, 2025, June 9, 2025, September 8, 2025, and October 15, 2025 at the Forsgate Country Club, Monroe Twp. NJ. The 2026 Reorganization will be scheduled for January 9, 2026, at 10130AM in the Forsgate Country Club, Monroe Twp. NJ.

The RCF Claims Committee will meet 9:30AM on January 3, March 18, May 7, June 4, July 16, September 4, October 8 and December 3, 2025, via audio / video teleconference. The Committee is also scheduled to meet January 7, 2026, via teleconference

The following is hereby designated the official newspapers of the Fund: The Star Ledger, Newark, New Jersey the Courier Post. In addition, the RCF's webpage is designated for official notices – <https://njmel.org/nj-residual-claims-fund/>.

RESOLUTION 4-25 REMOTE MEETING PROCEDURES: The Board adopted a resolution establishing procedures for including public comment during a remote meeting.

RESOLUTION 5-25 ESTABLISHING FUND RECORDS PROGRAM: Commissioner Joseph Criscuolo, Fund Secretary was designated as custodian of the Fund and the Account Manager from PERMA Risk Management Services was designated as Assistant Fund Secretary.

RESOLUTION 6-25 ESTABLISHING THE 2025 PLAN OF RISK MANAGEMENT: Resolution noting Member Fund Coverages, Fund Years, Limits, and Reserves. Fund year 2020 has been transferred to the RCF.

MOTION TO ADOPT RESOLUTIONS 1-25 THROUGH 6-25:

Moved: Commissioner Razze
Second: Commissioner Laureigh
Roll Call Vote: Unanimous

Resolutions Made Part of the Minutes.

TREASURER:

RESOLUTION 7-25, CONFIRMATION OF PAYMENT – NOVEMBER 2024

2024	\$46,721.22
TOTAL	\$46,721.22

RESOLUTION 8-25, CONFIRMATION OF PAYMENT – DECEMBER 2024

2024	\$39,107.34
TOTAL	\$39,107.34

RESOLUTION 9-25, CONFIRMING JANUARY 2025 VOUCHER PAYMENTS (BILLS LIST):

2024	\$54.27
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2025	\$38,420.82
TOTAL	\$38,475.09

MOTION TO CONFIRM BILLS LISTS RESOLUTION 7-25 NOVEMBER 2024, RESOLUTION 8-25 DECEMBER 2024 AND TO ADOPT RESOLUTION 9-25 APPROVING THE JANUARY 2025 VOUCHER LIST, AS SUBMITTED:

Moved: Commissioner McNeilly
 Second: Commissioner Nolan
 Roll Call Vote: 11 Yays, 0 Nays, 1 Abstain (Commissioner Quatrone)

EXECUTIVE DIRECTOR:

Professional Agreements: Executive Director said Resolution 1-21, adopted January 6, 2021, set forth the results of the Fund's issuance of Competitive Contract Requests for Proposal for the appointment terms of 2021-2023, with option to renew for 2024 and 2025. At the March 24, 2023 meeting the Fund adopted Resolution 12-23 to extend the competitive contracts for Professionals and Servicing Organizations for two (2) years; from January 1, 2024 through December 31, 2025. The contracts are in their 5th year and a memorandum included in the agenda provides a summary of contracts in force and sets forth compensation for Fund year 2025.

Executive Director said this year the Fund will be releasing Competitive Contracts for the following professional positions: Administrator, Deputy Administrator, Claims Supervision, Treasurer, Actuary and Attorney. In response to Executive Director, Secretary Criscuolo said he would defer to Chairwomen Champney to create a Contracts Review Committee for the purposes of reviewing proposal responses.

Fund Auditor Resolution 10-25 - Competitive Contract #24-01: Executive Director said an RCF Ad Hoc Committee met on December 10, 2024 and discussed the three vendor RFQ responses for Fund Auditor. The Committee completed the scoring sheets and Bowman & Company received the highest rating and has the Committee's recommendation. Minutes from the meeting are enclosed in the agenda.

MOTION TO ADOPT RESOLUTION 10-25 AUTHORIZING THE AWARD OF COMPETITIVE CONTRACT #24-01 FOR FUND AUDITOR TO BOWMAN & COMPANY FOR A THREE YEAR PERIOD:

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

Claims Committee: Executive Director said the Claims Review Committee met on December 3, 2024 and on January 3, 2025 at 9:30 AM via teleconference.

MOTION TO APPROVE THE PARS AS RECOMMENDED BY THE CLAIMS COMMITTEE:

Moved: Commissioner Laureigh
 Second: Commissioner Sims
 Roll Call Vote: 11 Yays, 0 Nays, 1 Recusal (Commissioner Bigler)

ATTORNEY:

Fund Attorney thanked the Board for the reappointment.

