

**PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
OPEN SESSION MINUTES
MEETING – FEBRUARY 23, 2021
ZOOM
1:00 PM**

Meeting of 2021 Fund Commissioners called to order. Open Public Meetings notice read into record.

ROLL CALL OF 2021 FUND COMMISSIONERS:

Thomas Merchel, Chairman	Township of Moorestown	Present
Richard Brevogel, Secretary	Township of Willingboro	Present
Susan Danson	Township of Maple Shade	Present
Robert Corrales	Township of Evesham	Present

SPECIAL FUND COMMISSIONER:

Nelson Wiest	Township of Maple Shade	Absent
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APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services Bradford C. Stokes Karen A. Read Rachel Chwastek Joseph Hrubash
Treasurer	Tom Tontarski
Attorney	Helmer, Conley & Kasselmann William Kearns, Esquire
Auditor	Bowman & Company
Claims Service	Qual Lynx Kathy Kissane
	PERMA Jennifer Conicella
Safety Director	J.A. Montgomery Risk Control Glenn Prince
Managed Care Organization	QualCare Karen Beatty
Underwriting Manager	Conner Strong & Buckelew Edward Cooney

ALSO PRESENT:

Maureen Mitchell, Evesham Fire District
Michael Avalone, Conner Strong & Buckelew
Tom Fitzpatrick, Fairview Insurance

APPROVAL OF MINUTES: JANUARY 26, 2021 - Open & Closed Minutes

MOTION TO APPROVE OPEN MINUTES OF JANUARY 26, 2021:

Moved: Commissioner Corrales
Second: Commissioner Danson
Vote: 3 Ayes, 0 Nays (1 Abstention – Brevogel)

MOTION TO APPROVE CLOSED MINUTES OF JANUARY 26, 2021:

Moved: Commissioner Corrales
Second: Commissioner Danson
Vote: 4 Ayes, 0 Nays

CORRESPONDENCE: NONE.

EXECUTIVE DIRECTOR:

Appointing Defense Attorneys: The Executive Director reported the Fund received proposals from various law firms to serve on the Fund's defense panel. Mr. Kearns reviewed the responses and has recommended that the firms listed in Resolution 21-9 be re-appointed to serve in this capacity.

Mr. Kearns added the current law firms have served the Fund well and he sees no reason not to reappoint them.

The Executive Director advised there were a few North Jersey firms that had submitted, but the Fund's preference is to keep the firms local, in the Burlington, Camden and Gloucester Counties. The fee is \$180/hour for third party liability cases and \$135/hour for workers compensation, a little bit of an increase, matching other JIFs in the area.

Ms. Kissane asked if the increase was effective 1/1/2021 or effective the date of the resolution.

Mr. Kearns advised it is effective the date of the resolution.

MOTION TO ADOPT RESOLUTION 21-9

Moved: Commissioner Brevogel
Second: Commissioner Corrales
Vote: 4 Ayes – 0 Nays

Employment Practices Compliance Program. Please visit the MEL webpage to review all the elements of the MEL's EPL Compliance Program; the deadline for updates and training has been extended to November 1, 2021.

There will be a 2nd EPL Handbook webinar scheduled for March 12th at 10:00am. A segment on mandatory vaccines and volunteer handbook will be added and an FAQ is in process. Link to outline of the program and model documents: <https://njmel.org/insurance/public-officials/riskmanagement-program/>

Mr. Hrubash reported the participation in the first webinar was outstanding. There have been some changes since then, including a volunteer handbook that is optional to use as part of the overall handbook. There has also been a lot of correspondence back and forth regarding mandatory vaccines. The 2nd seminar will be a repeat of the 1st and also include those additional topics. He recommended all members attend.

Mr. Stokes advised an email will be sent this week on the Seminar from Ms. Read.

Chairman Merchel asked if the handbook documents would be available in word format.

Mr. Hrubash advised it should be up on the website.

Mr. Stokes advised the various Executive Directors were planning to recommend an extension of the deadline to November 1, to the MEL Management Committee.

Chairman Merchel advised he would support the extension.

