

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

OPEN MINUTES

JUNE 9, 2025

FORSGATE COUNTRY CLUB, MONROE TWP- 10:30AM

Chairman Commissioner Tomasko called the meeting to order, the Assistant Secretary to read the statement of compliance open public meeting act and the pledge of allegiance was conducted.

ROLL CALL OF 2025 BOARD OF FUND COMMISSIONERS

Paul Tomasko	Borough of Alpine – Bergen JIF	Present
John Clarke	Princeton Housing Authority- PHA JIF	Present
Greg Franz	Edgewater – South Bergen JIF	Present
Joseph Wolk	Borough of Mount Ephraim- Camden JIF	Absent
Thomas Nolan	Borough of Brielle - Monmouth JIF	Present
Bernard Rutkowski	NJUA JIF – Toms River MUA	Absent
Brian Bigler – Alternate	NJUA JIF – Secaucus MUA	Present
Veronica Laureigh	Township of Lacey – Ocean JIF	Present
Megan Champney Kweselait	City of Summit- Suburban Municipal JIF	Absent
Meghan Jack	Riverside Twp- Burlco JIF	Present
Adam Brewer	Pequannock Township – Morris JIF	Present
James Ulrich	Twp. of Clark - NJMSI JIF	Absent
Michael Razze	Pitman Borough - TRICO JIF	Present
Robert MacFarland	Bordentown Fire District #2 FRESP JIF	Absent
Joy Tozzi	East Windsor Twp - Mid-Jersey JIF	Present
Susan Danson	Maple Shade Twp- PMM JIF	Present
Joseph Criscuolo	East Brunswick – Central JIF	Present
Frank Elenio	Ridgefield - PAIC JIF Representative	Absent
James Pacanowski	Atlantic JIF Representative	Present
Vincent Quatrone	Township of Little Falls – Sub Metro JIF	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator PERMA Risk Management Services
Joseph Hrubash, Cate Kiernan, Nancy A. Ghani

Attorney Dorsey & Semrau
Fred Semrau, Esq.

Producer Arthur J. Gallagher
Paul Forlenza, Kamini Patel

Actuary The Actuarial Advantage
Jamie Shooks

Auditor Nisivoccia LLP
Bud Jones, Brian Ko

Ex Worker's Comp & Property
Claims Administrator Qual-Lynx
Kathy Kissane

Safety Director JA Montgomery Risk Control Services
Brian Maitland

Treasurer Laracy Associates LLC
Matt Laracy

Excess Liability
Claims Administrator

CB Claims LLC
Christopher Botta, Laura Sable

Lobbyist

Pathways
Paul Bent

Underwriting Manager

Conner Strong & Buckelew
Edward Cooney, Jonathon Tavares
Muhammad Hernandez

Managed Care

QualCare
Lisa Gallo

Marketing Consultant

Acrisure
Amy Pieroni

Southern NJ Marketing Consultant PJM Consultants
Paul Miola

ALSO PRESENT:

Casey Wagner, Central JIF Alternate Fund Commissioner

Sherry Sims, RCF Commissioner

Barbara Murphy, Risk & Loss Managers

Alison Kelly, Danskin Insurance Agency

Chuck Casagrande, Danskin Insurance Agency

John Casagrande, Danskin Insurance Agency

Ezio Altamura GJEM Otterstedt Agency

Don Sciolaro, P.I.A.

Patti Fahy, Acrisure

David Grubb, MEL Executive Director (Emeritus), Perma Risk Management Services

Jennifer Conicella, Perma Risk Management Services

Robyn Walcoff, Perma Risk Management Services

Brad Stokes, Perma Risk Management Services

Pauline Kontomanolis, Perma Risk Management Services

Candy Leonard, Perma Risk Management Services

MINUTES: Included in the agenda were the open minutes of March 21, 2025; the closed minutes were distributed to the MEL Board of Fund Commissioners only.

