

**PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
OPEN SESSION MINUTES
MEETING – OCTOBER 26, 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	Present
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APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services Bradford Stokes Karen A. Read Rachel Chwastek
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Treasurer	Tom Tontarski
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Attorney	Helmer, Conley & Kasselmann William Kearns, Esquire
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Auditor	Bowman & Company
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Claims Service	Qual Lynx Kathy Kissane
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	PERMA Robyn Walcoff
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Safety Director	J.A. Montgomery Risk Control John Saville
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Managed Care Organization	QualCare Karen Beatty
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Underwriting Manager	Conner Strong & Buckelew Edward Cooney Jonathon Tavares
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ALSO PRESENT:

Maureen Mitchell, Evesham Fire District
Michael Avalone, Conner Strong & Buckelew
Joe Razanno, Fairview Insurance
Larry Graham, Fairview Insurance

APPROVAL OF MINUTES: SEPTEMBER 28, 2021 - Open & Closed Minutes

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF SEPTEMBER 28, 2021:

Moved: Commissioner Danson
Second: Commissioner Corrales
Vote: 4 Ayes, 0 Nays (1 Abstention – Brevogel)

CORRESPONDENCE: None.

EXECUTIVE DIRECTOR:

2022 Budget Introduction – The Executive Director advised enclosed in the agenda was the proposed 2022 Budget for review and discussion. The Executive Director reported the Fund did well with their loss funds from the actuary, with some lines decreasing slightly. There is a new line, Workers' Compensation Pension based on a Department of Labor decision, that accidental disability claims that were previously paid by the pension, are now budgeted in the Central Fund. The previously budgeted lines for the new sexual abuse molestation and fire fighter presumption legislation have not materialized, so that line item has been zeroed out. There are three to years of money tucked away in the event those claims do appear. Additionally the aggregate excess loss fund contingency has been zeroed out, which is the MEL cancelling their Retro program. The EJIF is only increasing 1.02% which is very helpful and the EJIF Dividend is one of the largest they have ever distributed. The MEL premiums are increasing, the loss funds up 3.76%.

Chairman Merchel added, from being the at MEL meetings, property has been affected some of the storms that have come through. Additionally, cyber security events are also increasing and becoming a very expensive issue.

The Executive Director added the MEL renewal was flat last year, as no one knew what to expect with the pandemic, and that turned into increase this year on the renewal. Contractual increases at 2 percent are also included in the budget. A new line item for Right to Know has been added this year to contract with JA Montgomery for those services.

Chairman Merchel added that his town's people who are currently doing the Right to Know services are very happy to transfer this responsibility to JA Montgomery.

The Executive Director advised the increase in the EPL/POL premium is on the high side at 7.88%, but that is based on claim activity.

The budget is a 4.38% increase over the 2021 budget for a total of \$4,119,387. The Executive Director then reviewed the 2022 Proposed Assessments and advised these would not be official until certification and adoption at the next meeting.

**MOTION TO INTRODUCE THE 2022 BUDGET AND SCHEDULE A
PUBLIC HEARING ON TUESDAY NOVEMBER 23, 2021 AT 1:00 PM**

Moved: Commissioner Danson
Second: Commissioner Corrales
Vote: 5 Ayes, 0 Nays

Closed Year Dividend - The Fund Office has reviewed the available dividend from closed year accounts and are recommending the release of \$100,000. In addition, an EJIF dividend in the amount of \$115,571 is already in the budget as a deduction in the premiums. Enclosed in the agenda was the breakdown of the distribution for the closed year dividend.

Included in the agenda was Resolution 21-23 authorizing the release of a dividend representing a total of \$100,000 from closed year accounts.

