

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND  
OPEN MINUTES  
OCTOBER 21, 2020  
VIA TELECONFERENCE  
11:15AM**

Meeting of Board of Fund Commissioners called to order by Chairman Tom Merchel. Open Public Meetings notice read into record.

**PLEDGE OF ALLEGIANCE** – Chairman Merchel led Commissioners in the Pledge of Allegiance.

**ROLL CALL OF 2020 BOARD OF FUND COMMISSIONERS**

Tom Merchel, Chairman	Township of Moorestown- PMM JIF	Present
Joy Tozzi, Secretary	Township of Robbinsville - Mid-Jersey JIF	Present
Robert Law	Woodbury City - Trico JIF	Present
Jon Rheinhardt	Borough of Wharton – Morris JIF	Present
Charles Cuccia	Borough of Little Falls –S. Bergen JIF	Present
Richard Hirsch	Borough of Longport - Atlantic JIF	Present
Joseph Wolk	Borough of Mount Ephraim- Camden JIF	Present
Joe Catenaro	Township of Fairfield – Sub Essex JIF	Present
Thomas Nolan	Borough of Brielle - Monmouth JIF	Present
Joseph D’Arco	Borough of Paramus - NJMSI JIF	Present
Bernard Rutkowski	NJUA JIF – Toms River MUA	Present
Paul Tomasko	Borough of Alpine – Bergen JIF	Present
John Clarke	New Brunswick Housing Authority- PHA JIF	Present
Veronica Laureigh	Township of Lacey – Ocean JIF	Present
William Northgrave	Township of Edison – Central JIF	Present
Meghan Champney	City of Summit – Suburban JIF	Present
Kevin Davis	County of Hunterdon – PAIC JIF	Present
Megan Jack	Riverside Twp- Burlco JIF	Absent
Steven Scholey	Bordentown Mission Fire Company - District #1	Present

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Adm	Perma Risk Management Services <b>David N. Grubb, Joseph Hrubash, Cate Kiernan Nancy A. Ghani</b>
Attorney	Dorsey & Semrau <b>Fred Semrau, Esquire</b>
Producer	Arthur J. Gallagher <b>Paul Miola</b>
Actuary	The Actuarial Advantage <b>Kyle Mrotek, Eric Bause</b>
Auditor	Nisivoccia <b>Bud Jones</b>
Ex Worker’s Comp Claims Administrator	Qual-Lynx <b>Kathy Kissane</b>
Treasurer	<b>Mike Zambito</b>

Excess Liability Claims Administrator	CB Claims LLC <b>Christopher Botta</b>
Lobbyist	Pathways Governmental <b>Paul Bent</b>
Underwriting Manager	Conner Strong & Buckelew <b>Edward Cooney</b>
Managed Care	QualCare <b>Donna Setzer</b>
Asset Manager	Clearbrook <b>Fernando Garip</b>
Marketing Coordinator	Acrisure <b>Amy Pieroni, Lindsay Travali</b>

**JIF COMMISSIONERS/PROFESSIONALS PRESENT:**

Don Sciolaro, Bergen JIF Commissioner  
 Richard Brand, NJUA JIF Commissioner  
 Ezio Altamura, GJEM-Otterstedt Insurance Agency  
 Patrick Brown, McLarens  
 Dave Vozza, The Vozza Agency  
 Chuck Hartsoe, PEGAS  
 Frank Covelli, P.I.A.  
 Robin Racioppi, Acrisure  
 Hallee Cramer, Meeker Sharkey Agency  
 Michael Avalone, Conner Strong & Buckelew  
 John Casagrande, Danskin Insurance Agency  
 Charles Casagrande, Danskin Insurance Agency  
 Alison Kelly, Danskin Insurance Agency  
 Barbara Murphy, RLM  
 Roger Butler, Barclay Insurance Group  
 Steve Sacco, PERMA  
 Brad Stokes, PERMA  
 Jason Thorpe, PERMA  
 Pauline Kontomanolis, PERMA  
 Robyn Walcoff, PERMA  
 Jen Conicella, PERMA  
 Sandra Cantwell, PERMA

**MINUTES:** Included in the agenda were the open minutes of September 2, 2020.

**MOTION TO APPROVE SEPTEMBER 2, 2020 OPEN MINUTES:**

Moved:	Commissioner Wolk
Second:	Commissioner Law
Vote:	Unanimous – 1 Abstain (Commissioner Tozzi)

**CORRESPONDENCE:**

NONE

Executive Director said the action items of this agenda will be taken as a Consent Agenda.

