

**MONMOUTH MUNICIPAL JOINT INSURANCE FUND
MINUTES
OCTOBER 14, 2021
ZOOM VIRTUAL MEETING
1:30 P.M.**

Meeting Called to Order by Chairman Rogers. Open Public Meeting Statement read into the record by Mr. Sacco.

Pledge of Allegiance

ROLL CALL OF EXECUTIVE COMMITTEE:

Tom Rogers	Chairman	Boro of Rumson	Present
Bryan Dempsey	Secretary	Spring Lake	Present
EXECUTIVE	COMMITTEE	MEMBERS	
Thomas Nolan		Boro of Brielle	Present
Anthony Mercantante		Middletown	Present
Laurie Roth		Allentown	Present
Jonathan Capp		Marlboro Township	Present
Jeffry Bertrand		Wall Township	Present

ALTERNATE EXECUTIVE COMMITTEE MEMBERS:

<i>Vacant</i>			
<i>Vacant</i>			

APPOINTED OFFICIALS PRESENT:

Executive Director /Administrator	Perma Risk Management Services	Stephen A. Sacco	Present
Attorney	Cleary Giacobbe Alfieri & Jacobs	James Cleary, Esq.	Present
Treasurer		Steven Mayer	Present
Claims Service	Qual-Lynx	Gemma Armenia	Present
Safety Director	JA Montgomery	Paul Shives	Present
Risk Management Consultants	The Danskin Agency Conner Strong & Buckelew	Charles Casagrande Mike Avalone	Present Present
Auditor	Hulsart & Company	Rich Hellenbrecht	Absent
Actuary	Actuarial Advantage	Kyle Mrotek	Absent
Underwriting Manager	Conner Strong & Buckelew	Ed Cooney	Absent

ALSO PRESENT

Joseph Hrubash, PERMA
 Jason Thorpe, PERMA
 Kim Humphrey, Bradley Beach
 Tom Flarity, Manasquan
 Thea Kratochvil, Avon by the Sea
 Scott Carew, Matawan
 Stephanie Dollinger, West Long Branch
 Kevin Kane, Neptune City
 Kathy Kissane, Qual-Lynx
 Lisa Gallo, QualCare
 Jonathon Tavares, CSB
 Peter Soriero, RMC
 Sean Kelly, RMC
 Amy Pieroni, RMC
 Dominick Cinelli, RMC
 Alison Kelly, Danskin Agency
 John Casagrande, Danskin Agency
 Lindsay Travali, Acrisure
 Suzanne Bridge, B&B
 Joe Mirarchi, JA Montgomery

APPROVAL OF MINUTES: September 9, 2021

MOTION TO APPROVE OPEN MINUTES FOR ABOVE REFERENCED MEETING

MOTION: Commissioner Roth
 SECOND: Commissioner Nolan
 VOTE: Unanimous

CORRESPONDENCE

Mr. Sacco referred to the latest MEL Power of Collaboration advertisement being placed in the League magazine.

TREASURER

Mr. Mayer referred to the Bills List contained within the Agenda Packet.

FUND YEAR	AMOUNT
October Bills List	
2020	\$ 327.00
2021	\$ 256,865.73
TOTAL	\$ 257,192.73

MOTION TO APPROVE RESOLUTION # 34-21 APPROVAL FOR PAYMENT OF OCTOBER 2021 BILL LIST.

MOTION: Commissioner Capp
SECOND: Commissioner Roth
ROLL CALL VOTE: Unanimous

EXECUTIVE DIRECTOR:

2022 BUDGET PROCESS – Mr. Sacco reported that the Finance Committee held a preliminary Budget Workshop on September 28, 2021 and a follow-up meeting on October 6, 2021. Mr. Sacco reported that there are several components that drive the JIF budgets, with the biggest component being the MEL, where the local JIFs receive their excess insurance. He reminded the Board that the MEL kept its budget flat for 2021 to assist the membership with COVID, which has essentially led to a two-year increase. Mr. Sacco reported that the MEL's budget is increasing 9.9% for 2022 and proceeded to provide an overview on the various factors contributing to the abnormal budget increase.