Fund Attorney said looking forward to 2025, a focus for himself, the Claims Administrator, the Executive Director is to ensure resources are prepared and ready to give presence in court for claims that go to trial. Because the RCF has the older claims, there is a higher likelihood that a claim can go to trial . They are also working with local Fund Attorneys as often as possible.

Fund Attorney thanked the Account Managers who host / set-up and run the remote meetings and for their work ‘behind the scenes’.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved:	Commissioner Tomasko
Second:	Commissioner Bigler
Vote:	Unanimous

MEETING ADJOURNED: 11:58 AM

Sandra Cantwell, Assisting
Secretary for
Joseph Criscuolo, SECRETARY

RESOLUTION 1-25
of the
MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
APPOINTING FUND OFFICIAL DEPOSITORY FOR THE 2025 FUND YEAR

WHEREAS, the Municipal Excess Liability Residual Claims Fund (hereinafter the Fund), finds it necessary for the proper conduct and order of business that official depositories for the Fund be designated and named; and

WHEREAS TD Bank for Banking services - at an earnings rate based on a combined average balance of \$75,000,000 of participating joint insurance funds which will earn Federal Funds minus 25 basis points (.25%) with a floor of 50 basis point (.50%). - is hereby proposed by the Board of Fund Commissioners as the official designated depository in accord with N.J.S.A. 40A:11-5-15.1(f)

NOW, THEREFORE, BE IT RESOLVED, by the Fund, that TD Bank for Banking Manager at an earnings rate based on a combined average balance of \$75,000,000 of participating joint insurance funds which will earn Federal Funds minus 25 basis points (.25%) with a floor of 50 basis point (.50%) is hereby approved by the Board of Fund Commissioners as the official designated depository in accord with N.J.S.A. 40A:11-5-15.1(f) and that sums so deposited may be withdrawn upon a check, draft or order of the Board of Fund Commissioners; and

BE IT FURTHER RESOLVED that a certified copy of this Resolution, duly executed, be delivered to the proper officers of TD Bank.

ADOPTED this 6th day of January 2025, before the Governing Body:

Chairwoman

Secretary

RESOLUTION NO: 2-25

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
(hereafter referred to as “THE FUND”)

ESTABLISHING A FISCAL MANAGEMENT PLAN

FOR THE 2025 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 2025 Fund Year:

- I.** All funds for Administrative Expenses, Reinsurance, Dividends and Miscellaneous Expenses, shall be withdrawn from the Official named Depository (ies) by check, wire or ACH which shall bear the signatures and/or electronic approvals of at least two (2) of the following persons, duly authorized pursuant to this Resolution;

Megan Champney Kweselait, CHAIRWOMAN

Joseph Criscuolo, SECRETARY

Charles Cuccia, TREASURER

Gregory Franz, COMMISSIONER

All funds for Claims payments handled by the applicable Claims Administrator noted below 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. The Chairperson and Secretary or designated Commissioner shall also be a signatory.

Charles Cuccia	Fund Treasurer
Fred Semrau	Dorsey & Semrau
Tammy Probst-Smith	Dorsey & Semrau
Dave S. Ruber	Qual-Lynx
Alice H. Lihou	Qual-Lynx
Edward Koreivo	Qual-Lynx
William Bailey	Bergen JIF Claims L.L.C.
Dawn Mulligan	Bergen JIF Claims L.L.C.
Kathleen McGuire	Bergen Risk Managers
Jason Cosimano	Bergen Risk Managers
Jennifer Dittermer	Bergen Risk Managers
John Markel	Bergen Risk Managers
Christopher Botta, Esquire	CB Claims, LLC
Laura Sable	CB Claims, LLC
Susan C. Hammer	Lenape Claims Management
Patricia Muldoon	Lenape Claims Management

Rachel Ruiz
David Harris

CRC – Claims Resolution Corporation
CRC – Claims Resolution Corporation

- II.** FOR WIRE TRANSFERS - that the FUND does hereby require that TD Bank obtain voice confirmation prior to executing wire transfers to external accounts from the Fund Treasurer.
- III.** The Cash and Investment Policy attached herewith, shall be adopted.
- IV.** 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.
- V.** 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.

