

**PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
OPEN SESSION MINUTES
MEETING – APRIL 26, 2022
MOORESTOWN TOWN HALL
2:00 PM**

Meeting of 2022 Fund Commissioners called to order. Open Public Meetings notice read into record.

ROLL CALL OF 2022 FUND COMMISSIONERS:

Thomas Merchel, Chairman	Township of Moorestown	Present
Susan Danson	Township of Maple Shade	Absent
Robert Corrales	Township of Evesham	Present
Dwyane Harris	Township of Willingboro	Absent

ALTERNATE FUND COMMISSIONER:

Richard Brevogel, Secretary	Township of Willingboro	Present
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SPECIAL FUND COMMISSIONER:

Unappointed

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services Bradford C. Stokes, Karen A. Read Crystal Chuck
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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 Karen Berenato
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PERMA

Safety Director	J.A. Montgomery Risk Control Glenn Prince Harry Earle
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Managed Care Organization	QualCare Karen Beatty
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Underwriting Manager	Conner Strong & Buckelew
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ALSO PRESENT:

Maureen Mitchell, Evesham Fire District
Michael Avalone, Conner Strong & Buckelew

APPROVAL OF MINUTES: February 22, 2022 - Open & Closed Minutes

MOTION TO APPROVE OPEN & CLOSED MINUTES OF FEBRUARY 22, 2022:

Moved: Commissioner Corrales
Second: Commissioner Merchel
Vote: Unanimous – Richard Brevogel – Abstain

CORRESPONDENCE: NONE.

EXECUTIVE DIRECTOR:

Executive Director introduced and welcomed Crystal Chuck who recently joined the PERMA team. Crystal previously worked for the in the Underwriting Office and will be a great addition to the PERMA team.

MEL Cyber Liability JIF - As discussed last month, a committee was formed at the MEL's 2022 Reorganization meeting to research the creation of a special JIF to insure cyber liability. The committee met a few times to review progressive goals and discuss implementation measures to meet the target start-up date of January 1, 2023.

Regulations require that any new JIF initial application be accompanied by at least two resolutions from at least two local units noting the intent to join. Enclosed on **Page 3** is a resolution evidencing the PMM JIF's intent to join the New Jersey Cyber Risk Management Fund.

Chairman Merchel said he was part of the sub-committee that is working on the Cyber Liability JIF and they are trying to tackle different areas and cyber has been hitting some of our own member towns and JIFs pretty hard. The premiums are going up and the MEL has paid out more than what was actually paid to the insurance carrier which is why the premium is going up. If anyone has an on-staff IT person that would like to participate that would be great. As you know the MEL has the tiers of compliance, but we are also trying to make sure that the towns include everyone including their police departments since they can sometimes be missed so we want to make sure they are included in the cyber education and to keep our council advised of what the program offers. Chairman Merchel said members should also look at our third-party vendors and their cyber security. These are just a few ideas and protocols that this Cyber JIF is looking to implement and help our towns to be as safe as possible. Executive Director said it is great that Chairman Merchel is participating on the sub-committee and he puts a lot of time and effort into it as well.

Motion to adopt Resolution 22-12 evidencing the PMM JIF's intent to join the New Jersey Cyber Risk Management Fund on January 1, 2023 for Cyber Risk coverage.

Moved: Commissioner Brevogel
Second: Commissioner Corrales
Vote: Unanimous

Cyber Security – Fund Commissioners have agreed to reallocate safety incentive awards to enable the JIF to hire a cyber security company to perform employee training and simulated phishing exercises. We are in the process of scheduling a presentation by a company that currently performs these services for several other JIF's. A zoom meeting invitation will be sent by Karen Read for the presentation on Thursday, April 28th at 11:00 am.

MEL and RCF 2021 Financials – Included on **Pages 4 & 5** is a memorandum sent out last week to the Fund Commissioners outlining a surplus strengthening strategy for both JIFs. In February 2021, the Department of Labor changed the rules concerning coordinating workers' compensation with the pension system on accidental disability pensions. This change cost the MEL approximately \$13 million. The 2021 COVID workers compensation claims will also cost the MEL an additional \$8 million in claims and associated IBNR. The MEL also experienced its second most expensive hurricane (Ida) that will cost an estimated \$8 million against its property claim budget of \$4 million.

Executive Director said the MEL is looking to add \$23 million back into the 2021 fund and they will accomplish that by calling in the premium deferral if members recall back in 2016 the MEL was charging 85%, however we took that very good step of banking the 15% just in case and that time is upon us and we booked it as a loss fund expense contingency which is what we are using to fund what the MEL is asking from the PMM JIF which is a total of \$329,000. The 2021 Covid-19 claims are going to be charged back to the local JIFs and we are fortunate that amount is \$18,434 for the PMM JIF. The RCF is going to do an additional assessment of \$1 million on all MEL members and the PMM JIF share of that is \$12,276. Executive Director said the aforementioned totals \$360,000 which will be absorbed into our surplus and our JIF has fared well on this. Executive Director said the MEL and RCF will ratify this in June.

Resolution to Amend Budget Cap Law: Current regulations state that a municipality should limit any increase to its levy to 2% and limit any increase to appropriations to 2.5%, whatever is less over last year's final budget. Municipalities will face difficulties in meeting the budget cap due to incurred workers' compensation claims due to COVID-19, changes to the pension offset and a recent amendment to the sexual molestation statute of limitation. These factors plus other costs to municipalities will not allow budgets to be capped at the current 2%. Enclosed on **Page 6** is a template resolution we are urging our members to adopt and submit to their legislative agent.