Mr. Sacco reported that property coverage for fire, flood, etc. is increasing because of the frequency of natural disasters over the past few years. He noted that the numerous natural disasters has caused a serious increase in prices charged by both the national and international property insurance markets.

Mr. Sacco reported that liability claims are increasing because of the erosion of Title 59 Immunity in New Jersey's courts. He noted that the recent amendment in the Sexual Molestation (SAM) statute of limitations will increase total liability costs by an estimated 6%. Mr. Sacco advised that some towns are facing lawsuits based on allegations going back 40 years. He added that judges are no longer granting summary judgement motions from our defense panels, as they did in the past, and are now saying it is a question of fact and letting the jury decide.

Mr. Sacco reported that in addition to the Firefighters Cancer Presumption legislation, a recent Department of Labor decision will increase workers' compensation by 11% by directing governmental entities to pay workers' compensation on many accidental disability claims that were paid by the pension plans before the change. He noted that this is on top of continuing increases in Worker's Compensation medical costs and indemnity rates. Lastly, Mr. Sacco advised that the COVID pandemic has an estimated cost to the MEL of \$20 million, including 7 deaths. He indicated that as a result, the MEL's budget for Workers' Compensation is increasing 12.5%.

Lastly, Mr. Sacco reported cyber premiums are increasing by nearly 100% in response to increased cyberattacks on municipal government. He added that there have been a number of ransomware claims in the MEL system recently and the MEL Cyber Task Force is currently studying additional measures to control this cost.

Mr. Sacco referred to the proposed 2022 budget enclosed within the agenda packet. He informed the Board that the loss funds provided by the actuary are increasing by 5.05%. He then moved to the premiums section of the budget and advised that both the MEL and MEL Property premiums were increasing by 20.15% and 23.31% respectively. Mr. Sacco then moved to the expenses, fees & contingency section of the budget and noted that professional fees are all capped at 2%. He informed the Board that the overall budget is increasing 6.64%. Mr. Sacco then opened the floor

for comments from the Finance Committee. Commissioner Capp asked for further explanation on the loss funds provided by the actuary. Mr. Sacco explained that when determining the loss fund amount, the actuary reviews the JIF's historical claims experience, market conditions, new legislation, and anything that could affect the JIF's claims locally. He further explained that the actuary puts the various information through their algorithms and provides a range of amounts, from low to high, for the loss funds which will hopefully cover claims in any given fund year. Mr. Sacco advised that the Finance Committee, as they do every year, recommended taking a conservative approach and applied the mid-range loss fund amounts to the budget. Mr. Sacco then asked if there were any additional comments or questions from the Finance Committee. Chairman Rogers thanked the Finance Committee for their time and effort in putting together the proposed budget as it is a challenging budget year. He noted that the budget increase is really being driven by the premium increases which is reflective of the world and the disasters that we are living through. Mr. Sacco asked if there were any additional comments or questions from the Finance Committee. Hearing none, Mr. Sacco then asked if there were any comments or questions from the Board or Fund Commissioners present. Commissioner Bertrand commented that he appreciates the work by the Finance Committee and the Fund Professionals on the proposed budget. Mr. Sacco then asked if there were any additional comments or questions. Hearing none, Mr. Sacco asked for a motion to introduce the proposed 2022 budget and schedule a public hearing.

MOTION TO INTRODUCE THE 2022 BUDGET FOR THE MONMOUTH MUNICIPAL JOINT INSURANCE FUND IN THE AMOUNT OF \$17,215,059 AND SCHEDULE A PUBLIC HEARING FOR NOVEMBER 10, 2021.

MOTION: Commissioner Nolan
SECOND: Commissioner Bertrand
ROLL CALL VOTE: Unanimous

2021 DIVIDEND - Mr. Sacco reported that the Finance Committee is recommending a dividend of \$1,100,000. He advised that the Finance Committee is recommending the increase of \$100,000 as it would be helpful in offsetting the assessment increase and the fund currently has a healthy surplus. Mr. Sacco referred the Committee to the Financial Fast Track chart as of August 31st contained within the agenda booklet. He advised that the Fund's statutory surplus position is \$10.3 million and the Finance Committee is recommending the increases from a position of strength. Mr. Sacco then referred to Resolution # 35-21 enclosed within the agenda packet for the Board's consideration.