This includes the RCF Claims Committee

ADOPTED this 6th day of January 2025 before the Governing Body:

Chairwoman

Secretary

RESOLUTION NO: 3-25

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND
(hereafter the “FUND”)**

ESTABLISHING PUBLIC MEETING PROCEDURES

WHEREAS, the FUND must establish meeting procedures for Fund Year 2025, and

NOW, THEREFORE BE IT RESOLVED, by the Governing Body of the FUND that:

- I.** The FUND shall hold public meetings at 11:30 AM at the Forsgate Country Club, Monroe N.J. during the year 2025 as follows:
Friday, March 21, 2025
Monday June 9, 2025
Monday September 8, 2025
Wednesday October 15, 2025

The 2026 Reorganization will be scheduled for Friday, January 9, 2026 at 11:30AM.

- II.** The RCF Claims Committee will meet 9:30AM on January 3, March 18, May 7, June 4, July 16, September 4, October 8 and December 3, 2025 via audio / video teleconference. The Committee is also scheduled to meet January 7, 2026 via teleconference.
- III.** The following is hereby designated the official newspaper (s) of the Fund:
The Star Ledger, Newark, New Jersey and the Courier Post. In addition, the RCF’s webpage is designated for official notices – <https://njmel.org/nj-residual-claims-fund/>.
- IV.** The FUND Secretary or designated assistant shall provide notice of any and all meetings, including special or emergency meetings, to each official newspaper and shall issue all official notices required to be published in at least one of the official newspapers.

ADOPTED this 6th day of January 2025 before the Governing Body:

Chairwoman

Secretary

RESOLUTION NO. 4-25

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND (hereafter the “FUND”) RESOLUTION TO ESTABLISH REMOTE MEETING PROCEDURES APPLICABLE DURING A DECLARED STATE OF EMERGENCY

WHEREAS, on March 9, 2020 in response to COVID-19, Governor Phil Murphy issued Executive Order 103, which declared a state of emergency that has been extended by the Governor and remains in full force to this day; and

WHEREAS, by way of additional Executive Orders, the Governor has established extensive social distancing protocols to protect the health, safety and welfare of New Jersey citizens; and

WHEREAS, in accordance with the Executive Orders relating to COVID-19 and the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq. (“OPMA”), local government units, including the Municipal Excess Liability Residual Claims Fund (“Fund”), have continued to hold public meetings via remote platforms to ensure the continued operation of local government with participation by the public, in a way that limits public health risk; and

WHEREAS, in March 2020, the New Jersey Department of Community Affairs, Division of Local Government Services (“DLGS”) issued “Local Operational Guidance – COVID-19: Guidance for Remote Public Meetings in New Jersey,” which provided specific guidance regarding holding remote public meetings under the OPMA; and

WHEREAS, on September 24, 2020, the DLGS issued Local Finance Notice 2020-21 (“LFN 2020-21”), which provided a synopsis of newly promulgated emergency regulations N.J.A.C. 5:39-1.1 through 1.7, which establish standard protocols for remote public meetings governed by the OPMA and held during a Governor-declared state of emergency; and

WHEREAS, under emergency regulation N.J.A.C. 5:39-1.4(h), a local government unit is required to adopt by resolution standard procedures and requirements for public comment made during remote public meetings, as well as for public comments submitted in writing ahead of the remote public meeting, and

WHEREAS the RCF desires to memorialized standard procedures and requirements for public comment for remote meetings in the event there is a State of Emergency or such meetings are legally authorized for 2025 in accordance with the DLGS Guidelines.

NOW THEREFORE BE IT RESOLVED that the Executive Director’s Office of the Fund, does hereby resolve and agree to adopt the following procedures regarding public comments during remote public meetings:

1. Public comments for a remote public meeting shall be limited to 5 minutes for each speaker and may be made during the designated public comment section of the meeting or submitted in writing to the Executive Director’s Office of the Fund no later than four (4) hours prior to published start time of the remote meeting. Written public comments must be emailed to the Executive Director’s Office at jhrubash@permainc.com or scantwell@permainc.com or mailed to the Executive Director’s Office at 9 Campus Drive, Suite 216, Parsippany, NJ 07054. Written public comments may not be submitted via any other form of electronic

communication.

