

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

OPEN MINUTES

NOVEMBER 16, 2022

SHERATON HOTEL - STEEL PIER ROOM – ATLANTIC CITY, NJ – 12:30PM

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

ROLL CALL OF 2022 BOARD OF FUND COMMISSIONERS

Joy Tozzi	Township of Robbinsville - Mid-Jersey JIF	Present
Paul Tomasko	Borough of Alpine – Bergen JIF	Present
Robert Law	Woodbury City - Trico JIF	Present
Greg Franz	Edgewater – South Bergen JIF	Present
Richard Hirsch	Borough of Longport - Atlantic JIF	Present
Joseph Wolk	Borough of Mount Ephraim- Camden JIF	Present
Tom Merchel	Township of Moorestown- PMM JIF	Present
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	New Brunswick 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	Present
Meghan Jack	Riverside Twp- Burlco JIF	Present
Steven Scholey	Bordentown Fire Company - District #1- FRESP JIF	Absent
Joseph Zanga	Borough of South River – Middlesex JIF	Absent
Adam Brewer	Pequannock Township – Morris JIF	Present
James Ulrich	Clark Township – NJSI JIF	Present
Sherry Sims	Boonton Housing Authority*	Absent

**Special Commissioner – to vote in the event of a tie vote.*

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	Arthur J. Gallagher Paul Forlenza, Paul Miola, Kamini Patel
Actuary	The Actuarial Advantage Kyle Mrotek
Safety Director	JA Montgomery Risk Control Services Paul Shives
Treasurer	Mike Zambito
Underwriting Manager	Conner Strong & Buckelew Edward Cooney, Jonathon Tavares
Lobbyist	Pathways Paul Bent
Managed Care	QualCare Claudia Acosta

ALSO PRESENT:

- Ed Pasternek, Esq. Dorsey & Semrau
- James Maley, Esq. Maley & Associates
- Michael Maley, Esq. Maley & Associates
- Amy McCuckin, Lacey Township
- John Downing, Lacey Township
- Kellie Seib, Sea Isle City - Atlantic JIF Commissioner
- Kathy Wolk, Mount Ephraim
- Kathy Grubb, Wyckoff Township
- Tim Eismeler, NW Financial Group
- Frank Covelli, PIA
- Jim Renner, Qual-Lynx
- Alison Kelly, Danskin Agency
- Chuck Casagrande, Danskin Agency
- John Casagrande, Danskin Agency
- Christopher Jackson, Orange Housing Authority
- Ernest Williams, Orange Housing Authority
- Pauline Kontomanolis, PERMA Risk Management Services
- Steve Sacco, PERMA Risk Management Services
- Brad Stokes, PERMA Risk Management Services
- Robyn Walcoff, PERMA Risk Management Services
- Jennifer Conicella, PERMA Risk Management Services
- Jennifer Davis, PERMA Risk Management Services
- Karen Read, PERMA Risk Management Services
- Brandon Tracy, PERMA Risk Management Services

MINUTES: Included in the agenda were the open minutes of October 19, 2022; closed minutes of October 19, 2022 were distributed to Board members only.

MOTION TO APPROVE THE OPEN AND CLOSED MINUTES OF OCTOBER 19, 2022:

- Moved: Commissioner Merchel
- Second: Commissioner Hirsch
- Vote: Unanimous – 1 Abstain (Commissioner Laureigh)

CORRESPONDENCE:

ACKNOWLEDGEMENT: Commissioner Tomasko announced the New Jersey League of Municipalities will be honoring David Grubb, MEL Executive Director, as one of the 2022 recipients of the Distinguished Public Service Award in recognition of his years of service to NJ public entities. Executive Director Grubb said the award and recognition is an honor, expressed his gratitude for the kind works and said he looks forward to continuing to work with Fund Commissioners and Professionals on future MEL initiatives.

EXECUTIVE DIRECTOR REPORT:

2023 RATE TABLE & BUDGET: Included in the agenda was the 2023 Rate Table and Budget.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2023 RATE TABLE AND BUDGET:

- Moved: Commissioner Clarke
- Second: Commissioner Cuccia
- Vote: Unanimous

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 2023 assessments.

