

**PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
OPEN SESSION MINUTES
MEETING – SEPTEMBER 28, 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	Absent
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 Glenn Prince Robert Garish
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Managed Care Organization	QualCare Karen Beatty
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Underwriting Manager	Conner Strong & Buckelew Jonathon Tavares
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ALSO PRESENT:

Michael Avalone, Conner Strong & Buckelew

APPROVAL OF MINUTES: JULY 27, 2021 - Open & Closed Minutes

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF JULY 27, 2021:

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

CORRESPONDENCE: None.

EXECUTIVE DIRECTOR:

Professional Service Agreements – The Executive Director advised all of the Fund’s professional service agreements are up for renewal in 2022. Last year, the Fund determined to procure the awarding of contracts through the Non-Fair and Open Process. The Fund Office will send letters to all professionals asking for a fee proposal along with other required bid forms.

Motion to Award Contracts Utilizing the Non-Fair and Open Process for Professional Services for Fund Year 2022

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

The Executive Director advised the 3-year appointment of the Fund’s defense panel was approved last year.

Employment Practices Compliance Program: The Executive Director advised members to 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/>

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.

Police Command Staff training was conducted last month, another session will be scheduled in September.

Residual Claims Fund – The RCF met on Wednesday, September 1, 2021 via Zoom. Chairman Merchel’s report was included in the agenda. The RCF’s 2020 budget amendment was adopted, reflecting the transfer of local JIF’s Fund Year 2016. The RCF’s 2022 Budget was introduced, the public hearing will be held on October 20, 2021 at 10:30.

RCF Membership Renewal: The Fund’s three-year membership in the RCF is scheduled to expire on December 31, 2021. Enclosed in the agenda was Resolution 21-19 renewing the Fund’s membership in the Residual Claims Fund for the period of January 1, 2022 through December 31, 2024.

Motion to Adopt Resolution 21-19 renewing the Fund’s Membership in the Residual Claims Fund for the period of January 1, 2022 through December 31, 2024

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

EJIF – The EJIF met on Wednesday, September 1, 2021 via Zoom. Chairman Merchel’s report was included in the agenda. . The EJIF’s 2022 budget was introduced, the public hearing will be held on October 20, 2021 at 10:50. The budget increase is only at 1.1% and the board approved a record \$3,100,000 dividend.

EJIF Membership Renewal – The Fund’s three-year membership in the EJIF expires at the end of the year. Enclosed in the agenda was Resolution 21-20 renewing the membership term effective January 1, 2022 through December 31, 2024 and the Indemnity and Trust Agreement.

Motion to Approve Resolution 21-20 Renewing the Fund’s Membership in the EJIF for the period of January 1, 2022 through December 31, 2024

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

MEL JIF – The MEL met on Wednesday, September 1, 2021 via Zoom. Chairman Merchel’s report was included in the agenda. Included in the MEL report is a memorandum on the projected 2022 MEL budget.

The Executive Director referred the members to the letter about the MEL budget in the MEL Report from Mr. Grubb. The budget projection right now is with a 9.9% increase for the MEL, which is very unusual. He encouraged all members to read Mr. Grubb’s letter, it talks about the property, liability, workers compensation and cyber, and the decisions that are coming down and affecting this.

The Executive Director advised for the JIF Budgets they will not be in the usual 2% range, but certainly the hope is to keep it around the 3 or 4% range.

Commissioner Merchel advised it is a combination of a hard market and also legislative action and court action having a large impact on the Funds.

The Executive Director added Covid-19 to Mr. Merchel’s list.

2022 Renewal - Members and Risk Managers have received an email with a link to renewal worksheets - the 2022 underwriting renewal had a September 1 completion date. We are following-up with members & Risk Managers that have not completed the process.

League Magazine Ad: Attached is the latest in the series of “Power of Collaboration” ad that will appear in the October edition of League of Municipalities magazine. The ad highlights \$3.4 billion in savings to taxpayers and \$322 million in dividends paid to members since its inception, as well as, the purchase of debt securities.

New Jersey Sustainable Energy Joint Meeting (NJSEM) League Magazine Ad: Attached is an advertisement from the NJSEM that will appear in the League’s October issue. The Executive Director reported Willingboro and Maple Shade are members of the SEM. If the other JIF members are not part of the South Jersey Co-op or some other third party, please call the Fund Office to get some savings estimates from the SEM.