**EXECUTIVE DIRECTOR REPORT:** Executive Director reported the Management Committee met on October 14<sup>th</sup> to review the following below items. Included in the agenda were the minutes from that meeting for information.

**BUDGET & MARKET RENEWAL UPDATE** - Executive Director said the MEL Board adopted a budget in June so local JIFs could develop and finalize their budgets this fall.

Assistant Executive Director said in June the MEL adopted a budget based on a flat rate; the intent was to adopt a budget that reflected rates from October 2019; however, actual rates were adopted. Assistant Executive Director said the final rates differ slightly for optional excess POL/EPL and excess property noting small changes. Executive Director reported these are de minimis changes and do not require state filing, but it would be appropriate to adopt the revised 2021 rate table for the record. For information, included in the agenda was the final revised 2021 Rate Table.

MEL Underwriting Manager provided a brief summary report on the renewal noting the excess and reinsurance coverages are being negotiated, as well as, review of different retention options. In addition, MEL Underwriting Manager and local JIF Executive Directors have discussed the formation of a Captive to address pro-rata share of POL/EPL line of coverage. Executive Director said the MEL has had preliminary discussions with the Department of Banking and Insurance (DOBI) on this Captive noting this initiative may result in premium savings, as well as, being an innovative and creative strategy.

**MOTION TO ADOPT THE REVISED 2021 RATE TABLE AS PRESENTED.**

Moved: Commissioner Tomasko  
Second: Commissioner D'Arco

**REQUESTS FOR PROPOSALS:** Executive Director said Competitive Contracting RFPs were issued for the majority of the MEL's contracts. Responses were due in September and the Management Committee have been assigned to evaluate responses for the positions (noted below). Committee members will need to complete the ratings sheet for each response. Claims Review Committee will review responses submitted for Third Party Administrators and Managed Care Organizations. Safety & Education Committee will review MEL Safety Director/Trainer.

Executive Director said respective Evaluation Committee will make recommendations in the coming weeks and formal action will take place at the January reorganization meeting.

Management Committee to review these responses:

- Actuary
- Attorney
- Auditor
- Deputy Attorney
- Executive Director
- Graphic Designer
- Internal Auditor - Financial
- Internal Auditor - Insurance
- Legislative Agent
- Reinsurance Producer
- Technical Writer
- Strategic Planning & Communications
- Treasurer
- Underwriting Manager

**EMPLOYMENT PRACTICES PROGRAM:** Executive Director said a webinar has been scheduled for October 29<sup>th</sup> at 2:00PM to provide guidance to members' counsel and administrators on the new

Personnel Manual and Employee Handbook. Notices were distributed to members and Executive Director said additional webinars may be scheduled on as-needed basis.

**REMOTE PUBLIC MEETINGS:** The Division of Local Government Services issued Local Finance Notice LFN2021-21 regarding holding remote public meetings during a declared emergency. Fund Attorney reported he is working on a model for the MEL to adopt. Model to address the access and availability for public to speak, as well as, process to conduct meetings remotely. Executive Director said the model will first be reviewed by the Management Committee and then presented to the MEL Board.

**2020/2021 ELECTED OFFICIALS SEMINAR:** The MEL’s Annual Elected Officials Seminar will be included in the League of Municipalities Virtual Conference. Executive Director said filming for the program is complete and is being circulated for final edits. Executive Director said a notice will be distributed to members’ on how to access once posted to the Learning Management System. Fund Attorney complemented the webinar content and participants noting the flexibility of the MEL to transition this in-person session to an online webinar.

**2020 FISCAL MANAGEMENT PLAN AMENDMENT:** Executive Director said the Fund Office has been notified that Ms. Janet Buggle has retired from Qual-Lynx. Ms. Buggle is an authorized signer on the Qual-Lynx claims accounts; therefore, she should be removed. Investors Bank has requested a revised Resolution to remove her as a signatory.

**MOTION TO ADOPT RESOLUTION 36-20 AMENDING THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND 2020 FISCAL MANAGEMENT PLAN:**

Moved: Commissioner Tomasko  
Second: Commissioner Clarke

**LEGISLATIVE COMMITTEE:** The committee met at 11:00 am on October 14<sup>th</sup>. Committee Chairman Cuccia said there was nothing additional to report; minutes of the October 14<sup>th</sup> meeting will be included in the next agenda.

**SAFETY & EDUCATION COMMITTEE:** The committee is scheduled to meet on November 10<sup>th</sup>. Committee Chairman Rutkowski said there was nothing additional to report. Executive Director said the Risk Management Manual has completed editing and has been sent to the printer for fulfillment.