MOTION TO CLOSE THE PUBLIC HEARING AND APPROVE THE 2023 RATE TABLE AND BUDGET AND CERTIFY THE 2023 ASSESSMENTS:

Moved: Commissioner Laureigh
Second: Commissioner Brewer
Roll Call Vote: 16 Ayes – 0 Nays

2023 EXCESS RENEWALS: Executive Director Grubb reported the Underwriting Manager is still marketing and negotiating the 2023 renewals. Executive Director Grubb 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.

MOTION TO AUTHORIZE THE REINSURANCE COMMITTEE TO ENTER INTO THE REQUIRED AGREEMENTS FOR 2023 OPTIONAL EXCESS LIABILITY, OPTIONAL PUBLIC OFFICIALS/EMPLOYMENT PRACTICES LIABILITY, EXCESS PROPERTY AND BOILER & MACHINERY, EXCESS WORKERS’ COMPENSATION AND NON-OWNED AIRCRAFT LIABILITY:

Moved: Commissioner Brewer
Second: Commissioner Clarke
Vote: Unanimous

JOINT CASH MANAGEMENT AND INVESTMENT (JCMI) PROGRAM: Executive Director Grubb reported in September, the Board authorized the JCMI Operating Committee to engage with an Asset Manager to replace Clearbrook if that became necessary as result of cyber breach matter. Executive Director Grubb said the JCMI considered multiple options to resolve and following interviews, the JCMI has engaged the firm of Eagle Assessment Management as a professional service for a fee of 14 basis points. Fund Attorney complimented the diligent efforts of the JCMI Operating Committee in reviewing proposals. Included in the agenda was Resolution 41-22 ratifying the appointment of Eagle Assessment Management.

MOTION TO ADOPT RESOLUTION 41-22 RATIFYING THE APPOINTMENT TO EAGLE ASSESSMENT MANAGEMENT:

Moved: Commissioner Cuccia
Second: Commissioner Hirsch
Vote: Unanimous

2023 MEETING DATES: Executive Director Hrubash said the MEL JIF meets six times over the course of a year. Based on previous discussion the 2023 meeting schedule will be as follows with suggested changes in **bold**; meeting dates will be confirmed at the January Reorganization meeting.

Thursday January 5, 2023- *Reorganization*
Friday March 24, 2023 – *Meeting & Retreat*
Friday June 2, 2023 (formerly June 7, 2023) - *Year-End Audit*
Friday September 15, 2023 (formerly September 6, 2023) – *Meeting*
Wednesday October 18, 2023 – *Budget/Rate Table Introduction*
Wednesday November 15, 2023 – *Budget/Rate Table Adoption*

SAFETY & EDUCATION COMMITTEE: Committee met on November 4, 2022 at 1:00PM; included in the agenda were the meeting minutes for information. Committee Chair Commissioner Rutkowski said there was nothing additional to report.

LEGISLATIVE COMMITTEE: Committee met on November 16, 2022 at 10:30AM at the Sheraton Hotel Atlantic City, NJ. Committee Chair Commissioner Cuccia said there was nothing additional to report and the committee continues to review and monitor legislation that may affect public entities.

RCF REPORT: Executive Director Grubb said the RCF met on October 19th to adopt their 2023 budget and confirm transfer of Fund Year 2018 claim liabilities. Included in the agenda was a copy of Commissioner Clarke’s report on the RCF’s October meeting and a resolution authorizing the transfer of MEL 2018 liabilities valued as of December 31, 2022.

MOTION TO ADOPT RESOLUTION 42-22 AUTHORIZING THE TRANSFER OF FUND YEAR 2018 VALUED AS OF DECEMBER 31, 2022.

Moved: Commissioner Clarke
Second: Commissioner Ulrich
Vote: Unanimous

The RCF will meet next on Thursday January 5, 2023. It would be appropriate to nominate a Commissioner to serve on the RCF Board as the MEL representative.

MOTION TO ELECT JOHN CLARKE AS THE MEL 2023 REPRESENTATIVE TO THE MUNICIPAL EXCESS LIABILITY RESIDUAL CLAIMS FUND.