MOTION TO ADOPT RESOLUTION #35-21 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$1,100,000.

MOTION: Commissioner Capp
SECOND: Commissioner Bertrand
ROLL CALL VOTE: Unanimous

MEL 2022 REPRESENTATIVE – Mr. Sacco reported that the MEL's nominating committee will begin its deliberations for the November meeting. He noted that the Fund should nominate its 2022 representative and alternate to the MEL. He further noted that currently Commissioner Nolan is the Fund's MEL representative and Commissioner Rogers is the alternate representative.

MOTION TO NOMINATE THOMAS NOLAN TO SERVE AS THE FUND'S REPRESENTATIVE TO THE MEL AND TO NOMINATE THOMAS ROGERS TO SERVE AS THE FUND'S ALTERNATE REPRESENTATIVE TO THE MEL.

MOTION: Commissioner Capp
SECOND: Commissioner Bertrand
VOTE: 5 ayes, 0 nays, 2 abstentions
Commissioner Nolan
Chairman Rogers

E-JIF 2022 BUDGET MEETING – Mr. Sacco reported that the public hearing to adopt the E-JIF's 2022 budget will be held on October 20th at 10:50AM in the Forsgate Country Club. He advised that the Fund should nominate its 2022 representative and alternate to the E-JIF. He noted that currently Commissioner Nolan is the E-JIF representative and Commissioner Rogers is the alternate representative.

MOTION TO NOMINATE THOMAS NOLAN TO SERVE AS THE FUND'S REPRESENTATIVE TO THE E-JIF AND TO NOMINATE THOMAS ROGERS TO SERVE AS THE FUND'S ALTERNATE REPRESENTATIVE TO THE E-JIF.

MOTION: Commissioner Capp
SECOND: Commissioner Bertrand
VOTE: 5 ayes, 0 nays, 2 abstentions
Commissioner Nolan
Chairman Rogers

RESIDUAL CLAIMS FUND – Mr. Sacco reported that the public hearing to adopt the Residual Claims Fund's 2022 budget will be held on October 20th at 10:30AM in the Forsgate Country Club. He advised that the Fund should nominate its 2022 representative and alternate to the RCF. He noted that currently Commissioner Nolan is the RCF representative and Commissioner Rogers is the alternate representative.

MOTION TO NOMINATE THOMAS NOLAN TO SERVE AS THE FUND'S REPRESENTATIVE TO THE RCF AND TO NOMINATE THOMAS ROGERS TO SERVE AS THE FUND'S ALTERNATE REPRESENTATIVE TO THE RCF.

MOTION: Commissioner Capp
SECOND: Commissioner Bertrand
VOTE: 5 ayes, 0 nays, 2 abstentions
Commissioner Nolan
Chairman Rogers

ATTORNEY

Mr. Cleary indicated that he had nothing to report.

SAFETY DIRECTOR

Mr. Mirarchi reviewed the September activities and the October agenda. He advised the Committee of upcoming meetings and trainings. He then referred to the Safety Director's bulletins that were recently released enclosed within the agenda booklet. Mr. Mirarchi also referred to the MSI NOW, MSI DVD, and MSI LIVE utilization report.

Lastly, Mr. Mirarchi reported that the Monmouth JIF membership is in compliance with the mandatory Police Command Staff training ahead of the November 1 deadline.

Safety Report Attached and Made Part of the Minutes

UNDERWRITING MANAGER

Mr. Tavares reported that a number of cyber issues taking place and emphasized the importance of members focusing on compliance in the Cyber Risk Management Program. Mr. Tavares then referred the Cyber Compliance report enclosed within the agenda packet. He reminded the Board that any member that is in compliance with Tier 1 or 2 of the original program are grandfathered in and considered compliant until 1/1/22. Mr. Tavares noted that at that time those members will be required to re-certify. He added that version 2 of the Cyber Risk Management plan includes a Tier 3.

Lastly, Mr. Tavares referred to the list of certificates issued for the month enclosed within the agenda packet.