**RCF Report:** Enclosed in the agenda was a copy of Commissioner Clarke’s report on the RCF’s September meeting. Commissioner Clarke said the RCF met prior to the MEL meeting to conduct a public hearing on its 2021 Budget.

**CYBER TASK FORCE:** Underwriting Manager reported the MEL’s Cyber Task Force has been meeting throughout the year to review the MEL’s Cyber Risk Management Program. Cyber Task Force is expected to finalize revisions at their next meeting set for October 30, 2020 at 1PM. Underwriting Manager said there will be clarification on Tiers 1 and 2 and a third tier will be added; members that received approval on Tiers prior to the revision are expected to be grandfathered into the revised program.

**COVERAGE COMMITTEE:** A meeting of the coverage committee is in the process of being scheduled.

**EMERGENCY RESTORATION SERVICES:** In early 2020 the MEL QPA issued a bid for Emergency Restoration Services and confirmed it may serve as a “rolling” list where responders that comply with bid specification will be posted to the MEL website.

Executive Director said the Fund office received a response from *CPR Restoration & Cleaning Service* whose response meets the bids specifications.

**MOTION TO ACCEPT THE RESPONSE AND LIST THE VENDOR ON THE MEL’S WEBSITE:**

Moved: Commissioner Hirsch  
Second: Commissioner D’Arco

**CLAIMS REVIEW COMMITTEE:** The Claims Review Committee met on June 3, 2020 and July 16, 2020; minutes of both meetings were distributed. The committee will be meeting at the conclusion of this meeting.

Executive Director said the Fund is still waiting for confirmation from Safety National that COVID-19 workers’ compensation claims in 2020 will be considered one occurrence or individually. Executive Director anticipates changes to the coverage language for 2021 based on the market, but the expected coverage changes have not been determined yet. Executive Director said the MEL has the financial resources to manage claims, as well as, a process in place to address so that there is not substantial impact to the organization.

**UNDERWRITING MANAGER:**

**REPORT:** Underwriting Manager reported he is still actively marketing the renewal for all lines of coverage. Underwriting Manager reported POL/EPL primary coverage placed with QBE is negotiated as whole for MEL affiliated JIFs; initial premium increase of 3% has been reduced to 2.2% representing a significant amount of savings.

Underwriting Manager said Cyber coverage renewal is being marketed for palatable solutions since premiums paid over the last few years have exceeded the claims experience. Underwriting Manager said the revisions to the MEL’s Cyber Risk Management Program by the Cyber Task Force should be ready by year-end for 2021 review and implementation by members. Deputy Executive Director said the Cyber Task Force will consider feasibility of producing a cyber-security training webinar perhaps either through J.A. Montgomery or the MEL Safety Institute.

Commissioner Tomasko complimented the article *Cyber Security Challenges and COVID-19- Network safety in the office and working from home* that appeared in the October 2020 issue of the NJ Municipalities magazine. Article was co-written by MEL Underwriting Manager and Michael Geraghty, NJ Chief Information Security Officer.

**TREASURER:**

**CONFIRMATION OF PAYMENTS**

September 2020 Supplemental \$263,286.92

**RESOLUTION 37-20 FOR OCTOBER 2020 VOUCHERS:**

October 2020 \$452,037.45

**CONFIRMATION OF AUGUST 2020 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:**

<b>1988 WC</b>	1,900.44
<b>CLOSED</b>	0.00

<b>2016</b>	37,828.91
<b>2017</b>	19,193.84
<b>2018</b>	21,297.05
<b>2019</b>	393,363.32
<b>2020</b>	594,829.65
<b>TOTAL</b>	<b>\$1,068,413.21</b>

**CONFIRMATION OF SEPTEMBER 2020 CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS TRANSFERS:**

<b>1988 WC</b>	24,276.20
<b>CLOSED</b>	0.00
<b>2016</b>	374,453.62
<b>2017</b>	42,555.04
<b>2018</b>	21,282.83
<b>2019</b>	267,860.54
<b>2020</b>	374,355.05
<b>TOTAL</b>	<b>\$1,104,783.28</b>

Included with the Fund Treasurer’s report was a participant summary of JIFs, including invested amounts, that have joined the Joint Cash Management and Investment (JCMI) as of October 1<sup>st</sup>. Member JIFs have been invited to participate in the JCMI on a staggered basis.