MOTION TO ADOPT RESOLUTION 21-23 AUTHORIZING THE RELEASE OF A DIVIDEND IN THE AMOUNT OF \$100,000 FROM CLOSED YEAR ACCOUNTS, SUBJECT TO STATE APPROVAL

Moved: Commissioner Wiest
Second: Commissioner Corrales
Vote: 5 Ayes, 0 Nays

Professional Service Agreements – All of the Fund’s professional service agreements are up for renewal in 2022. Letters to all professionals asking for a fee proposal along with other required bid forms. They were due back on October 25th, all was returned in a timely fashion and the details will be included in the reorganization meeting in January.

Employment Practices Compliance Program: Please visit the MEL webpage to review all the elements of the MEL’s EPL Compliance Program. Please note the deadline to complete the program requirements has been extended to November 1, 2021. Please use the following link to view an outline of the MEL program and its model documents:

<https://njmel.org/insurance/public-officials/risk-management-program/>

Chairman Merchel stressed the importance this program. The deductible is \$20,000 with 20% co-insurance up to \$250,000 by completing the program. If you do not complete the program, the deductible is \$100,000 with no cap on the 20% co-insurance.

The Executive Director reported yesterday Police Chief Training was held in Collingswood. There were almost 60 participants.

Commissioner Brevogel asked if Willingboro had attended.

The Executive Director advised he would check on that and report back to the Commissioner.

This year, the Managers & Supervisors Training can be met by attending the Instructor led webinar: “Protecting Children from Abuse – Managers/Supervisors”. The course for Managers includes an Employment Practices component. Included in the agenda was the notice distributed from JA Montgomery on classes scheduled through September.

Residual Claims Fund (RCF): The public hearing on the RCF budget was held on October 20, 2021, 10:30 a.m. at the Forsgate Country Club. Enclosed in the agenda was a copy of the RCF’s 2022 Proposed Operating Budget. A review of that meeting will appear in next month’s agenda.

Environmental JIF- The EJIF’s budget was introduced in September and a public hearing was held on October 20, 2021 at the Forsgate Country Club. Enclosed in the agenda was a copy of the EJIF’s 2022 Proposed Budget, as introduced. A review of that meeting will appear in next month’s agenda.

MEL - The MEL’s 2022 budget introduction was on October 20, 2021 at the Forsgate Country Club in Jamesburg NJ. Enclosed in the agenda was a copy of the proposed budget. A review of that meeting will appear in next month’s agenda.

League Magazine Ad: Included in the agenda was the latest in the series of “Power of Collaboration” ad that will appear in the November edition of League of Municipalities magazine. The ad highlights

the MEL's quick transition to online training during the pandemic and the value provided to its members through high quality accessible training.

MEL Cyber Task Force - October is Cyber Security Awareness month, the task force distributed the attached memorandum included in the agenda. This year's overall theme is "Do your Part. #BeCyberSmart.

The Underwriting Manager reported it was the final week of Cyber Security Awareness month and it's about making cybersecurity a priority or building it into your usual processes. For example, when purchasing new computers or equipment.

Chairman Merchel reported from a bank cybersecurity training, he heard hackers are leaving QR codes, the ones used at restaurants, just on tables, then when unsuspecting patrons scan the QR code, they've downloaded malware. Chairman Merchel asked if these memorandums were still available.

The Underwriting Manager advised they've been emailed out to members, have been included in the agendas, are available on the MEL website and in the MEL App.

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 August 31, 2021 shows the fund's surplus of \$3.7 million, a little dip from the prior month about \$17,000. 2021 is running a little deficit, which is typical this time of year.. The Fund's Expected Loss Ratio Analysis shows the Fund at 36% the actuary target was 36%. The Fund has 6 less open claims from the prior month. The Loss Time Accident Frequency is 1.09, with a three year of 1.58. The Executive Director asked if there were any questions and then concluded his report.

Executive Director's Report Made Part of Minutes.

ATTORNEY: Mr. Kearns advised they are watching some Supreme Court cases, both in NJ and Federal, and would have a report on those in the next month or so.

Chairman Merchel asked about the topics.

Mr. Kearns advised the big one he is watching is a case challenging the concealed carry laws in some states. The argument is the second amendment says the right to bear arms shall not be impaired. If the court with the present majority decides you have a constitutional right to carry a weapon, it would impede some state laws, including in NJ.