MOTION TO APPROVE THE MARCH 21, 2025 OPEN AND CLOSED MINUTES AS PRESENTED:

Moved:	Commissioner Franz
Second:	Commissioner Brewer
Vote:	Unanimous

CORRESPONDENCE:

NONE

AUDITOR:

AUDITOR YEAR-END REPORT: Executive Director said the Audit Committee met on June 2, 2025 to review the year-end financials as of December 31, 2024 and the Internal Audits of the *Property Claims TPA* and *Accounting & Reporting*. Minutes of committee meeting will be emailed and copies of the Financial Audit Report and Internal Audit Reports were enclosed separately from the agenda.

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 as of 12/31/24 was \$12.2 million. Fund Auditor concluded the review and said there are no findings or recommendations.

ACTUARY YEAR-END REPORT: Enclosed separately from the agenda was the Actuarial Valuation Report as of December 31, 2024. Fund Actuary provided a summary review of the report and said the MEL's reserves and Incurred But Not Reported (IBNR) are consistent with the figures and findings in the financial audit and said the report reflected a Reasonable determination of reserves; the other categories being Excessive or Deficit.

INTERNAL AUDITS: Executive Director said the committee reviewed the internal audits for *Property Claims TPA* and *Accounting & Reporting* and is recommending approval of these internal reports. Committee Chairman Commissioner Brewer said the Committee reviewed findings in the Internal Audit for Property Claims TPA; the findings will be addressed through the Request for Proposal (RFP) to be issued later this year.

In addition, the Committee recommended the Board consider the request of Baker Tilly for additional compensation for services provided on the Reinsurance Audit and Internal Audit on Property Claims TPA; a memorandum from Baker Tilly was included in the agenda. Deputy Executive Director said the Fund office, in its review of the internal audit of the property claims administrator, required greater clarification and more meetings with Baker Tilly than is normally the case. In addition, Deputy Executive Director noted the annual Reinsurance Audit involved review of 20+ carriers in the program, which required additional time to review each layer and sub-limits within the program.

MOTION TO ACCEPT THE FINANCIAL AUDIT REPORT AND ACTUARIAL VALUATION REPORT AS OF DECEMBER 31, 2024 AND ADOPT RESOLUTION 24-25 AND EXECUTE AN AFFIDAVIT INDICATING THE MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE FINANCIAL AUDIT REPORT AND;

MOTION TO ACCEPT THE INTERNAL AUDIT REPORTS OF THE PROPERTY CLAIMS TPA, REINSURANCE CHECKLIST AND ACCOUNTING AND REPORTING AS PRESENTED AND;

MOTION TO APPROVE ADDITIONAL COMPENSATION IN THE AMOUNT OF \$2,500 FOR WORK ASSOCIATED WITH THE REINSURANCE CHECKLIST AND \$5,000 FOR WORK ASSOCIATED WITH THE INTERNAL AUDIT ON PROPERTY THIRD PARTY ADMINISTRATION, AS REQUESTED:

Moved:	Commissioner Brewer
Second:	Commissioner Laureigh
Roll Call Vote:	14 Ayes – 0 Nays

EXECUTIVE DIRECTOR:

BYLAW AMENDMENT: Executive Director said at the March 21, 2025 meeting, the Board adopted a resolution introducing proposed amendments to the MEL Bylaws. Executive Director said the resolution waived the requirement that the public hearing be held within 45 days from introduction so that it could be held today.

Copies of the proposed bylaw amendment and notices on the public hearing were distributed to MEL-affiliated joint insurance fund (JIFs) members. Enclosed in the agenda was an excerpt of the proposed bylaw amendments. Executive Director said according to the bylaw amendment procedure, the amendment is adopted by the Fund when the governing bodies of three fourths (3/4) of the members approve the amendment within six (6) months of the hearing on the amendment.

MOTION TO OPEN THE PUBLIC HEARING ON THE BYLAWS:

Moved: Commissioner Laureigh
Second: Commissioner Danson
Vote: Unanimous

DISCUSSION OF BYLAWS.

Seeing no discussion...

MOTION TO CLOSE THE PUBLIC HEARING ON BYLAWS:

Moved: Commissioner Nolan
Second: Commissioner Laureigh
Vote: Unanimous

MOTION TO APPROVE THE PROPOSED AMENDMENT AND DISTRIBUTE TO MEL MEMBERS FOR CONSIDERATION.

