

SUBURBAN MUNICIPAL JOINT INSURANCE FUND
OPEN MINUTES
May 13, 2021
VIA TELECONFERENCE
8:00AM

Meeting of the Fund Commissioners called to order by Chairwoman Champney. Open Public Meetings notice read into record. Mr. Tracy noted for the record no questions were submitted from members of the public.

ROLL CALL OF 2021 FUND COMMISSIONERS:

Megan Champney, Chairwoman	City of Summit	Present
Alexander Mirabella, Secretary	Township of Scotch Plains	Present
James Gildea	Borough of Westfield	Absent
Robin Ray	Township of Bedminster	Present
James Damato	Borough of Watchung	Present
Sean McCarthy	Township of Bernards	Absent
Lorene K. Wright	Township of Harding	Present

EXECUTIVE COMMITTEE ALTERNATES:

Anthony Suriano	Borough of Bernardsville	Present
Joseph Carty	Borough of Far Hills	Absent
Glenn Mortimer	Borough of Mountainside	Absent

ALTERNATE FUND COMMISSIONERS:

Margaret Heisey	Township of Scotch Plains	Absent
Sheila Tweedie	Borough of Far Hills	Absent
Pat Monaco	Township of Bernards	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator	PERMA Risk Management Services Cathleen Kiernan, Nancy A. Ghani, Brandon Tracy, Jennifer Conicella
Attorney	DiFrancesco, Bateman, Coley, Yospin, Kunzman, Davis & Leher Stephen Davis, Esq.
Treasurer	Ralph Maresca
Claims Service	Qual-Lynx Claudia Acosta
Underwriting Manager	Conner Strong & Buckelew Edward Cooney, Jonathon Tavares
Safety Director/Law Enforcement Risk Consulting	J.A. Montgomery Brian Maitland, John Schwartz, Eleanor Moss
Managed Care Provider	FMCO Alyssa Hrubash

ALSO PRESENT:

Lindsay Travali, **Acrisure**
Kat Galuppo, **Acrisure**
Dominic Cinelli, **Brown & Brown**
Suzanne Bridge, **Brown & Brown**
Rich Duthie, **Pinnacle Risk Solutions**
Hallee Cramer, **Meeker, Sharkey & Hurley**
Craig Sutherland, **Meeker, Sharkey & Hurley**

MINUTES: Open and Closed Minutes of April 8, 2021.

MOTION TO APPROVE OPEN AND CLOSED MINUTES FOR APRIL 8, 2021 AS PRESENTED:

Moved: Commissioner Mirabella
Second: Commissioner Suriano
Vote: 5 Ayes – 0 Nays (1 Abstention – Chairwoman Champney)

CORRESPONDENCE:
NONE

EXECUTIVE DIRECTOR:

Executive Director said with six Fund Commissioners present this will be a meeting of the Executive Committee.

DUE DILLIGENCE REPORTS: Monthly report submitted to Fund Commissioners including monthly Fast-track Accident Frequency, Fast-track Financial report, Fixed Income Portfolio Summary, Claim Activity Report, Interest Rate Summary Comparison, Monthly Loss Ratio by fund year and line of coverage and the Monthly and Annual Regulatory Checklist.

Included in the agenda were tracking reports as of March 31, 2021. Executive Director said the Financial Fast Track is an unaudited financial statement that Perma’s Finance department prepares and is updated monthly to reflect audited statements and quarterly actuarial reports. Executive Director highlighted line 9, *RCF Surplus Trigger Assessment* and said in 2019 the MEL and RCF amended their risk management plans to establish a trigger should the statutory surplus not equal or exceed 12.5% of open reserves and billing for any assessment would be over a 10-year period. A surplus trigger was not implemented for local Funds because the MEL and RCF will be affected by larger claims and adverse claim development over time, changes in the law regarding sexual molestation and the firefighters cancer presumption act, regulatory change on pension offset, and the unknown impact of Covid-19. The RCF Surplus Trigger Assessment currently stands at \$41,726. Executive Director noted we are anticipating a partial recovery from Safety National regarding 2020 Covid-19 claims, which will be treated as one occurrence where local JIFs will share one \$300,000 retention.