2. Written public comments submitted via email or mail must include the individual's name, full address and contact information (telephone number and/or email address), as the Executive Director's Office reserves the right to verify the submitter's identity.
3. Written public comments submitted in accordance with this resolution shall be read into the remote meeting record at the end of the last public comment section, subject to the time limit in place for in-person comments. Written public comments containing profanity or vulgarity will not be read into the record. The chair and/or presiding officer of the remote meeting reserves the right to read similar or duplicative comments into the record in a summary fashion and will do so uniformly for all similar/duplicative comments.
4. Members of the public who submit written public comments regarding a specific agenda item that is scheduled for public hearing (such as a budget or bylaws amendment, etc.), should designate the agenda item and title to which their written public comments apply. Written public comments received after the four (4) hour deadline set forth by this resolution will not be read into the record or become part of the meeting record.
5. The procedures and requirements for making public comments during a remote meeting, along with an explanation of the audio muting function of the electronic communications platform being used, shall be announced at the beginning of the remote public meeting.
6. With respect to public participation at a remote public meeting, the following procedures shall be incorporated:
 - a. A member of the public who has submitted written comments prior to the meeting in accordance with this resolution, attends the remote public meeting, and wishes to participate during the public comment portion, will be deemed and treated as having already had the floor once.
 - b. If a member of the public disrupts a remote public meeting, the chair and/or presiding officer of the remote public meeting shall facilitate a dialogue with that member of the public to the extent reasonably permitted by the electronic communications technology.
 - c. The chair and/or presiding officer of the meeting shall mute or continue muting, or direct appropriate staff to mute or continue muting, the disruptive member of the public and warn them that continued disruption may result in their being prevented from speaking during the remote public meeting or removed from the remote public meeting. Disruptive conduct includes sustained inappropriate behaviors such as, but not necessarily limited to, shouting, interruption and use of profanity.
 - d. A member of the public who continues to act in a disruptive manner after receiving an initial warning shall be muted while other members of the public are allowed to proceed with their questions or comments. If time permits, the disruptive individual shall be allowed to speak after all other members of the public have been given the opportunity to make comment. Should the person remain disruptive, the individual may be muted or kept on mute for the remainder of the remote public meeting or removed from the remote public meeting.

- e. The chair and/or presiding officer of the remote meeting shall reserve the right to take necessary action to protect the rights of the public to participate in the remote public meeting.
- 7. The Executive Director is authorized to take all necessary steps to appropriately comply with all requirements of the law in the event a remote public meeting is authorized by the Board of Fund Commissioners.

This Resolution shall take effect immediately.

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

ADOPTED this 6th day of January, 2025;

Chairwoman

Secretary

RESOLUTION NO. 5-25

**MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS
FUND
(Hereinafter the “FUND”)**

ESTABLISHING A FUND RECORDS PROGRAM

WHEREAS: The FUND must establish a formal record retention program for the 2025 fund year.

NOW, THEREFORE BE IT RESOLVED, by the FUND’s Governing Body that:

- I.** Joseph Criscuolo, **Fund Secretary**, is hereby designated as custodian of the FUND records, which shall be kept at the office of the Fund Administrator, located at 9 Campus Drive Suite 216 – Parsippany, NJ 07054.
- II.** The Account Manager designated by the Executive Director is hereby appointed as **Assistant Fund Secretary**.
- III.** The records of the FUND shall be retained in accordance with the municipal records retention schedule as promulgated by the New Jersey Division of Archives and Records Management, and/or otherwise specified by the New Jersey Department of Insurance and Community Affairs.
- IV.** Each fund professional and service organization shall have the duty and obligation to maintain such records as are entrusted to him/her and to relinquish such records to the Fund Secretary upon termination of services or otherwise upon request.

Records and files not required to support current operations, but which must otherwise be retained, shall be stored in the record retention facility, located at Access, 24 Beckwith, Avenue, Paterson, New Jersey. The FUND’s Executive Director shall coordinate the archive process and shall insure that all records are properly indexed and accessible.

ADOPTED:

This 6th day of January 2025 before the Governing Body

Chairwoman

Secretary

RESOLUTION NO. 6-25

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND

(hereinafter the "Fund" or the "RCF")

2025 PLAN OF RISK MANAGEMENT

Plan of Risk Management

Definitions

Commissioners mean: The Board of Fund Commissioners or the Executive Committee thereof as appropriate.

Member means: A Joint Insurance Fund that is a member of the RCF.

Perils of Liability to be Insured Against:

The RCF provides residual coverage for any claim which otherwise would be payable by a member for the following coverages and member fund years.

Member Fund Coverages:

- ☐ General Liability (including Police Professional Liability)
- ☐ Employee Benefits Liability
- ☐ Public Officials Liability
- ☐ Automobile Liability
- ☐ Workers' Compensation
- ☐ Property

Member Fund Years:

MEL -	1987 through 2020
B-MEL	1987 through 1990
Atlantic -	1987 through 2020
Bergen -	1985 through 2020
Burlco -	1991 through 2020
Camden -	1987 through 2020
Monmouth -	1988 through 2020
Morris -	1987 through 2020
NJUA -	1991 through 2020
Ocean -	1987 through 2020
PMM -	1987 through 2020
South Bergen -	1986 through 2020
Suburban Metro -	1992 through 2020
Trico -	1991 through 2020
Suburban Municipal	1994 through 2020
NJPHA JIF	1994 through 2020
Central Jersey JIF (Edison & Woodbridge)	Run-in claims incurred through 7/1/98
Brick Township	Run-in claims incurred through 1/1/99

The terms and conditions of these coverages insured by the RCF shall be the terms and conditions of these coverages provided by the member joint insurance funds in accordance with the coverage documents and plans of risk management of the member joint insurance funds.