List of Certificates made part of the Minutes.

RISK MANAGEMENT CONSULTANTS:

Mr. Casagrande reported that with regard to the issuance of Certificates of Insurance, the TULIP program is being utilized by a number of members and commended those members as it provides coverage for the uninsured entities using the member's facilities.

Mr. Casagrande reminded the Board that the deadline for compliance with the MEL Public Officials and Employment Practices Liability Risk Management Program is November 1, 2021. He then referred to the schedule of upcoming Managers/Supervisors training sessions. He advised that the Fund Risk Managers continue to track member's compliance status.

Lastly, Mr. Casagrande reported that any member that is in compliance with Tier 1 or 2 of the Cyber Risk Management program are considered compliant until 1/1/22 and then will be required to re-certify.

Report and Attachments of Risk Management Consultants made a part of the Minutes

MANAGED CARE:

Ms. Gallo referred the Committee to her report enclosed within the agenda booklet. She informed the Committee that through the month of September, there has been a savings of \$1,888,278.51

resulting in 72% savings. Ms. Gallo then referred to the COVID-19 Activity Report enclosed within the agenda packet.

OLD BUSINESS

None.

NEW BUSINESS

None.

PUBLIC COMMENT

Ms. Pieroni commended the Finance Committee for putting together a budget in really challenging time. She noted that the Risk Management Consultants are well aware of the hard insurance market and commended the Finance Committee for taking a conservative approach for the budget while still returning a dividend.

CLAIMS COMMITTEE

Chairman Rogers informed the audience that the claims were reviewed by the Claims Committee prior to the meeting and is recommending approval of the same. He then asked for a motion to approve the claims as recommended by the Claims Committee.

MOTION TO APPROVE PAYMENT OF CLAIMS AND MR. CLERY'S LEGAL BILLS IN THE AMOUNT OF \$3,239 AS RECOMMENDED BY THE CLAIMS COMMITTEE.

WC

2019175751

2021229855

2021229855

2021229862

2019162822

2022245429

2022244260

2018131323

2021223858

2021215270

GL/PRP/AL

2021225863

2021234393

2021232644

2022249498

MOTION:

Commissioner Nolan

SECOND:

Commissioner Capp

ROLL CALL VOTE: Unanimous

MOTION TO ADJOURN MEETING

MOTION: Commissioner Roth
SECOND: Commissioner Nolan
VOTE: Unanimous

Meeting Adjourned at: 2:03 P.M.

NEXT MEETING: November 2021
Via Zoom
1:30 P.M.

Secretary

MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 34-21

OCTOBER 2021

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the Monmouth County Municipal Joint Insurance Fund's Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2020

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002181			
002181	ACRISURE, LLC	BALANCE OF MALBRORO RMC 2020	327.00
			327.00
		Total Payments FY 2020	327.00

FUND YEAR 2021

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002182			
002182	QUAL-LYNX	TPA 10/21	48,064.23
002182	QUAL-LYNX	OUTSIDE ADJ FEE 10/21	6,840.28
			54,904.51
002183			
002183	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR 10/21	13,778.67
002183	J.A. MONTGOMERY RISK CONTROL	POLICE TRAINING 10/21	2,550.00
			16,328.67
002184			
002184	QUALCARE, INC.	MANAGED CARE 10/21	17,589.08
			17,589.08
002185			
002185	PERMA	POSTAGE 9/21	24.22
002185	PERMA	POSTAGE 8/21	38.49
002185	PERMA	ADMIN FEE 10/21	33,105.00
002185	PERMA	LOSS FUND MGT 10/21	2,925.08
			36,092.79
002186			
002186	THE ACTUARIAL ADVANTAGE, INC.	ACTUARY 10/21	3,782.83
			3,782.83
002187			
002187	CLEARY GIACOBBE ALFIERI & JACOBS, LLC	ATTORNEY 10/21	1,729.50
002187	CLEARY GIACOBBE ALFIERI & JACOBS, LLC	LITIGATION THRU 9.29.2021	9,941.00
			11,670.50
002188			
002188	STEPHEN M. MAYER	TREASURER 10/21	1,760.00
			1,760.00
002189			
002189	ASBURY PARK PRESS	AD 9.25.2021	40.40
			40.40
002190			
002190	BOWMAN & COMPANY LLP	PAYROLL AUDIT 2021	16,433.00
			16,433.00
002191			
002191	DANSKIN INSURANCE AGENCY INC.	RMC 10/21	45,102.10
			45,102.10
002192			
002192	CONNER STRONG & BUCKELEW	UNDERWRITING MGR 10/21	1,042.00
			1,042.00