2021 Coverage Documents – The fund office has uploaded member policies to the Fund’s Risk Management Information System (Origami). Fund Commissioners and Risk Management Consultants received an email announcing that documents were posted.

MEL Cyber Risk Management Program - The MEL Cyber Task Force released version 2 of the MEL Cyber Risk Management Program. The updated program offers more details and clarifies many previously existing items, while also slightly rearranging the tiers and adding a few new security measures. Most significantly, a tier 3 has been added containing additional security controls.

Enclosed in the agenda was a copy of the notice issued to members. Below is a link to the Cyber Risk Control section of the MEL webpage.

<https://njmel.org/mel-safety-institute/resource-center/public-officials/public-officials-cyber-risk-control/>

Cybersecurity Awareness Month is October: The MEL encourages members to get proactive with cybersecurity items for their own organizations and visit the website. The MEL will be sending releases each week about the week’s theme and what everyone can do to participate.

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 June 30, 2021 shows the fund’s surplus of \$3.7 million, cash balance of \$8.8 million. The Financial Fast Track, dated July 31, 2021 shows the fund’s surplus of \$3.7 million. The Fund’s Expected Loss Ratio Analysis shows the Fund at 26% the actuary target was 23%. The Fund is also slightly ahead of the actuary in 2020, but overall very good. The Loss Time Accident Frequency is 1.08, with a three year of 1.59. He asked if there were any questions and then concluded his report.

Mr. Merchel advised he would reach out to the Fund Office about Origami after the Fund Meeting.

Executive Director's Report Made Part of Minutes.

ATTORNEY: Mr. Kearns advised anyone planning to attend the League Conference in November should be checking the League website weekly for updates. Registrations are running ahead of 2019 and they are working on the requirements for attendance. The facility is a state facility so there is a mix of setting regulations. It will probably require either proof of vaccination or a recent clear test, but that information is still being updated and advised members to check the League website.

SAFETY DIRECTOR:

REPORT: Mr. Prince advised included in the agenda is all the risk control activities and all bulletins distributed through the month of July and August. He advised the MEL website includes training through the month of November. On September 22, they presented at the Government Finance Officers Association of New Jersey and encouraged members to utilize all the resources that are available. Mr. Prince asked if there were any questions and then concluded his report.

Monthly Activity Report/Agenda Made Part of Minutes.

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

Payment of August 2021 Vouchers Resolution 21-21

Fund Year 2021	119,043.84
Total	119,043.84

Payment of September 2021 Vouchers Resolution 21-22

Fund Year 2021	42,996.32
Total	42,996.32

MOTION TO APPROVE RESOLUTION 21-21 AND 21-22 VOUCHER LISTS FOR THE MONTH OF AUGUST AND SEPTEMBER

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

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

2021	51,575.41
2020	32,281.46
2019	8,930.87
2018	36,411.50
2017	6,173.99
Closed	0.00
TOTAL	135,373.23

Treasurer's Report Made Part of Minutes.

UNDERWRITING MANAGER:

REPORT: Mr. Tavares of the Underwriting Manager's Office advised there were six certificates issued from 6/22/2021 to 7/22/2021 and nineteen certificates issued from 7/22/2021 to 8/22/2021. Mr. Tavares advised 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. Mr. Tavares then concluded his report.

MANAGED CARE:

REPORT: Ms. Beatty reported there were 97 bills for August; totaling \$75,211.07 of that \$21,514.42 was paid, for a savings of \$53,696.65, which is a 71% 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 PARS as recommended by the claims committee.

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

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

Report Part of Minutes.

OLD BUSINESS: NONE

NEW BUSINESS: Chairman Merchel advised at some point the Fund would have discuss going back to in-person meetings.

PUBLIC COMMENT: NONE

MOTION TO ADJOURN MEETING:

Motion: Commissioner Wiest
Second: Commissioner Danson
Vote: Unanimous

MEETING ADJOURNED: 1:24pm

**NEXT REGULAR MEETING: October 26, 2021
ZOOM Conference Call 1:00PM**

Rachel Chwastek, Assisting Secretary for
RICHARD BREVOGEL, SECRETARY