Commissioner Brevogel asked if this was the training reviewed by the municipal solicitor and then signed off.

Mr. Stokes advised it was and it would be set up through Zoom.

2020/2021 Elected Officials Seminar: The MEL's Annual Elected Officials Seminar is available through the MEL Safety Institute. Enclosed in the agenda was another copy of the directions to take the course. The MEL will provide a credit of \$250 against each member's assessment for each municipal elected official and authority commissioner who completes the course by May 1, 2021.

The credit will continue to be extended to the member's municipal manager/administrator or authority executive director). The maximum credit is 5% of the member's assessment.

2021 MEL/RCF/EJIF March 26th Virtual Meeting & Retreat: The MEL, RCF and EJIF will be holding their March meetings in conjunction with the MEL Annual Retreat. This year's retreat will be held on March 26th and will be conducted virtually. The purpose of the retreat is to provide the sub-committees of the MEL an expanded opportunity to report directly to the Boards of the MEL, RCF and EJIF.

2021 MEL & MR HIF Educational Seminar: For 10 years, the MEL Joint Insurance Fund (MEL) and Municipal Reinsurance Health Insurance Fund (MR HIF) have been holding an Educational Seminar on property/casualty and health insurance matters that also provided members and insurance producers the opportunity to earn as much as 5 Continuing Education Credits.

The Executive Director advised the Education Seminar will be split up over two days, 5/14 and 5/21. For those who need CEUs or TCHs this is a good opportunity to collect five. The office is in discussions with the state to see if the credits can be split or if you need both sessions for all the credits. This information will be emailed to all the Fund Commissioners.

Mandatory Vaccination of Employees: In response to the dissemination of the Covid-19 vaccines, the MEL Fund Attorney issued a bulletin, and consulted with the MEL Safety Director, Executive Directors of our Member Funds, and Labor expert, Matthew Giacobbe, Esq., to develop a memorandum anticipating several policy decisions on the issuance of the vaccine. Included in the agenda was the bulletin and memorandum.

Mr. Hrubash advised this information ties closely with the CDC and advised members to work with the Labor Counsel if they were interested. This will also be discussed at the next EPL Seminar.

Mr. Stokes advised this memo had been sent a few weeks ago, and to reach out to the Fund Office if any member wanted another copy.

Cyber Task Force: The MEL's Cyber Task Force has been working on modifications to the MEL's Cyber Risk Management Program and is expecting to complete soon. A new tier with minimum technology standards will be rolled out in the coming months. Members meeting all of the standards become eligible for a deductible reimbursement of up to \$22,500 of their \$25,000 deductible.

Mr. Cooney advised they're hoping to roll the new tier out March 1st, and advised included in the roll out would be the directions for updated compliance. There will 9 months grandfathered compliance for those who are already in compliance with the technology standards. Mr. Cooney advised there are serious cyber risks and he stressed the importance of members being in compliance.

March Meeting Cancellation – A reminder that the Fund will not be meeting in March, the next meeting will be on April 27th. Included in the agenda was Resolution 21-11 authoring the Treasurer to process payments & expenses and authorizing Fund Professionals to continue services during months that the Fund does not meet.

MOTION TO ADOPT RESOLUTION 21-11

Moved:	Commissioner Brevogel
Second:	Commissioner Corrales
Vote:	4 Ayes – 0 Nays

Due Diligence Reports: Monthly report submitted to Fund Commissioners including Monthly Fast-track Accident Frequency, Fast-Track Financial report, Claim Activity Report, Interest Rate Summary Comparison, Monthly Loss Ratio by fund year and line of coverage and the Monthly and Annual Regulatory Checklist. The Financial Fast Track, dated December 1, 2020 shows the fund's surplus of almost \$3.9 million, showing a gain of \$119,000 from the prior month, about \$585,000 for the year. The Fund's Loss Ratio Analysis is trending very well, the actuary's projection of 65% and the actual is 32%. This time last year the fund was at 60%. This is reflected in the fund's Loss Time Accident Frequency, which in December was 1.04, well below MEL average. He remained the Commissioners this report does not include Covid-19 claims. The Executive Director advised the checklist would be updated, asked if there were any questions.