Moved: Commissioner Wolk
Second: Commissioner Laureigh
Vote: Unanimous

CYBER JIF: Executive Director Grubb reported the Cyber JIF met on November 1, 2022 to organize, adopt a 2023 Budget during the public hearing and form an interim Board to take action on specific items until formal reorganization takes place on January 6, 2023. Included in the agenda was a copy of the November 1st report for information. The Cyber JIF is scheduled to meet next on December 14, 2022 at 10AM via Zoom and on January 6, 2023 at 10AM via Zoom as the 2023 Reorganization.

Chairwoman Tozzi thanked the efforts and time of Commissioners and Fund Professionals responsible for the formation of the Cyber JIF.

CLAIMS COMMITTEE: The Claims Review Committee met on October 19, 2022; minutes of these meetings were to the full MEL Board separately from the agenda. Committee Chair Commissioner Hirsch said the MEL Claims Committee will be meeting on December 7, 2022 at 11AM via Zoom.

2022/2023 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 on November 16, 2022 at 2:00PM in Room 303 of the AC Convention Center. Please note the time change for this year’s course.

UNDERWRITING MANAGER:

REPORT: Underwriting Manager submitted a verbal report that 2023 renewal negotiations are progressing and are nearly completed. Underwriting Manager reported on some changes in the excess property and flood markets noting that the market is quickly and severely shifting due to the numerous disasters including Hurricane Ida, Hurricane Ian, and Hurricane Nicole, resulting in less capacity at higher costs. Executive Director Grubb referred to the 2023 Budget (line item 8 Excess Property Claims) and noted the budgeted loss funds for Excess Property reflected the mid- range projections as submitted by the Fund Actuary.

CLAIMS – EXCESS WORKERS COMPENSATION:

REPORT: 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 reported a significant accomplishment this year was the settlement agreement between the MEL and Safety National with respect to workers’ compensation coverage during the COVID-19 pandemic. Fund Attorney credited Fund Professionals and acknowledged the collaborative efforts of all involved in reaching the settlement.

MANAGED CARE:

REPORT: Managed Care Provider submitted a Savings and Penetration Summary report as of October 2022. Report noted total charges of \$8.8 million, which were approved and repriced to \$3.0 million for a 66% savings.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

ACKNOWLEDGMENT: Mr. Covelli of PIA congratulated the MEL Board of Fund Commissioners and Professionals on the settlement reached with Safety National as respects to workers’ compensation coverage and Covid-19 claims.

ACKNOWLEDGMENT: Chairwoman Tozzi thanked the MEL Board members, Fund Professionals and staff for their efforts and hard work during 2022.

CLOSED SESSION: There was no need for Closed Session.

MOTION TO ADJOURN:

Moved:	Commissioner Laureigh
Second:	Commissioner Clarke
Vote:	Unanimous

MEETING ADJOURNED: 12:50PM

NEXT MEETING: Thursday January 5, 2023 11:15AM

Forsgate Country Club – Monroe, NJ

Nancy A. Ghani,
 Assisting
 Secretary For

 PAUL TOMASKO, SECRETARY

RESOLUTION No. #41-22
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
AUTHORIZING THE AWARD OF PROFESSIONAL SERVICES CONTRACT TO THE
EAGLE ASSESSMENT MANAGEMENT TO SERVE AS THE FUND’S ASSET
MANAGER

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 serve as the Fund’s Asset Manager; and

WHEREAS, the Operating Committee of the Joint Cash & Management Program (JCMI) conducted interviews and recommended appointing Eagle Asset Management as the Asset Manager at a fee of 14 basis points

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 Eagle Asset Management in an amount of 14 basis points of the market value of the FUND’s invested assets to serve as the Asset Manager; and
2. This contract is awarded for a 1-year term on or about November 16, 2022.
3. This contract is awarded without competitive bidding as a professional services contract in accordance with the provisions of the Local Public Contracts Law at N.J.S.A.40A:11-5.
4. Notice of this action shall be published as required by law.
5. A copy of this resolution shall be provided to the Fund Treasurer.
6. 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.

Chair

Dated

Secretary

Dated

**RESOLUTION NO. 42-22
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>
2018	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 12/31/22

**MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND**

Chair

Date

Secretary

Date