Moved: Commissioner Nolan
Second: Commissioner Clarke
Roll Call Vote: 14 Ayes – 0 Nays

MANAGEMENT COMMITTEE: Executive Director said this committee met on May 1, 2025 to review responses to the Competitive Contracting Request for Proposals (CCRFP) for a Risk Management Information System (RMIS) and discuss the MEL sub-committees & their respective charters; minutes of the meeting were included in the agenda. In addition, executive session was held to provide an update on Workers' Compensation Litigation and Liability Claim Matters; minutes of executive session were distributed to MEL Board members only.

Executive Director said Commissioners were asked to score the sole response from *Origami Risk* and the result is a recommendation to award contract for June 1, 2025 through June 1, 2028 for fees of \$258,538 for year 1; \$284,560 for year 2 and \$308,273 for year 3; included in the agenda was a resolution authorizing this award in the amount of \$851,371 over the three-year term and disperses amount based on budget years.

In addition, Executive Director said the commissioners asked the Executive Director's office to review the MEL sub-committee charters and highlight recommended changes to be reviewed at the next scheduled committee meeting. Lastly, Executive Director said the Management Committee recommended establishing virtual meeting dates for the balance of 2025 as follows: August 4 Virtual at 10:00 am; August 28 Virtual at 10:00 am; October 2 Virtual at 10:00 am; November 4 Virtual at 10:00 am; December 22 Virtual at 10:00 am

MOTION TO ADOPT RESOLUTION 25-25 AUTHORIZING THE AWARD OF CC#25-01 TO ORIGAMI RISK FOR THE PERIOD OF JUNE 1, 2025 THROUGH JUNE 1, 2028.

Moved: Commissioner Laureigh
Second: Commissioner Nolan
Roll Call Vote: 14 Ayes – 0 Nays

MOTION TO SCHEDULE VIRTUAL MANAGEMENT COMMITTEE MEETINGS FOR AUGUST 4, AUGUST 38TH, OCTOBER 2ND, NOVEMBER 4TH AND DECEMBER 22ND AT 10:00 AM.

Moved: Commissioner Tozzi
Second: Commissioner Laureigh
Vote: Unanimous

MEL BUDGET INCREASES: Enclosed in the agenda was a memorandum outlining the impact of the changing environment of issues facing members on the MEL budgets over the last five years. The memorandum highlighted the budget increases by line of coverage and identified property as the largest driver of budget increases.

FINANCIAL FAST TRACK: Submitted for information was the Financial Fast Track as of December 31, 2024 which reflected a statutory surplus of \$12.4 million and a cash balance of \$83.7 million.

LEGISLATIVE COMMITTEE: Committee met on April 4, 2025 at 11:00AM; enclosed in the agenda were the minutes of the meeting.

Committee also met on June 6, 2025 to review proposed legislative bills A-2145 and S-2373, which provide protections for paid first responders diagnosed with post-traumatic stress disorder under certain conditions. Committee submitted an opposition paper citing protections currently in place under workers' compensation law as well as the estimated increase to legal and medical costs to taxpayers if these bills were adopted. The opposition paper included suggested amendments to the legislation. The MEL was prepared to enter a motion to oppose the legislation; however, Mr. Grubb attended an earlier morning meeting in Trenton and reported some of the proposed amendments were accepted. Fund Attorney highlighted the efforts of multiple Fund Professionals and Fund Commissioners in this matter. Executive Director said if necessary, the Fund office will prepare and distribute a model resolution for members to oppose these legislative bills.

MARKETING COMMITTEE: Committee met on May 13, 2025 at 1:00PM; enclosed in the agenda were the minutes of the meeting.

SAFETY & EDUCATION COMMITTEE: Committee met on May 23, 2025 at 11:00AM; enclosed in the agenda were the minutes of the meeting.

Executive Director said the Committee is recommending renewing the MSI licensing arrangement for Defensive Driving at a cost of \$30,200 for 2,000 hits. The demand for this training has been significant.