Chairman Merchel asked how PMM JIF was doing with respect to Covid-19 claims.

Ms. Kissane advised based on their biweekly statewide update, which last went out on the 15th, of the 15 state JIFs her company tracks, there are almost 4800 Covid-19 claims. PMM JIF has 168 Covid-19 claims, fortunately most of them are not serious, with a total incurred slightly over \$200,000. Whereas statewide, the total incurred is close to \$7,000,000. There was an influx of claims in January, from one of the towns and some of the fire districts, but thankfully so far, so good. She advised whatever safety measures the members are taking are working. She reported statewide about 50% of the claims are coming through police departments, followed by fire and ems.

Of the PMM JIFs 168 Covid-19 claims, most of them are report only. Unlike traditional report only claims, these cases are being followed up on and asked relevant questions. Cases with positive tests become medical only claims. For the front line workers, multiple employees could be exposed from the same incident.

Ms. Kissane advised the majority of fatalities occurred in March and April of 2020 and now that treatment protocols have increased, there have been some hospitalizations, but not as many fatalities. The hope is as the vaccines become more available the numbers will start to subside. There have been a few claims for reactions to the vaccinations, but they've all been mild, like shoulder swelling, pain in the arm and chills, which are all within normal levels for the CDC. To her knowledge there have been no hospitalizations due to vaccination.

Executive Director's Report Made Part of Minutes.

ATTORNEY: Mr. Kearns advised he had Commissioner Brevogel's Oath of Office. He confirmed with Mr. Brevogel it was signed freely and without reservations. He advised he would send it to Ms. Read's office. Mr. Kearns then concluded his report.

TREASURER: Mr. Tontarski reviewed the treasurer's report with the Fund.

Payment of February 2021 Vouchers Resolution 21-10

Fund Year 2020	14.95
Fund Year 2021	234,819.26
Total	234,834.21

MOTION TO APPROVE RESOLUTION 21-10 VOUCHER LIST FOR THE MONTH OF FEBRUARY

Motion: Commissioner Corrales
Second: Commissioner Brevogel
Vote: 4 Ayes – 0 Nays

Confirmation of Claims Payments/Certification of Claims Transfers for the Month of January 2021:

2021	9,099.06
2020	16,934.19
2019	18,626.14
2018	29,086.61
2017	15,553.55
Closed	0.00
TOTAL	89,299.55

Treasurer's Report Made Part of Minutes.

SAFETY DIRECTOR:

REPORT: Glenn Prince thanked the fund for their reappointment and advised included in the agenda is all the risk control activities through the month of January, as well as a list of MSI Training and Fast Track training information. He reported the training schedule is posted on the www.njmel.org website, and through the website, under the Safety tab, you can scheduled training for any employees. Mr. Prince asked if there were any questions.

Chairman Merchel asked if there were any updates with respect to the legislature approving marijuana and how that would correspond to drivers.

Mr. Prince advised employers have the right to a drug free workplace. He advised members that if an employee were operating a vehicle under the influence they would be subject to DWI in NJ. Marijuana is still a prohibited substance under the US Code. As this situation develops and evolves, JA Montgomery is actively and aggressively monitoring the situation.

Chairman Merchel asked about towns that have pre-employment full medical screenings and drug/alcohol testing.

Mr. Prince advised he would refer Chairman Merchel to his Labor Attorney and asked if Mr. Kearns had any comment.

Mr. Kearns advised the bunch of laws adopted yesterday, signed by the governor decriminalizing marijuana are going to remove minor convictions of marijuana from the records of people who were in possession. As that area of the law is evolving, he really doesn't have firm answers to those questions, but does advise it's still a controlled substance under Federal Law, although the Feds have not been strictly enforcing it and not gone after states who had previously legalized its use. As he learns more, he will share it with the Fund.

Mr. Cooney advised outside of anything new to be signed dictating employment issues, it would be treated like any other influential drug, alcohol being the most notable. Which would make it very dependent on each member's Labor Council. On the MEL level, the MEL attorney, Mr. Semrau is coordinating the effort in this area.