Limits of Coverage:

1.) The RCF's limits shall be equal to the per occurrence self-insured retention of the member joint insurance funds. The amount of any claim in excess of the member joint insurance fund's self-insured retention shall be the responsibility of the applicable excess insurer or reinsurer, the member joint insurance fund, or the member local unit as the case may be in accordance with the member joint insurance fund's coverage documents and plan of risk management.

2.) The RCF shall self-insure this limit except for run-in claims assumed from the Central Jersey JIF for Edison and Woodbridge and Ocean JIF for Brick Township.

Fund Retention:

The RCF shall retain the entire risk except for run-in.

Reserves to be Established:

1.) The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the RCF would expect the claims servicing company to set reserves at 85% accuracy. The RCF also establishes reserves recommended by the Fund's actuary for claims that have been incurred but not yet reported so that the RCF has adequate reserves to pay all claims and allocated loss adjusted expense liability.

2.) Claim reserves are subject to regular review by the Fund's Executive Director/Administrator, Attorney, Commissioners and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the member Funds. The Fund's actuary will conduct a complete actuarial reevaluation before establishing the budget, and assessments for the transfer of any member fund year to the RCF.

3.) The RCF may also establish an aggregate excess loss contingency fund consistent with NJAS 11:15-2.23 (f) 2.

Assessment Methodology:

1.) By November of each year, the RCF shall prepare the budget for the upcoming fiscal year. The budget shall identify the proposed items and amounts of expenditure for its operations, the anticipated amounts and sources of assessments and other income to be received during the fiscal year, and the status of the self-insurance or loss retention accounts.

2.) Non-claim expenses shall be allocated among fund years.

3.) In the event the budget for the upcoming fiscal year includes provision for the transfer residual risk by member joint insurance funds for member fund years not yet transferred:

a.) participation by a member joint insurance fund in such transfer shall be optional; and

b.) the budget for such transfer shall include provision to pay non-claim expenses associated with the transfer.

- 4.) The budget shall be reviewed by an actuary who shall comment on its adequacy and shall recommend changes, as appropriate, prior to Budget adoption or amendment.
- 5.) Not later than December 31st of each year, the Commissioners shall adopt, by majority vote, the budget for the Fund's operation for the coming fiscal year.
- 6.) A copy of the Fund's proposed budget, as changed to reflect the actuary report, shall be sent to each participating joint insurance fund at least two (2) weeks prior to the time scheduled for its adoption. No budget or amendment shall be adopted until a hearing has been held giving all participating member joint insurance funds the opportunity to present comments or objections.
- 7.) Any time during the year, the RCF may investigate the feasibility of assuming the residual risk of additional member fund years. Participation in such transfers shall be optional on the part of each member joint insurance fund, and shall require the-RCF to amend its budget and secure an amended indemnity and trust agreement from each member joint insurance fund which wishes to transfer the residual risk for additional member fund years.
- 8.) An adopted budget may be amended by majority vote of Commissioners after giving the participating joint insurance funds two (2) weeks advance written notice, and conducting a hearing on the proposed amendment.
- 9.) A copy of the adopted budget and any amendment shall be filed within thirty (30) days of its adoption with the governing body of each participating joint insurance fund, the Commissioner of Banking and Insurance, and the Commissioner of the Department of Community Affairs.
- 10.) That portion of the non-claim budget which relates to residual risk already transferred to the Fund shall be charged to the member funds based on their share of each such fund year.
- 11.) That portion of the budget related to the transferring residual risk not yet transferred shall be charged to the members pro rata, based on the actuarial evaluation of the ultimate cost, including IBNR of the claims to be transferred.
- 12.) Any other budget item shall be charged to the members, based on the value of the service provided.
- 13.) The total amount of each member's annual assessment shall be certified by majority vote of the Commissioners to the governing body of each participating member at least one (1) month prior to the beginning of the next fiscal year.
- 14.) The annual assessment shall be paid to the RCF in installments, to be determined by the Commissioners which shall conform with N.J.A.C. 11:15-2.15(a).
- 15.) In the event the final budget passed by December necessitates changes in the annual assessment, the second installment shall be adjusted to reflect this difference.
- 16.) The Treasurer shall deposit each member's assessment into the appropriate accounts, including the administrative account and the claim or loss retention trust fund account by fund year in which the member participates.
- 17.) The Commissioners shall, by majority vote, levy additional assessments wherever needed, or so ordered by the Commissioner of Banking and Insurance to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

- a.) All supplemental assessments shall be charged to the participating joint insurance fund by applicable fund year, and shall be apportioned by that year's premium.
- b.) All joint insurance funds shall be given ninety (90) days advance written notice of the Fund's intention to charge an additional assessment, and the Fund shall conduct a hearing before adopting the supplemental assessment.
- c.) 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 12.5 percent of unpaid claims including IBNR.