**MOTION TO CONFIRM SEPTEMBER 2020 SUPPLEMENTAL BILLS LIST AND APPROVE OCTOBER 2020 BILLS LIST RESOLUTION 37-20 AND TO APPROVE TREASURER’S REPORT; CURRENT AND CONFIRMING EXPENSES AS PRESENTED:**

Moved: Commissioner Tomasko  
 Second: Commissioner Hirsch

**CLAIMS – EXCESS WORKERS COMPENSATION:**

**REPORT:** Claims Administrator said they are continuing to monitor COVID-19 claims and providing detailed summary reports to local JIF Executive Directors.

**CLAIMS – EXCESS LIABILITY:**

**REPORT:** Nothing to report for the month.

**ATTORNEY:**

**REPORT:** Fund Attorney thanked the MEL Underwriting Manager for regulatory filings submitted to the State Comptroller’s office for placement of commercial coverages. Fund Attorney said with the assistance of the MEL’s Qualified Purchasing Agent (QPA) some of the filings received pre-approval for placement of commercial coverage and thanked both professionals for ensuring the MEL’s continued compliance.

Fund Attorney said a “dry-run” webinar is being conducted this Thursday October 22<sup>nd</sup> to identify and anticipate questions from members regarding the recently issued Personnel Manual and Employee Handbook issued as part of the Employment Practices Program. Fund Attorney encouraged Commissioners and Professionals either participate or submit questions.

Fund Attorney said his office continues to manage cases and provided a brief overview of activity to date. In addition, Fund Attorney said his office continues to monitor Executive Orders issued by

the Governor and complimented J.A. Montgomery on the distribution of those orders and potential impact to members.

Lastly, Fund Attorney recalled a memory where one of his first cases tied back to the MEL as a matter of coincidence. Fund Attorney said an insurance controller was terminated for refusing to remove a footnote made to a financial statement. Fund Attorney represented DOBI who had asked the controller to testify and based on that was hired by DOBI and ultimately performed an audit of the MEL. At the time, the controller highlighted observations of the MEL noting it was a terrific fund with an effective approach and management of municipal insurance.

**MANAGED CARE:**

**REPORT:** A report was included in the agenda showing the Savings and Penetration report as of September 2020. The total billed was \$7.3 million with approved bills of \$3.5 million for a total savings of 51% and network penetration of 77%. Managed Care Provider said as discussed last meeting, the charges to date include a COVID-19 in-patient rehabilitation claim and a lumbar surgery.

**CONSENT AGENDA:** Seeing no other agenda items for discussion Chairman Merchel requested a roll call vote on the action items of the agenda.

Roll Call Vote: 18 Ayes – 0 Nays

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

**PROMOTION:** Executive Director said Joseph Hrubash was appointed as MEL Deputy Executive Director in 2015 and in recent years has managed more of the day-to-day operations. Executive Director said it is his recommendation that the 2021 reorganization agenda note Joseph Hrubash as Executive Director to co-manage the Fund, which is an honor that Joe has deeply earned and worked hard towards. Mr. Hrubash said he appreciates the opportunity to serve as MEL Executive Director.

Commissioner Catenaro agreed with recommendation saying the honor is well deserved and noting Joe is magnificent in what he does. Commissioner Northgrave said he works with Joe as Executive Director of the Central JIF and it has been a phenomenal experience. Chairman Merchel congratulated Joe and said he has always conducted himself professionally. Commissioner Tomasko expressed his congratulations, as well as, thanked Dave Grubb for his efforts as well.

**PUBLIC COMMENT:**

**NJ MAGAZINE ARTICLE:** Mr. Ezio Altamura complimented MEL Underwriting Manager on the article *Cyber Security Challenges and COVID-19-Network safety in the office and working from home* that appeared in the NJ Municipalities magazine. Mr. Altamura suggested the article be distributed to Fund Commissioners and Risk Managers as the topics addressed current concerns.

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

**MOTION TO ADJOURN:**

Moved:	Commissioner Clarke
Second:	Commissioner Laureigh
Vote:	Unanimous

**MEETING ADJOURNED:** 11:49AM

**NEXT MEETING:** November 18, 2020

October 21, 2020

12:30PM – via teleconference

Nancy A. Ghani, Assisting Secretary

For

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JOY TOZZI, SECRETARY



**RESOLUTION NO: 36-20**

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**  
(hereafter referred to as the “FUND”)  
**AMENDING THE FUND’S FISCAL MANAGEMENT PLAN**  
**FOR THE 2020 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

**WHEREAS**, the FUND adopted Resolution 3-20 at Reorganization which included designating signatories; and

**WHEREAS**, the FUND has determined the need to amend the signatories for the Workers’ Compensation Accounts;

**NOW, THEREFORE BE IT RESOLVED**, THE FUND’s Governing Body hereby appoints the following professionals for the 2020 Fund Year:

- II.** All funds for Claims payments handled by Qual-Lynx 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.