**MOTION TO APPROVE RESOLUTION 22-15 TO AMEND THE BUDGET
CAP LAW**

Moved:	Commissioner Brevogel
Second:	Commissioner Corrales
Vote:	Unanimous

2022 MEL/RCF/EJIF March 25th Meeting & Retreat: The MEL, RCF and EJIF held their meetings in conjunction with the MEL Annual Retreat on March 25th. Chairman Merchel's reports on those meetings appear in **Appendix II**.

2022 MEL, MR HIF & NJCE JIF Educational Seminar: The 11th annual seminar will be conducted virtually on two half-day sessions: Friday, April 29th and Friday, May 6th from 9AM to 12PM. The seminar qualifies for Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents.

There is no fee for employees, insurance producers, as well as personnel who work for services companies associated with the Municipal Excess Liability Joint Insurance Fund (MEL JIF), Municipal Reinsurance Health Insurance Fund (MR HIF) and New Jersey Counties Excess Joint Insurance Fund (NJCE JIF). We are in the process of preparing to distribute this notice to all members and risk managers.

Enclosed on **Page 7** is the latest in a series of Power of Collaboration advertisement to be published in the League of Municipalities magazine that highlights the educational seminar.

2022 PRIMA Conference – The JIF has authorized the attendance of Board Members at the annual risk management conference for the purpose of attending seminars. The next PRIMA convention will take place in San Antonio from June 5-8. Please notify the Fund office if you are interested in attending.

2021/2022 Elected Officials Seminar: The MEL’s Annual Elected Officials Seminar is available through the MEL Safety Institute. Attached on **Page 8** are the directions to follow to complete 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, 2022. The credit will continue to be extended to the member’s municipal manager/administrator or authority executive director.

Meeting Schedule – As a reminder our next meeting will be in Moorestown on May 24th at 2 pm.

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 31, 2021 shows the fund’s surplus over \$3.4 million and \$6.8million in cash. The funds Loss Ratio Analysis is trending ahead of the actuary’s projection at 3.06% and we stand at 2.92% slightly better than anticipated. The fund’s Loss Time Accident Frequency, for February is at 0 which is great to report.

Executive Director's Report Made Part of Minutes.

ATTORNEY: Attorney Kearns said his law firm has about 45 attorneys and 50 -60 support staff and everyone in the firm has been participating in cyber training with a different program every week. They have blocked all social media from the firms computers so that viruses can not be downloaded from any of these sites. Mr. Kearns said what the MEL has planned to do in terms of the new Cyber JIF is a great idea.

TREASURER:

Payment of March 2022 Vouchers Resolution 22-13

Fund Year 2022	84,604.65
Total	84,604.65

Payment of April 2022 Vouchers Resolution 22-14

Fund Year 2022	534,849.09
Total	534,849.09

MOTION TO APPROVE RESOLUTIONS 22-13 VOUCHER LIST FOR THE MONTH OF MARCH AND RESOLUTION 22-14 FOR THE MONTH OF APRIL

Motion:	Commissioner Brevogel
Second:	Commissioner Corrales
Vote:	3 Ayes – 0 Nays

Confirmation of Claims Payments/Certification of Claims Transfers for the Month of February 2022:

2022	8,006.92
2021	87,027.21
2020	37,301.74
2019	14,385.08
2018	3,368.00
Closed	0.00
TOTAL	150,088.95

Confirmation of Claims Payments/Certification of Claims Transfers for the Month of March 2022:

2022	20,865.79
2021	29,775.62
2020	28,226.33
2019	31,947.65
2018	3,472.00
Closed	0.00
TOTAL	114,287.39

Treasurer's Report Made Part of Minutes.

UNDERWRITING MANAGER:

REPORT: Executive Director advised there was 8 certificates issued from 1/22/2022 to 03/22/2022. Also included in the agenda was the cyber compliance report for the second version of the MEL Cyber Risk Management Program with 80% of our members approved.

SAFETY DIRECTOR:

REPORT: Glenn Prince reviewed the risk control activities through the month of February and March, as well as a list of MSI Training and Fast Track training information. Mr. Prince introduced Retired Chief Harry Earle from the Township of Gloucester Police department and will be assisting with our Law Enforcement consultations and we are glad to have him on our team.

Monthly Activity Report/Agenda Made Part of Minutes.

MANAGED CARE:

REPORT: Ms. Beatty reported on the cumulative saving summary for the year showing a monthly savings of 80% and a year to date savings of 72% . Ms. Beatty then asked if there were any questions and concluded her report.

Monthly Activity Report Part of Minutes.

CLAIMS ADMINISTRATOR:

REPORT: Ms. Berenato said there is no report for open session and will discuss the PARs in executive session.

Report Part of Minutes.

OLD BUSINESS: NONE.

NEW BUSINESS: In response to Commissioner Brevogel, Attorney Kearns said the in accordance with current law enforcement personnel can partake in recreational marijuana if they are off duty and does absolutely foresee potential liability issues arising out of this law. Attorney Kearns said he understands the legislature is going to amend the law and we are waiting to see how that proceeds.

PUBLIC COMMENT: NONE

MOTION TO GO INTO EXECUTIVE SESSION

Motion:	Commissioner Corrales
Second:	Commissioner Brevogel
Vote:	Unanimous

MOTION TO INTO OPEN SESSION

Motion:	Commissioner Corrales
Second:	Commissioner Brevogel
Vote:	Unanimous

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

Motion:	Commissioner Corrales
Second:	Commissioner Brevogel
Vote:	3 Ayes, 0 Nays

MOTION TO ADJOURN MEETING:

Motion:	Commissioner Corrales
Second:	Commissioner Brevogel
Vote:	Unanimous

MEETING ADJOURNED: 2:30pm

NEXT REGULAR MEETING: May 24, 2022

Moorestown Towns Hall at 2:00PM

Karen A. Read, Assisting Secretary for
SUSAN DANSON, SECRETARY