18.) The RCF shall submit to the Commissioner of Banking and Insurance and the Commissioner of Community Affairs a report of the causes of the Fund's insufficiency, the assessments necessary to replenish it, and the steps taken to prevent a reoccurrence of such circumstances.

Procedures Governing Loss Adjustment and Legal Fees:

- 1.) Each member shall maintain in full force and effect a contract with a qualified adjusting service company to adjust the member's residual claims. The claims adjuster service so engaged shall be designated as a claims adjusting service company of the RCF.
- 2.) All claims shall be reported to the claims adjusting service in accordance with the procedures established by the member joint insurance fund.
- 3.) Each member joint insurance fund shall engage a qualified Fund attorney to coordinate the legal defense of the member's residual claims. The individual or firm so engaged shall be designated as a deputy fund attorney of the Fund.
- 4.) The Fund accepts the Defense panel of each member joint insurance fund.

Coverage to be Purchased from a Commercial Insurer, if any:

None.

Reinsurance to be Purchased, if any, and the Amount of Premium therefore:

None.

Procedures for the Closure of Fund Years:

- 1.) Since it is the purpose of the RCF to serve as the mechanism to permit member Funds to close Fund years, the Residual Claims Fund will only close Fund years upon a determination that the residual risk has been extinguished to a higher level of certitude. Specifically, the RCF will only close a Fund year if:
 - a.) a portfolio transfer of residual risk has been effected; or
 - b.) upon the later of the tolling of the statute of limitations for all potential claims incurred during the Fund Year or the closure of all potential claims incurred or 21 years since the end of the latest member Fund year included in the Residual Fund year.
- 2.) A Fund year may only be closed by resolution adopted after a public hearing.

- a.) All members must be given at least one (1) month notice prior to the public hearing.
 - b.) The resolution shall provide for the maintenance of all records in accordance with the requirements of the Commissioner of Banking and Insurance, Commissioner of the Department of Community Affairs, and all other regulations and statutes then in effect.
 - c.) The resolution shall provide for written notice to the Department of Banking and Insurance and the Department of Community Affairs at least two (2) months before the resolution becomes effective.
- 3.) a.) Each year, the Commissioners will determine if a dividend is appropriate and will make application to the Department of Banking and Insurance as appropriate. Further, in the event an open Fund year incurs a deficit, the Commissioners will consider an inter-year transfer from the closed Fund year account to offset the deficit. In either case, the dividend or inter-Fund year transfer will be calculated on a member by member basis.
- b.) The dividend of any member that is no longer a member of the Fund shall be held in escrow until the tolling of the statute of limitations for all potential claims incurred during the membership period. A former member may apply to the Commissioners for a return of that member's remaining share of the closed Fund year account when five (5) years have passed since the last Fund year in which the member participated has been closed. The Commissioners will decide on the former member's request after evaluating the likelihood of any additional assessments in consultation with the Fund Actuary.
- 4.) The Fund will retain all records in accordance with the Fund's record retention program.

Assumptions and Methodology used for the calculation of appropriate reserves requirements to be established and administered in accordance with sound actuarial principles.

- 1.) The general approach in estimating the loss reserves of the RCF is to project ultimate losses for each member Fund year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Fund Actuary chooses a "select" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields that loss reserve liability or funding requirement.
- 2.) The following is an overview of the two actuarial methods used to project the ultimate losses.
- a.) Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.
 - b.) Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22.

1.) \$10,000. Any claim in excess of \$10,000 must be reviewed by the Executive Director/Administrator and approved by the Commissioners, Executive Committee of the member joint insurance fund or designated township of official for the townships of Edison, Woodbridge and Brick. In advance of each meeting of the RCF, the Executive Director/Administrator shall prepare a report of the claims approved by the member joint insurance fund.