Dave S. Ruber, Qual-Lynx  
Alice H. Lihou, Qual-Lynx  
Michael Zambito, Fund Treasurer

Adopted this 21<sup>st</sup> day of October 2020.

**Municipal Excess Liability Joint Insurance Fund**

By: \_\_\_\_\_  
Thomas Merchel, Chairperson

Attest:

\_\_\_\_\_  
Joy Tozzi, Secretary

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**

**BILLS LIST**

**RESOLUTION 37-20**

**OCTOBER 2020**

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

**BE IT RESOLVED** that the Municipal Excess Liability Joint Insurance Fund’s Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

**FURTHER**, that this authorization shall be made a permanent part of the records of the Fund.

<u>FUND YEAR 2020</u>			
<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002497			
002497	QUALCARE, INC.	MANAGED CARE FEES 10/20	45,543.51
			<b>45,543.51</b>
002498			
002498	QUAL-LYNX	COMPUTER ACCESS FEES 10/20	1,377.00
002498	QUAL-LYNX	CLAIM ADJ SERVICES 10/20	53,400.00
			<b>54,777.00</b>
002499			
002499	J. A. MONTGOMERY RISK CONTROL	SAFETY & EDUCATION 10/20 - VIDEO	1,000.00
002499	J. A. MONTGOMERY RISK CONTROL	MSI 10/20	88,200.00
002499	J. A. MONTGOMERY RISK CONTROL	SAFETY & EDUCATION 10/20 - CONSULTING	8,600.00
			<b>97,800.00</b>
002500			
002500	PERMA	POSTAGE 9/20	23.00
002500	PERMA	EXEC DIRECTOR FEE 10/20	113,585.44
			<b>113,608.44</b>
002501			
002501	DORSEY & SEMRAU ESQ.	4TH QTR RETAINER 2020	10,924.20
002501	DORSEY & SEMRAU ESQ.	4TH QTR RETAINER OPRA 2020	4,681.75
002501	DORSEY & SEMRAU ESQ.	MEL SPECIAL LITIGATION 9/20	2,961.69
002501	DORSEY & SEMRAU ESQ.	MEL EPL ROLLOFF 9/20	3,049.03
			<b>21,616.67</b>
002502			
002502	NEWTECH SERVICES, INC.	MONTHLY WEB MAIN/HOS 10.1.2020	77.00
			<b>77.00</b>
002503			
002503	COURIER POST	ACCT:CHL-071051 - AD - 10.1.20	12.76
			<b>12.76</b>
002504			
002504	ASBURY PARK PRESS	ACCT#ASB-102902 - AD - 10.1.20	48.50
			<b>48.50</b>
002505			
002505	ARTHUR J. GALLAGHER RMS, INC.	REINSURANCE MANAGER 10/20	26,485.42
			<b>26,485.42</b>
002506			
002506	VIDEO COMMUNICATION SERVICES	WEB PREP, SCORM PROG & A-H DISC 10/20	687.50
			<b>687.50</b>
002507			
002507	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 10/20	4,345.00
			<b>4,345.00</b>
002508			
002508	THE CANNING GROUP LLC	QPA SERVICES 9/20	1,250.00
			<b>1,250.00</b>
002509			
002509	TOMS RIVER TOWNSHIP	CYBER CLAIM - REIM OF DED 10/20	22,500.00
			<b>22,500.00</b>

002510			
002510	LaMENDOLA ASSOCIATES, INC.	SAFETY TRAINING 10/20	546.21
002510	LaMENDOLA ASSOCIATES, INC.	COMM. CONSULTING 10/20	623.44
			<b>1,169.65</b>
002511			
002511	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 10/20	45,866.00
			<b>45,866.00</b>
002512			
002512	ACRISURE LLC	MARKETING MANAGER FEE - 4TH QTR 2020	16,250.00
			<b>16,250.00</b>
		<b>Total Paments FY 2020</b>	<b>452,037.45</b>
		<b>TOTAL PAYMENTS ALL FUND YEARS</b>	<b>452,037.45</b>

\_\_\_\_\_  
Chairperson

Attest:

Dated:

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

\_\_\_\_\_  
Treasurer