Executive Director reviewed the Claims Management Report and noted the high-incurred claims in 2020 were a result from ten claims each reserved over \$100,000; two of which were COVID related. Executive Director said the Fund is anticipating a recovery from the MEL due to the fund’s Annual Aggregate Stop Loss provision, which was triggered when the total incurred pierced 125% of the actuarial loss projections. The anticipated recovery is approximately \$500,000.

Executive Director reviewed the Lost Time Accident Frequency (LTAF) as of March 31st and said the JIF rate is 1.34; the overall MEL/JIF rate is 0.70.

2021 RISK MANAGEMENT PLAN AMENDMENT: Based on the recommendation of the Fund Underwriting Manager, the cyber coverage limits should be removed from the Risk Management Plans for local Funds. This document is posted to the Fund websites and could be an incentive for cyber hacker attacks should limits of coverage be known. Executive Director said the amended risk management plan would be added to the site. Included in the agenda was Resolution 15-21 amending the 2021 Risk Management Plan.

MOTION TO ADOPT RESOLUTION 15-21 AMENDING THE 2021 RISK MANAGEMENT PLAN REMOVING CYBER COVERAGE LIMITS.

Moved: Commissioner Wright
Second: Commissioner Mirabella
Roll Call: 6 Ayes – 0 Nays

JUNE MEETING: Currently, the Fund is scheduled to start “in person” meetings in June at the Scotch Plains Municipal Building. Executive Director said the MEL has already made the decision to delay “in person” meetings at least until September. The Board discussed and agreed to reschedule the location of the June meeting to a virtual meeting.

MOTION TO RESCHEDULE THE JUNE MEETING FROM SCOTCH PLAINS MUNICIPAL BUILDING TO A VIRTUAL MEETING.

Moved:	Commissioner Mirabella
Second:	Commissioner Suriano
Vote:	Unanimous

MARIJUANA EFFECTS ON THE WORKPLACE: MEL Fund Attorney has just prepared the additional bulletin, which was included in the agenda, concerning Marijuana Legalization – that focuses on the effects of marijuana in the workplace. Executive Director said this bulletin and other material regarding Marijuana Legalization have been posted to the MEL website at njmel.org.

POWER OF COLLABORATION: Included in the agenda was the latest in the series of “Power of Collaboration ad that will appear in the League of Municipalities magazine. Executive Director said the ad highlights the EJIFs continued defense efforts in the Passaic River II Litigation.

EMPLOYMENT PRACTICES COMPLIANCE PROGRAM: Please visit the MEL webpage to review all the elements of the MEL’s EPL Compliance Program. **Deadlines for updates and training has been extended to November 1, 2021.** Link to outline of program and model documents: <https://njmel.org/insurance/public-officials/risk-management-program/>

Executive Director said this year, the Managers & Supervisors Training can be met by attending the Instructor-led webinar “Protecting Children From Abuse – Managers/Supervisors”. This course for Managers includes an Employment Practices component. Included in the agenda was a copy of a notice distributed to members from J.A. Montgomery on classes scheduled through September. Executive Director said the Fund Office worked with J.A. Montgomery to schedule a Police Command Staff Training, a component of the Employment Practices Program, on June 9th at the County College of Morris. A notice will be distributed following the meeting.

2021 MEL/MR HIF & NJCE JIF EDUCATIONAL SEMINAR: The 10th annual seminar will be conducted virtually on 2 half-day sessions: Friday, May 14th and Friday, May 21 from 9 am to 12 noon. The seminar qualifies for Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with the Municipal Excess Liability Joint Insurance Fund (MEL JIF), Municipal Reinsurance Health Insurance Fund (MR HIF) members, and New Jersey Counties Excess Joint Insurance Fund (NJCE JIF) members as well as personnel who work for service companies that are engaged by MEL member JIFs, MR HIF member HIFs, and NJCE member Commissions.