2.) In addition to the approval required under the 1.) above, any claim other than Public Officials and Employment Practices Liability in excess of \$50,000 must also be reviewed by the RCF's Executive Director/Administrator, and approved by the RCF Commissioners or any claim in excess of \$100,000 for the townships of Edison, Woodbridge and Brick. The RCF Commissioners have established a claims subcommittee comprised of at least three of its members to exercise this power. This subcommittee may meet telephonically when required.

3. Public Officials and Employment Practices Liability: Any claim in excess of \$10,000 must be approved by the Fund Attorney and Executive Director/Administrator. All such approvals shall be reported to the claims sub-committee at their next meeting.

4. With the advance approval of the Fund Attorney or the Executive Director/Administrator, the certifying and approving officer may also pay hospital bills if waiting until after the next regularly scheduled FUND meeting would result in the loss of a discount on such bills. When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.

ADOPTED: *this 6th day of January 2025 by the Governing Body:*

Chairwoman

Secretary

MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND BILLS LIST

Resolution No. 7-25

November 2024

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 2024

<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
PERMA RISK MANAGEMENT SERVICES	POSTAGE 10/24	2.07
PERMA RISK MANAGEMENT SERVICES	ADMIN FEES 11/24	18,456.54
		18,458.61
THE ACTUARIAL ADVANTAGE	ACTUARIAL SERVICES 11/24	3,806.04
		3,806.04
ARTHUR J GALLAGHER LLC bda	DEPUTY ADMINISTRATOR 11/24	6,239.08
		6,239.08
CHARLES CUCCIA	TREASURER FEE 11/24	3,609.00
		3,609.00
GREGORY FRANZ	2024 MEETING ATTENDANCE	750.00
		750.00
MICHAEL RAZZE	2024 MEETING ATTENDANCE	300.00
		300.00
JOHN CLARKE	2024 MEETING ATTENDANCE	150.00
		150.00
BERNARD RUTKOWSKI	2024 MEETING ATTENDANCE	300.00
		300.00
PAUL H. TOMASKO	2024 MEETING ATTENDANCE	750.00
		750.00
VINCENT QUATRONE	2024 MEETING ATTENDANCE	300.00
		300.00
JOSEPH E. WOLK	2024 MEETING ATTENDANCE 11/24	750.00
		750.00
BRIAN MCNEILLY	2024 MEETING ATTENDANCE	750.00
		750.00
MEGAN JACK	2024 MEETING ATTENDANCE	750.00

		750.00
JOSEPH CRISCUOLO	2024 MEETING ATTENDANCE	600.00
		600.00
TOWNSHIP OF MAPLE SHADE	2024 MEETING ATTENDANCE-S. DANSON	450.00
		450.00
JAMES E PACANOWSKI II	2024 MEETING ATTENDANCE	300.00
		300.00
NJ ADVANCE MEDIA	ACCT XMUNI0555929 AD 10929058 10/28/24	34.71
NJ ADVANCE MEDIA	ACCT XMUNI0555929 AD 10916180 09/25/24	129.60
NJ ADVANCE MEDIA	ACCT XMUNI0555929 AD 10926967 10/23/24	77.40
		241.71
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND	REIMB. FOR 10/16/24 MEETING- FCC14984	956.67
		956.67
CB CLAIMS, LLC	CLAIMS ADMINISTRATION FEE 11/24	5,556.79
		5,556.79
BRIAN BIGLER	2024 MEETING ATTENDANCE	300.00
		300.00
THOMAS NOLAN	2024 MEETING ATTENDANCE	750.00
		750.00
VERONICA LAUREIGH	2024 MEETING ATTENDANCE	600.00
		600.00
ACCESS	INV 11141499 DEPT 809 09/30/24	53.32
		53.32
	Total Payments FY 2024	46,721.22
	TOTAL PAYMENTS ALL FUND YEARS	46,721.22

Chairperson: _____

Attest: _____

Dated: January 6, 2025

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. 8-25

December 2024

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 2024

<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
PERMA RISK MANAGEMENT SERVICES	POSTAGE 11/24	16.56
PERMA RISK MANAGEMENT SERVICES	ADMIN FEES 12/24	18,456.54
		18,473.10
THE ACTUARIAL ADVANTAGE	ACTUARIAL SERVICES 12/24	3,806.02
		3,806.02
ARTHUR J GALLAGHER LLC bda	DEPUTY ADMINISTRATOR 12/24	6,239.12
		6,239.12
CHARLES CUCCIA	TREASURER FEE 12/24	3,609.00
		3,609.00
STEVEN ROVELL	2024 MEETING ATTENDANCE 12/24	450.00
		450.00
CB CLAIMS, LLC	CLAIMS ADMINISTRATION FEE 12/24	5,556.79
		5,556.79
EDISON TOWNSHIP	2024 MEET. ATTEND. W. NORTHGRAVE	150.00
		150.00
SHERRY SIMS	2024 MEETING ATTENDANCE 12/24	150.00
		150.00
MEGAN L. CHAMPNEY KWESELAIT	2024 MEETING ATTENDANCE 12/24	600.00
		600.00
ACCESS	INV 11186063 DEPT 809 10/31/24	73.31
		73.31
	Total Payments 2024	39,107.34
	TOTAL PAYMENTS ALL FUND YEARS	39,107.34