002193			
002193	EXECU-TECH, INC.	WEBSITE 10/21	200.00
			200.00
002194			
002194	THE CANNING GROUP LLC	QPA 9/21	583.33
			583.33
002195			
002195	ACCESS	ARC SERVICE&STORAGE 8.31.21	59.52
			59.52
002196			
002196	ACRISURE, LLC	MATAWAN 2ND HALF RMC 2021	14,215.50
002196	ACRISURE, LLC	LAKE COMO 2ND HALF RMC 2021	2,815.50
002196	ACRISURE, LLC	MARLBORO 2ND HALF RMC 2021	34,246.00
			51,277.00
		Total Payments FY 2021	256,865.73
		TOTAL PAYMENTS ALL FUND YEARS	\$257,192.73

Chairperson

Attest: _____

Dated: _____

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.

Treasurer

RESOLUTION NO. 35-21

**RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE MONMOUTH MUNICIPAL
JOINT INSURANCE FUND
AUTHORIZING REFUND OF CLOSED YEAR ACCOUNTS SURPLUS ACCOUNTS**

WHEREAS, N.J.A.C. 11:15-2.21 provides that a FUND may seek approval from the Commissioner of Insurance for a refund of excess monies from any FUND year upon compliance with certain requirements; and

WHEREAS, the FUND has obtained a calculation from its Actuary and Executive Director as to the amount of money which is available for distribution consistent with the aforementioned regulations, and the financial integrity of the FUND; and

WHEREAS, the Executive Committee has determined that it would be in the best interest of the FUND and its member municipalities to make certain refunds;

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the **Monmouth Joint Insurance Fund**, As Follows:

1. Section B of N.J.A.C. 11:15-2.21 provides that the FUND may seek approval for refunds from any claim fund that has been completed for not less than twenty-four months. Based upon this requirement, surplus monies in the Closed Year Accounts are eligible for refunds at the discretion of the FUND, the Department of Banking and Insurance and the Department of Community Affairs.

2. The Executive Committee has balanced the interests of the member authorities in obtaining the benefit of such monies as are available for refund against the need for the FUND to protect and preserve its financial integrity. Because the reserve figures and the IBNR figures utilized by the FUND Actuary are conservative, and because the Banking & Insurance Department and the State regulations require a calculation based on the ratio of paid claims to claim reserves creating a margin of error, it is the conclusion of the Executive Committee that \$1,100,000 from the Closed Year Accounts and \$239,383 from the E-JIF for a total dividend of \$1,339,383 surplus can be refunded at this time.

Closed Year Account	\$ 1,100,000
E-JIF	\$ 239,383
Total	\$ 1,339,383

3. The Executive Director is, therefore, authorized and directed to submit such documents as the regulations require to the Department of Insurance and the Department of Community Affairs for the approval of the refunds in the amounts set forth above.

4. This authorization is based upon the Auditor's Report of the Historical Operating Results as of December 31, 2020. The aforementioned refund monies shall be allocated, as required and necessary, from the Closed Year Accounts.

5. The FUND Treasurer is authorized to prepare and execute checks for the pro-rated amount of the aforementioned refunds due to each member municipalities for the years in question, provided, however, the FUND Treasurer shall deduct the amount owed by the member local unit for any outstanding balances without regard for Fund year, upon receipt of written documentation of approval or acquiescence of these refunds from the Department of Insurance and the Department of Community Affairs. Said refunds shall be made to the municipalities which were members of the FUND for the years in question in the same ratio as said municipalities were assessed for the years in question.

MONMOUTH MUNICIPAL JOINT INSURANCE FUND