MOTION TO ACCEPT THE RECOMMENDATIONS OF THE COMMITTEE AND RENEW THE MSI LICENSING ARRANGEMENT FOR DEFENSIVE DRIVING AT A COST OF \$30,200 FOR 2,000 HITS:

Moved:	Commissioner Laureigh
Second:	Commissioner Brewer
Roll Call Vote:	14 Ayes – 0 Nays

CLAIMS COMMITTEE: This committee last met on March 21st and May 7th; minutes of these meetings are sent to the full MEL Board separately from the agenda.

STORMWATER MANAGEMENT PROGRAM: Enclosed in the agenda was a copy of the notice distributed to MEL members on/about May 8, 2025 announcing the Stormwater/Flood Risk Control Program where MEL members are eligible for specialized legal and engineering consultation. Approximately 26 members have already signed up for this service.

EMPLOYMENT PRACTICES COMPLIANCE PROGRAM: Every two years, the MEL asks its members to update their Employment Practices Compliance Program consisting of personnel manual, employment manual and training program. Included in the agenda was a copy of the April 16th memorandum (*excluding the other attachments*) that was distributed to members.

BACKGROUND CHECKS: Executive Director said the MEL's "Protecting Children from

Abuse” model policy calls for increased background checks and members were looking for assistance in identifying vendors. It would be appropriate to issue a Request for Qualifications to obtain an updated list of service vendors.

MOTION TO ADOPT RESOLUTION 26-25 AUTHORIZING THE ISSUANCE OF REQUEST FOR QUALIFICATIONS FOR VENDORS THAT PROVIDE BACKGROUND CHECK SERVICES:

Moved:	Commissioner Laureigh
Second:	Commissioner Brewer
Vote:	Unanimous

2025 MEL, MR HIF & NJCE JIF EDUCATIONAL SEMINAR: Executive Director said the 15th annual seminar was conducted virtually over 2 half-day sessions on Friday April 25th and Friday May 2nd and said that more than 250 people attended each day.

The Insurance Institutes has posted credits to transcripts for Lawyers, Accountants and Insurance Producers and will now start the process of issuing certificates. PERMA is in the process of generating certificates for CEUs for Municipal Clerk, Chief Financial Officer, Certified DPW, Qualified Purchasing Agents, Registered Public Purchasing Official (RPPO) and Total Contact Hours for Water Supply & Wastewater License Operators.

Chairman Tomasko complimented the panel of speakers that participated in the seminar and thanked the Fund office for their efforts in putting the seminar together.

RESIDUAL CLAIMS FUND (RCF): Enclosed in the agenda was a copy of Commissioner Clarke’s report on the RCF March meeting. The RCF will meet after the MEL meeting.

NJ CYBER JIF: The NJ Cyber JIF met on March 20th and May 15th enclosed in the agenda were the meeting reports for information. This JIF is also scheduled to meet on June 12th.

The Cyber JIF scheduled a webinar for **June 16th at 10:00 am** (rescheduled from June 10th) as part of its 2025 education campaign. The first seminar is *The Basics of Basic* and will highlight member stories and unique challenges regarding cyber threats as well as getting cyber secure.

MEL JULY 2025 MEMBERSHIP RENEWALS: Executive Director said the following Joint Insurance Funds have been asked to renew their MEL membership effective July 1, 2025: Bergen County Municipal JIF, Camden County Municipal JIF, Central Jersey JIF, Monmouth County Municipal JIF, Morris County Municipal JIF New Jersey Utility Authorities JIF, Ocean County Municipal JIF, Professional Municipal Management JIF, South Bergen JIF, Suburban Municipal JIF and Suburban Metro JIF.

DUE DILIGENCE: Included in the agenda was the Regulatory Compliance Checklist as of 6/2/25 which tracks regulatory and compliance requirements.

UNDERWRITING MANAGER:

REPORT: Underwriting Manager said a MEL Coverage Committee meeting will be scheduled to review crime coverage where the loss is theft but is based on “cyber-like” incidents – with a suggestion that deductibles for these type of losses be linked to the Cyber Risk Control program. Underwriting Manager said marketing for the MEL 2026 renewal will begin in the coming month and added that markets will respond favorably to programs that result in premium savings - like the MEL Stormwater Management program - as liability costs continue to increase.