Chairperson: _____

Attest: _____

Dated: January 6, 2025

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. 9-25

January 2025

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 2024

<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
ACCESS	INV 11289454 DEPT 809 11/30/24 FOR DEC	54.27
		54.27
	Total Payments FY 2024	54.27

FUND YEAR 2025

<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEES 01/25	18,825.67
		18,825.67
THE ACTUARIAL ADVANTAGE	ACTUARIAL SERVICES 01/25	3,882.16
		3,882.16
ARTHUR J GALLAGHER LLC bda	DEPUTY ADMINISTRATOR 01/25	6,363.89
		6,363.89
CHARLES CUCCIA	TREASURER FEE 01/25	3,681.18
		3,681.18
CB CLAIMS, LLC	CLAIMS ADMINISTRATION FEE 01/25	5,667.92
		5,667.92
	Total Payments FY 2025	38,420.82

TOTAL PAYMENTS ALL FUND YEARS **38,475.09**

Chairperson: _____

Attest: _____

Dated: January 6, 2025

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

Treasurer _____

**RESOLUTION NO. 10-25
OF THE
MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND AUTHORIZING THE AWARD
OF CC#24-01 TO BOWMAN & COMPANY AS FUND AUDITOR**

WHEREAS, The Municipal Excess Liability Residual Claims Fund (hereinafter the Fund) received notice from **Wielkottz & Company, LLC** on April 26, 2024 that due to the retirement of James Cerullo they were no longer positioned to service the Fund and withdraw as Fund Auditor for the 2024 fund year audit; and

WHEREAS the Board of Fund Commissioners authorized a release of Competitive Contract RFP for Fund Auditor for a three-year term for audits for Fund Years 2024, 2025 and 2026

WHEREAS a notice advising of competitive contracts was published in the October 23, 2024 edition of the Star Ledger, and posted on the Fund website <https://njmel.org/nj-residual-claims-fund/> under the Public Bids section; and

WHEREAS the Fund received Competitive Contract responses were received from professional service providers and service organizations on November 19, 2024 at 10:00AM; and

WHEREAS the ad-hoc Contract Review Committee for Fund Auditor rated the proposals upon the standards of factors being Technical, Managerial and Cost factors in accord with N.J.A.C.5:34-4.3(d); and

WHEREAS the ad-hoc Contract Review Committee made recommendations on the award of the contract to the below listed Professional Service Provider based on a review of their responses, experience and prior service provided at the rates established by the Board of Fund Commissioners; and

WHEREAS the report produced by the committee, recommending the below 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:11-4.1 and N.J.A.C 5:34-4; and

WHEREAS, the Fund Treasurer has indicated that sufficient funds exist for the award of these contracts in the usual and customary accounts.

WHEREAS the Board of Fund Commissioners of the Municipal Excess Liability Residual Claims Fund resolves to appoint the Fund Professional – noted below – to three-year terms commencing on January 1, 2025 and ending on December 31, 2027 at its January 2025 Reorganization Meeting in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.

NOW THEREFORE, BE IT RESOLVED that the contract for Fund Auditor be appointed for a three year term and

Dennis Skalkowski of Bowman & Company, LLC is hereby appointed as **Fund Auditor**. \$78,040.00 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$25,500 has been appropriated in the Auditor Line Item of the 2025 budget upon delivery of the 2024 fund year audit.

NOW, THEREFORE, BE IT RESOLVED by the Municipal Excess Liability Residual Claims Fund as follows: The Fund's Executive Director is hereby authorized to enter into a contract with the above

professional for a period of three (3) years encompassing the scope of work as outlined within CC#24-01.

BE IT FURTHER RESOLVED, the Professional Service Provider appointed pursuant to this Resolution shall service the Fund in accordance with the terms and conditions of the Professional Service Agreement.

BE IT FURTHER RESOLVED, that in accordance with NJSA 19:44A-20.7, the decision of the Fund's Board of Fund Commissioners that the procurement process utilized, constitutes a fair and open process, shall be final.

ADOPTED:
this 6th day of January 2025 before the Governing Body:

Chairwoman

Secretary