

**PROFESSIONAL MUNICIPAL MANAGEMENT JOINT INSURANCE FUND
 OPEN SESSION MINUTES
 MEETING – JUNE 27, 2023
 MAPLE SHADE, NJ 08057
 2:00 PM**

Meeting of 2023 Fund Commissioners called to order by Chairman Merchel. Open Public Meetings notice read into record.

ROLL CALL OF 2023 FUND COMMISSIONERS:

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

ALTERNATE FUND COMMISSIONER:

Ivy Carmichael, Clerk	Township of Willingboro	Present
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SPECIAL FUND COMMISSIONER:

Alex Davidson,	Township of Evesham	Absent
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APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services Bradford C. Stokes, Crystal Chuck Karen A. Read
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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 James Miles
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Claims Service	Qual Lynx Kathy Kissane
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Safety Director	J.A. Montgomery Risk Control Harry Earl, Glenn Prince
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Managed Care Organization	QualCare Karen Beatty
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Underwriting Manager	Conner Strong & Buckelew Jonathon Tavares, Dhriti Patel
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ALSO PRESENT:

Maureen Mitchell, Evesham Township Fire District
 Jaclyn Lindsey, Conner Strong & Buckelew
 Michael Merchel, Conner Strong & Buckelew

APPROVAL OF MINUTES: May 23, 2023 - Open & Closed Minutes

MOTION TO APPROVE OPEN & CLOSED MINUTES OF MAY 23, 2023:

Moved: Commissioner Corrales
Second: Commissioner Merchel
Vote: 4 - Ayes, 0 - Nays

CORRESPONDENCE: NONE.

EXECUTIVE DIRECTOR:

AUDIT REPORT AS OF DECEMBER 31, 2022 – The Auditor’s Report as of December 31, 2022 was sent under separate cover to the Fund Commissioners. Representatives from Bowman & Company gave a report at the meeting. Executive Director Stokes asked for a motion to approve Resolution 23-14 approving year end financials along with the Group Affidavit.

Mr. James Miles reviewed the 2022 audit starting with the independent auditors’ reports, reporting first on the financial statements as a whole and then on the internal controls. Mr. Skalkowski reported there were no findings or recommendations noted; which is typical of these entities since they are managed by professionals. Mr. Miles reviewed the Comparative Statements on Net Position with total assets of \$8,392,687. Total Liabilities and Reserves are \$4,270,581, resulting in an ending Net Position of \$4,122,106. The Fund is in a very strong financial position.

The Statement of Revenues, Expenses and Net Position shows how the Net Position is calculated. Total Revenue was \$4,446,511 and Total Operating Expenses of \$4,273,472, composed of the excess insurance, administrative expenses, claims, etc. Total Non-Operative Revenue was -\$783,020. Change in Net Position of -\$609,981, added to the beginning balance of \$5,075,086, subtracting the Return of Surplus to the members of -\$342,999, and ending Net Position is \$4,122,106.

Mr. Miles reported on the Economic Conditions note. Chairman Merchel suggested a more detailed report which captured the legislative changes that impacted the fund financially. Executive Director agreed and stated he will work with Mr. Miles to revise the language in the Economic Condition note.

Chairman Merchel asked if there were any questions. Hearing none, he thanked Mr. Miles for his report and service of the years.

MOTION TO APPROVE YEAR-END FINANCIALS AS OF DECEMBER 31, 2022 AS PRESENTED, ADOPT RESOLUTION 23-14 AND EXECUTE THE GROUP AFFIDAVIT INDICATING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT

Moved: Commissioner Danson
Second: Commissioner Merchel
Vote: 4 - Ayes, 0 - Nays

CYBER SECURITY STATUS REPORT: Enclosed in the agenda was the monthly report from D2, recapping members' participation and training to date. Note that the 2023 Q2 Campaign has concluded, and the phishing results are shown in column L. This quarter's phishing campaign included spear phishing attacks, which is a targeted form of phishing attack. D2 impersonated POCs for organizations that gave us permission to use their names for these attacks. Chairman Merchel suggested to protect the privacy of the fund, D2 reports should be distributed separately from the agenda moving forward and the reports will be discussed in closed session.

NJ CYBER JIF: The Cyber JIF met on June 22, 2023 at 2:00PM via Zoom, Chairman Merchel's report will be available in next month's agenda. Executive Director reported that the Risk Control committee met to approve contracts to go out for RFPs for cyber training, fishing, and external scanning.

CYBER JIF QUESTIONNAIRE: The Cyber JIF's Cybersecurity Consultant, The Chertoff Group, designed a technology stack questionnaire for all members to complete. The goal of the questionnaire is obtaining more detailed insight of the technology stacks of our members in order to better tailor the cybersecurity framework and provide broadscale advice to the members. That survey has been added to the Origami Underwriting Database. Underwriting Manager Team Representative, Jonathon Tavares, reported around 150 MEL-wide have completed the survey thus far and encourages the fund to take a look at the survey if they haven't yet. He states if the JIF has any questions to reach out and if any of the questions do not apply, to skip it.

You or your designated Origami user will receive an email generated by Origami from email address: notifications@origamirisk.com. This email will include directions for you or your Origami user to reassign the worksheet to your IT personnel to help you complete the survey. Please make every effort to complete the questionnaire by **June 30th**. Items that may not apply can be left blank.