Included in the agenda was the agenda and a Zoom invite with registration instructions that have been emailed to members.

AUDITOR & ACTUARY YEAR-END REPORTS: The financial audit for the period ending December 31, 2020 will be ready for review and approval at the June meeting and will be filed with the Departments of Insurance and Community Affairs by the June 30th deadline.

2021 FINANCIAL DISCLOSURES: The Local Finance Board, at its meeting of April 14, 2021 voted to extend the date upon which the Board would take enforcement action against non-filers of the 2021 FDS until June 30, 2021 from the statutory deadline of April 30, 2021. Executive Director said the Local

Finance Board while not pushing back the deadline it will not impose penalties until the June 30th deadline. The Suburban Municipal JIF roster was updated and emails with filing information were sent to Fund Commissioners and Professionals. Local Finance Notice 2021-08, containing filing information for local government officers, has been distributed. To date, 7 Fund Commissioners have completed their filing.

TREASURER:

VOUCHER LIST:

APRIL 2021 VOUCHER PAYMENTS, RESOLUTION 16-21

Fund Year 2021:	\$84,001.24
Total:	\$84,001.24

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS FOR MONTHS OF FEBRUARY 2021:

Fund Year 2021:	\$49,564.57
Fund Year 2020:	\$43,743.69
Fund Year 2019:	\$6,516.50
Fund Year 2018:	\$18,573.68
Fund Year 2017:	\$375.00
Closed:	\$0.00
Total:	\$118,773.44

MOTION TO ADOPT RESOLUTION 16-21 APPROVING MAY 2021 BILLS LIST, AND APPROVE CONFIRMATION & CERTIFICATION OF MARCH 2021 CLAIM TRANSFERS AS SUBMITTED:

Moved:	Commissioner Wright
Second:	Commissioner Mirabella
Roll Call:	6 Ayes – 0 Nays

Voucher List and Treasurer's Report Made Part of Minutes.

ATTORNEY:

REPORT: Included in the agenda was a report of appellate decisions affecting municipalities. Fund Attorney asked if the MEL has taken a position with respect to Senate Bill 3375. In response, Executive Director said the MEL has taken the position to oppose the bill and has met with the bill's sponsors to voice its concerns.

Monthly Report Made Part of Minutes.

UNDERWRITING MANAGER:

CERTIFICATE REPORT: Included in the agenda was the certificate report for the period 3/22/21 to 4/22/21.

CYBER COMPLIANCE REPORT: Included in the agenda was the cyber compliance report as of 4/30/21. Underwriting Manager reviewed the two reports; one detailing members who are in compliance with the new cyber program and the second report listing the grandfathered members who were in compliance with version 1 of the cyber risk management program. Grandfathered status will last until January 1, 2022. Any member who is not grandfathered will have to comply with version 2 immediately.

Monthly Report Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Included in the agenda was the April 2021 report submitted by FMCO. Managed Care Provider said the total provider billed amount to date was \$102,824 and was re-priced to \$45,819 for a total savings of 55% and a PPO penetration of 99%.

Monthly Activity Report Made Part of Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Included in the agenda was the May 2021 report noting the activities/trainings, MSI classes and bulletin(s) distributed in April. Safety Director noted Matt Genna has introduced Ellie Moss, the new loss control consultant, to every member’s safety coordinators or public works department.

Monthly Report Made Part of the Minutes.

CLAIMS:

REPORT: Claims Administrator said there are Payment Authority Requests to present during Closed Session.

RESOLUTION - EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES: PERSONNEL - SAFETY & PROPERTY OF PUBLIC LITIGATION AND CONTRACT MATTERS:

Moved: Commissioner Wright
Second: Commissioner Mirabella
Vote: Unanimous

PAYMENT AUTHORIZATION REQUESTS & CONTRACT MATTERS: Executive Committee reviewed payment authorization requests presented by Claims Service in Executive Session.