Chairman Merchel advised they had a recent situation with an employee that tested positive with a CDL. They were required to work with Employee Assistance Program and went through the required process. The employee was demoted. The town worked with the President of the CWA and there was a disciplinary action that was harsh, but not as harsh as it would have been twenty years ago. After finishing the process specific for CDL holders, they passed everything they were required to and are now fully reinstated. Chairman Merchel did caution this was prior to the law passed yesterday.

Mr. Kearns advised the law passed yesterday dealt with criminalization, not with CDL regulations.

Mr. Cooney advised there is a team on the MEL working on this topic.

Monthly Activity Report/Agenda Made Part of Minutes.

UNDERWRITING MANAGER:

REPORT: The Underwriting Manager advised there was 1 certificate issued from 11/22/2020 to 12/22/2020 and 5 certificates issued from 12/29/2020 to 1/22/2021. Also included in the agenda was the cyber compliance report, and the second version of the MEL Cyber Risk Management Program will soon be available.

MANAGED CARE:

REPORT: Ms. Beatty then advised January's reports were included in the agenda. Ms. Beatty reported there were 71 bills for January, totaling \$49,418.31, of that amount \$18,116.06 was paid for a savings of \$31,302.25 which is a 63% savings. Also included in the agenda were the reports for Savings by Specialty and Top 10 Providers. Ms. Beatty then asked if there were any questions.

Commissioner Brevogel asked if Behavioral Health costs were going to increase due to the past year.

Ms. Beatty advised existing cases take longer to resolve, mainly because court dates aren't happening, so there is no finality. Also, people that are having issues cannot go out and do some of the things normally recommended, mainly socializing and increasing physical activity. Ms. Beatty advised she has not seen many behavioral claims related to Covid-19, she recalled two back in March/April of 2020 that resolved fairly quickly.

Monthly Activity Report Part of Minutes.

CLAIMS ADMINISTRATOR:

REPORT: Ms. Kissane advised the claims committee met prior to this meeting and asked for approval of the five PARS as recommended by the claims committee.

MOTION TO APPROVE CLAIM PAYMENTS AS DISCUSSED AND RECOMMENDED BY THE CLAIMS COMMITTEE:

Motion:	Commissioner Corrales
Second:	Commissioner Brevogel
Vote:	3 Ayes, 0 Nays (1 Abstention – Brevogel)

Report Part of Minutes.

OLD BUSINESS: NONE.

NEW BUSINESS: Chairman Merchel advised Moorestown is working with a group in a private/public partnership that starting this weekend doing Covid-19 tests, at the municipal building. The quick test will be free, there will a charge for the test the airplanes require.

Mr. Hrubash advised there is a new Senate Bill 3375 that will greatly affect workers compensation. Currently employers can control the medical in workers compensation treatment, if this passes employers will lose that control and there are also fee shifting implications as well as other issues. A task force has been assembled of Executive Directors, NJM and some other private companies to put together a position paper to oppose the bill and more information will be coming on this shortly.

Mr. Avalone added if you don't control the medical you do not control the return to work or modified duty and this would cascade to all sections of workers compensation, from the medical to the indemnity and awards.

Mr. Hrubash advised if the bill passed as is, it would make the managed care job very difficult. He hopes this is just the beginning of some negotiation with the legislature.

Chairman Merchel asked if this was something each individual JIF should pass a resolution on.

Mr. Hrubash advised that would be part of the plan.

Mr. Brevogel asked about a public works department employee incident. Mr. Prince advised he would ask his colleagues. Ms. Kissane advised she could reach out as well.

PUBLIC COMMENT: NONE

MOTION TO ADJOURN MEETING:

Motion:	Commissioner Brevogel
Second:	Commissioner Corrales
Vote:	Unanimous

MEETING ADJOURNED: 1:42pm

NEXT REGULAR MEETING: April 27, 2021
ZOOM Conference Call 1:00PM

Rachel Chwastek, Assisting Secretary for
RICHARD BREVOGEL, SECRETARY