TREASURER: Treasurer reported the NJ State Comptroller's office issued a notice for contracting units revising the minimum thresholds that require reporting or prior approval from the Comptroller's office - effective July 1, 2025.

Included as part of the Treasurer's reports were the confirmation of payments from April 2025, May 2025 May 2025 Supplemental, Resolution 27-25 June 2025 Bills list and the January to March 2025 Confirmation of Transfers to Claims Accounts. In addition, copies of the Joint Cash Management & Investment Program (JCMI) from January through April 2025 were included.

CONFIRMATION OF PAYMENTS

April 2025	\$14,963,703.97
May 2025	\$653,577.30
May 2025 Supplemental	\$41,382.00

RESOLUTION 27-25 FOR JUNE 2025 VOUCHERS:

June 2025	\$2,162,803.45
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CONFIRMATION OF JANUARY 2025 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:

1988 WC	23,581.44
CLOSED	0.00
2021	130,608.75
2022	899,545.75
2023	1,550,494.10
2024	727,354.84
2025	0.00
TOTAL	\$3,331,584.88

CONFIRMATION OF FEBRUARY 2025 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:

1988 WC	26,769.38
CLOSED	0.00
2021	590,576.56
2022	69,489.51
2023	87,981.59
2024	45,084.32
2025	0.00
TOTAL	\$819,901.36

CONFIRMATION OF MARCH 2025 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:

1988 WC	20,576.71
CLOSED	0.00
2021	299,757.09
2022	563,389.12
2023	683,788.51
2024	796,783.81
2025	0.00
TOTAL	\$2,364,295.24

MOTION TO CONFIRM PAYMENTS OF APRIL 2025, MAY 2025, MAY 2025 SUPPLEMENTAL #1, APPROVE JUNE 2025 BILLS LIST

**RESOLUTION 27-25 AND TO APPROVE TREASURER'S REPORT;
CURRENT AND CONFIRMING EXPENSES AS PRESENTED:**

Moved: Commissioner Tozzi
Second: Commissioner Laureigh
Roll Call Vote: 14 Ayes – 0 Nays; Commissioner Quatrone recused himself on any Conner Strong & Bucklew related payments.

CLAIMS – EXCESS WORKERS COMPENSATION:

REPORT: Claims Administrator said there was nothing additional to report.

CLAIMS – EXCESS LIABILITY:

REPORT: Claims Administrator said there was nothing additional to report.

ATTORNEY:

REPORT: Fund Attorney summarized the following actions involving governmental entities as follows:

- In early May, a notice on the Stormwater Management Program was distributed to members' Mayors and Administrators and feedback has been positive to date with approximately 26 members signed up so far.
- Fund Attorney said the Haddonfield claim, which resulted in a \$21 million jury verdict for damages to four homes due to microburst is currently being mediated and may be decided in the appellate court if mediation is not successful.
- An attorney has filed several class-action lawsuit related to the amounts towns charged for vacant properties. Fund Attorney said efforts made by Executive Directors, Underwriting Manager and JIF Fund Attorneys resulted in a change in the coverage position adopted by our POLEPL carrier – that will result in significant savings for MEL.
- Efforts continue towards resolving recoveries owed from the MEL's prior excess workers' compensation carrier from 1991-2002 via the special counsel authorized by the MEL Board during October 2024. Fund Attorney said based on activity to date, a request for additional legal fees may be presented at the next meeting.

MANAGED CARE:

REPORT: A copy of the Savings and Penetration report as of April 2025 was included in the agenda for information. To date, the total billed was \$4,948,638.70 with approved bills of \$1,877,713.48 for a total savings of 62% and network penetration of 75%.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved: Commissioner Laureigh
Second: Commissioner Brewer
Vote: Unanimous

MEETING ADJOURNED: 11:10AM

NEXT MEETING: Monday September 8, 2025 – 10:30AM
DoubleTree by Hilton – 390 Forsgate Drive, Monroe Twp. NJ

Nancy A. Ghani, Assisting Secretary

For

JOHN CLARKE, SECRETARY

June 9, 2025