Moved: Commissioner Wright
Second: Commissioner Mirabella
Vote: Unanimous

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUEST PRESENTED IN EXECUTIVE SESSION BY QUAL-LYNX:

Moved: Commissioner Wright
Second: Commissioner Mirabella
Roll Call Vote: 6 Ayes – 0 Nays

OLD BUSINESS:

NONE

NEW BUSINESS:

Commissioner Wright announced she is retiring as of October 1st and thanked the Fund for the opportunity to serve as a Fund Commissioner. Chairwoman Champney congratulated her and thanked her for her time served.

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved: Commissioner Mirabella
Second: Commissioner Wright
Vote: Unanimous

MEETING ADJOURNED: 8:38AM

NEXT MEETING: June 10, 2021 - 8:00 AM

Brandon Tracy, Account Analyst

for

ALEXANDER MIRABELLA, SECRETARY

**SUBURBAN MUNICIPAL JOINT INSURANCE FUND
(hereinafter the "Fund" or the "SBMU JIF")**

ESTABLISHING THE 2021 PLAN OF RISK MANAGEMENT

Section I – Coverage - Amendment

Insurance Coverages

11. Cyber

The Fund purchases Cyber insurance

- Limits and Retention: Please contact your Risk Manager or the MEL

ADOPTED: this ____ day of _____, 2021 by the Commissioners:

Chairperson

Secretary

SUBURBAN MUNICIPAL JOINT INSURANCE FUND BILLS LIST

Resolution No. 16 – 21

May 2021

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

BE IT RESOLVED that the Suburban Municipal Joint Insurance Fund’s Executive Board, hereby authorizes the Fund treasure to issue warrants in payment of the following claims; and

FURTHER, that this autho

FUND YEAR 2021

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001912			
001912	FIRST MANAGED CARE OPTION	MANAGED CARE SERVICES 5/21	6,993.98
			6,993.98
001913			
001913	QUAL-LYNX	CLAIMS ADJ. SERVICES 5/21	18,079.32
			18,079.32
001914			
001914	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR FEE 5/21	5,642.44
			5,642.44
001915			
001915	PERMA RISK MANAGEMENT SERVICES	POSTAGE 3/21	82.00
001915	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 5/21	15,621.45
			15,703.45
001916			
001916	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 5/21	2,790.09
			2,790.09
001917			
001917	RALPH A MARESCA, JR	TREASURER FEE 5/21	1,628.37
			1,628.37
001918			
001918	NJ ADVANCE MEDIA	AD#: XSUBU0555780 - MTG CHNG - 2.15.21	29.45
			29.45
001919			
001919	NEWTECH SERVICES INC.	MONTHLY WEBSITE MAINT & DR 5/21	175.00
			175.00
001920			
001920	ALLSTATE INFORMATION MANAGEMNT	ACCT #416 - ARC. AND STOR. - 3.31.21	46.54
			46.54
001921			
001921	CONNER STRONG & BUCKELEW	UNDERWRITING MANAGER FEE 5/21	1,701.00
001921	CONNER STRONG & BUCKELEW	SFCIC - POLICY #B6024105 - 5/21	2,528.00
			4,229.00
001922			
001922	COURIER NEWS	AD - 1.28.21	27.09
001922	COURIER NEWS	AD - 1.27.21	18.92
			46.01
001923			
001923	ACRISURE, LLC DBA RELIANCE INSURANCE GROUP	WATCHUNG - 1ST OF 4 RMC FEES 2021	4,777.00
001923	ACRISURE, LLC DBA RELIANCE INSURANCE GROUP	CITY OF SUMMIT - RMC 2ND QTR 2021	15,946.00
			20,723.00
001924			
001924	BROWN & BROWN METRO, LLC	BO. OF BERNARDSVILLE - 2ND RMC FEE 2021	5,534.00
001924	BROWN & BROWN METRO, LLC	BO. OF BERNARDSVILLE - 1ST RMC FEE 2021	2,380.59
			7,914.59
		Total Payments FY 2021	84,001.24
		TOTAL PAYMENTS FUND YEARS	84,001.24

Chairperson

Attest:

Dated: _____

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

Treasurer