Commissioner Brevogel asked if he expected any fall out from the vaccination policies.

Mr. Kearns advised it appears to be all over the place and will continue to be, until some cases go through the Supreme Court.

Mr. Avalone then asked about the qualified immunity cases in NJ and asked if that would help our police cases in NJ.

Mr. Kearns advised it should, but there is talk of Congress trying to pass a law to limit qualified immunity.

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

Payment of October 2021 Vouchers Resolution 21-24

Fund Year 2021	41,913.82
Total	41,913.82

MOTION TO APPROVE RESOLUTION 21-24 VOUCHER LIST FOR THE MONTH OF OCTOBER

Motion: Commissioner Danson
Second: Commissioner Corrales
Vote: 5 Ayes – 0 Nays

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

2021	27,482.92
2020	381.25
2019	16,923.15
2018	24,332.51
2017	3,611.17
Closed	0.00
TOTAL	72,731.00

Treasurer's Report Made Part of Minutes.

SAFETY DIRECTOR:

REPORT: Mr. John Saville advised included in the agenda is all the risk control activities and all bulletins distributed through the month of September. He advised the MSI Now and MSI DVD usage was included in the report. The MEL website includes all currently scheduled training. Mr. Saville asked if there were any questions and then concluded his report.

Monthly Activity Report/Agenda Made Part of Minutes.

UNDERWRITING MANAGER:

REPORT: Mr. Cooney of the Underwriting Manager's Office advised there were four certificates issued from 8/22/2021 to 9/22/2021. Also included in the agenda were the Fund's Cyber Compliance reports. Those members with grandfathered status will need to be recertified under the Version 2 standards by 1/1/22. The memo outlining the changes between the two versions was included in the agenda and the full Cyber Risk Management program can be found on the MEL website.

Chairman Merchel confirmed the deductible follows the tier that each member qualifies.

Mr. Cooney advised that is correct. It starts with a \$25,000 deductible per claim, and depending on what tier you are eligible for you can get \$10,000, \$20,000 or all \$25,000 back.

Chairman Merchel then asked about the report.

Mr. Cooney advised if there is no entry then nothing has been received by his office.

MANAGED CARE:

REPORT: Ms. Beatty reported there were 64 bills for September; totaling \$107,120.45 of that \$34,394.77 was paid, for a savings of \$72,725.68, which is a 68% 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.

Monthly Activity Report Part of Minutes.

CLAIMS ADMINISTRATOR:

REPORT: The claims committee met prior to this meeting and asked for approval of the 3 PARS as recommended by the claims committee.

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

Motion:	Commissioner Danson
Second:	Commissioner Corrales
Vote:	5 Ayes, 0 Nays

Report Part of Minutes.

OLD BUSINESS: Commissioner Brevogel advised he would meeting with an individual to update their CDL random drug policy to include opiates and also advise how they will handle marijuana. He will then reach out the other Commissioners. Commissioner Brevogel added they had their first DER request from an outside individual regarding CDL compliance with the Clearinghouse Database.

NEW BUSINESS: Chairman Merchel hoped that next year they would meet back in person again. He advised it used to be at 2:00PM, if the Fund wanted to change back to that time for 2022. The Commissioners then discussed where to host the meetings. Chairman Merchel advised the meeting used to rotate between the member towns. Everyone agreed to keep the Tuesday, that 2:00PM was a good time and to rotate venues.

The Executive Director advised his office would send something out.

PUBLIC COMMENT: NONE

MOTION TO ADJOURN MEETING:

Motion:	Commissioner Danson
Second:	Commissioner Wiest
Vote:	Unanimous

MEETING ADJOURNED: 1:52pm

NEXT REGULAR MEETING: November 23, 2021
ZOOM Conference Call 1:00PM

Rachel Chwastek, Assisting Secretary for
RICHARD BREVOGEL, SECRETARY