RESIDUAL CLAIMS FUND – The RCF met on Wednesday, June 2, 2023 at Forsgate Country Club. Chairman Merchel's report was attached in Appendix II of the agenda. Executive Director reported that all the Auditors audits were approved at the meeting.

EJIF- The EJIF met on Wednesday, June 2, 2023 at Forsgate Country Club. Chairman Merchel's report was attached in Appendix II of the agenda.

MEL JIF – The MEL met on Wednesday, June 2, 2023 at Forsgate Country Club. Chairman Merchel's report was attached in Appendix II of the agenda.

2022/2023 EMPLOYMENT PRACTICES LIABILITY (EPL) PROGRAM: The EPL Program, which occurs every two years, has officially begun. The MEL reviews applicable laws and regulations to update the Model Personnel Manual, Model Employee Handbook and Model Volunteer Handbook. In addition, members are asked to complete training geared towards Managers & Supervisors, Non-Supervisory Employees and Police Command Staff training. For information, a memorandum was included in the agenda which outlined the changes made to the current model documents.

Members submitting the required form by **November 1, 2023**, will qualify or continue to qualify for the deductible incentives. Members submitting this form after the deadline will become eligible for the deductible incentive upon approval of the application, but not retroactively.

2023 COVERAGE DOCUMENTS: The Fund office is in the final stages of preparing coverage documents, which will be posted to Origami during the month of June.

Due Diligence Reports: Monthly reports submitted to Fund Commissioners including Monthly Lost Time Accident Frequency, Quarterly 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. Executive Director reported March's Loss Ratio at 15.8%, Claims Activity Report showed 4 more open claims than the prior month, 3 Loss Time Accident Frequency, 1.65 Loss Time Accident Frequency for all JIFs. Executive Director reported that the MEL EPL checklist is expecting to post the revised list in September as the two-year cycle is completed.

Executive Director introduced Conner Strong & Buckelew's summer intern, Michael Merchel. Michael Merchel has been working on several projects with JA Montgomery and Perma.

Executive Director's Report Made Part of Minutes.

ATTORNEY: Attorney Kearns gave a verbal report on a Supreme Court ruling involving an OPRA case, Neptune Township vs Gannett, that involved internal affairs report on a police officer who murdered his wife. Gannett demanded copies of the internal affairs reports under OPRA and common law. The town denied this request. While in litigation Gannett sought out attorney fees and council fees, the Court ruled Gannett is not entitled to that under OPRA because they were confidential reports. The court ruled Gannett could not be awarded council fees due to the common law. Attorney Kearns suggest strongly the fund look into this case.

Attorney Kearns will stay abreast of the news and report of appellate decisions affecting municipalities.

TREASURER:

Payment of June 2023 Vouchers Resolution 23-15

Fund Year 2022	\$10,404.00
Fund Year 2023	\$51,161.30
Total	\$61,565.30

MOTION TO APPROVE RESOLUTION 23-15 VOUCHER LIST FOR THE MONTHS OF JUNE

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

Confirmation of Claims Payments/Certification of Claims Transfers for the Month of May 2023:

2023	\$39,022.57
2022	\$11,326.29
2021	\$27,746.42
2020	\$79,667.24
2019	\$1,919.70
Closed	0.00
TOTAL	\$159,682.22

Treasurer's Report Made Part of Minutes.

UNDERWRITING MANAGER:

REPORT: Underwriting Manager Team Representative, Jonathon Tavares, advised there was 1 certificate issued from 4/22/2023 to 05/22/2023. Also included in the agenda was the cyber compliance report for the second version of the MEL Cyber Risk Management Program with zero members approved for Tiers 1 or 2 of the new cyber compliance program. Jonathon advised that we are 6 months away from the grandfathering ending, 1/1/2024. Jonathon introduced Conner Strong & Buckelew – Underwriting Manager Team’s summer intern, Dhriti Patel.

SAFETY DIRECTOR:

REPORT: Safety Director reviewed the Safety Director’s Report. Safety Director reported that Risk Control Consultant, Tom Reilly, has been out to inspect the playgrounds and make recommendations. He advised the MEL website has been updated to include all training through the end of the summer, August 31st. LMS system is live as of May 1st, please contact the office in you requires any assistance in navigating the site.

Monthly Activity Report/Agenda Made Part of Minutes.

MANAGED CARE:

REPORT: Managed Care Provider Karen Beatty reported on the cumulative saving summary reported for the year showing a savings of \$262,060.35 which is 56% in May 2023. Beatty asked if there were any questions and concluded her report.

Monthly Activity Report Part of Minutes.

CLAIMS ADMINISTRATOR:

REPORT: There were 0 claims reviewed in closed session.

MOTION TO GO INTO EXECUTIVE SESSION

Moved: Commissioner Corrales
Second: Commissioner Danson
Vote: Unanimous

MOTION TO GO INTO OPEN SESSION

Moved: Commissioner Danson
Second: Commissioner Corrales
Vote: Unanimous

Report Part of Minutes.

OLD BUSINESS: NONE.

NEW BUSINESS: NONE

PUBLIC COMMENT: NONE

MOTION TO ADJOURN MEETING:

Motion:	Commissioner Corrales
Second:	Commissioner Carmichael
Vote:	Unanimous

MEETING ADJOURNED: 2:32 pm

NEXT REGULAR MEETING: July 25, 2023
Evesham Municipal Building at 2:00PM

Crystal M. Chuck, Assisting Secretary for
SUSAN DANSON, SECRETARY