

BERGEN COUNTY MUNICIPAL JOINT INSURANCE FUND
MINUTES
MEETING – MAY 20, 2021
MEETING – 5:30PM
VIA TELECONFERENCE

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

PLEDGE OF ALLEGIANCE – Chairman Hoelscher led Commissioners in the Pledge of Allegiance.

ROLL CALL OF 2021 EXECUTIVE COMMITTEE:

| | | |
|--------------------------|-------------------------------|---------|
| Paul Hoelscher, Chairman | Borough of Harrington Park | Present |
| Paul Tomasko, Secretary | Borough of Alpine | Present |
| Robert Shannon Jr. | Township of Wyckoff | Present |
| Don Sciolaro | Borough of Waldwick | Present |
| Ted Preusch | Upper Saddle River | Absent |
| Lenora Benjamin | Borough of Oradell | Present |
| Dianne Didio | Borough of Upper Saddle River | Present |

EXECUTIVE COMMITTEE ALTERNATES:

| | | |
|---------------|---------------------------|---------|
| Tomas Padilla | Borough of Woodcliff Lake | Present |
| Corey Gallo | Borough of Bergenfield | Present |
| James Cleary | Borough of Cresskill | Present |
| Fred Pitofsky | Borough of Closter | Present |

APPOINTED OFFICIALS PRESENT:

| | |
|--|--|
| Executive Director/Administrator | PERMA Risk Management Services David N. Grubb, Joseph Hrubash, Nancy A. Ghani, Brandon Tracy |
| Attorney | Huntington Bailey LLP Russ Huntington, Esq. |
| Liability Claims Service | JIF Claims, L.L.C. Dawn Mulligan |
| Workers Compensation Claim Service & Managed Care | Bergen Risk Managers Kathleen McGuire, Rose Bozzone, Jason Cosimano |
| Treasurer | Matthew Laracy |
| Safety Director | J.A. Montgomery Consulting Brian Maitland, John Schwartz, Kenneth Shulz |
| MEL Underwriting Manager | Conner Strong & Buckelew Edward Cooney, Jonathon Tavares |

PRESENT:

Nancy Peet, **Midland Park Fund Commissioner**
Lisa Sandhusen, **New Milford Fund Commissioner**
Anna Haverilla, **Old Tappan Fund Commissioner**
Guy Carnazza, **Old Tappan Alternate Fund Commissioner**
Durene Ayer, **Park Ridge Alternate Fund Commissioner**

Lynnaire Vanderlinden, **Tenafly Fund Commissioner**
Erin Collins, **Westwood Alternate Fund Commissioner**
Brian Eifert, **Eifert French**
Linda D'Alessio, **Eifert French**
Dan Larsen, **Johl & Company**
Gerard Quinn, **Conklin and Kraft Agency**
Arthur Caughlan, **Nelson-Patterson**
Dominick Cinelli, **Brown & Brown**
Frank Covelli, **P.I.A.**
Dave Vozza, **The Vozza Agency**
Mathew McArow Jr., **GJEM Otterstedt**
Mathew McArow Sr., **GJEM Otterstedt**
Robert Steinbruch, **Eastern Insurers**
Stephen Puntasecca, **The Heidt Agency**
Jennifer Conicella, **Perma Claims**

MINUTES: Open and Closed Minutes of April 15, 2021.

MOTION TO APPROVE OPEN MINUTES FROM APRIL 15, 2021:

Moved: Commissioner Pitofsky
Second: Commissioner Didio
Vote: Unanimous

MOTION TO APPROVE CLOSED MINUTES FROM APRIL 15, 2021

Moved: Commissioner Pitofsky
Second: Commissioner Didio
Vote: Unanimous

CORRESPONDENCE:

NONE

Executive Director said approval of action items will be adopted as a consent agenda at the end of the meeting.

COMMITTEE REPORTS:

CLAIMS REVIEW: A meeting is scheduled for 4:30PM on May 20, 2021 to review the Payment Authority Requests (PARs) in advance of this meeting. It would be appropriate to take action to approve the PARs as presented.

MOTION TO ACCEPT THE PAYMENT AUTHORITY REQUESTS (PARS) AS PRESENTED.

Moved: Commissioner Sciolaro
Second: Commissioner Pitofsky

EXECUTIVE DIRECTOR:

DUE DILIGENCE REPORTS: Monthly reports submitted to the Executive Committee including monthly Financial Fast Track, Loss Ratio, Lost Time Accident Frequency, Investment Summary and Rate Comparison, Expected Loss Ratio by Town Report and the Claim Activity Report.

Included in the agenda was the Financial Fast Track as of March 31st with a statutory surplus of \$3.8 million. Executive Director highlighted line 9, *RCF & MEL 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. The trigger assessment is appearing in this month's Financial Fast Track because the surplus has exceeded the threshold due in part to the 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 significant change of the MEL absorbing approximately \$20 million in Covid claims. Executive Director said they are continuing discussion with Safety National over the handling of the claims.

MEL YEAR END RESULTS: Included in the agenda was the MEL's financial fast track as of 12/31/2020. Executive Director said instead of the local JIFs, the MEL is paying for the approximately \$20 million in COVID claims that have been incurred over the last year. Included in the agenda was the MEL's updated year end financials. The strategy is to be especially conservative considering all of the current uncertainty concerning COVID claims, the recent changes in WC/pension offsets, firefighter's cancer WC presumption, and the extension of the statute of limitations for sexual molestation claims. The statutory surplus declined to \$8.3 million and is now at the floor established by the MEL Commissioners. The overall JIF/MEL combined surplus remains in excess of \$200 million.

COVID: The most significant charge is the projected \$20 million that COVID related workers' compensation claims will eventually cost the MEL. The MEL is strengthening its claim and IBNR reserves (by \$7.5 million) because of the uncertainty over the recovery from Safety National. Hopefully, the MEL will be successful in making a full recovery from Safety National so that it can reverse this accrual. Executive Director said at this time \$3.5 million will be assessed will be divided among the member joint insurance funds.

General Claim Reserves: The MEL is also strengthening general claim reserves by \$2.6 million to cover non-COVID related claims.

RCF: The fast tract also records a \$3 million additional assessment payable to the RCF.

Under the plan of risk management, the MEL will adopt an additional assessment of \$3 million, payable in ten annual installments to maintain the surplus at the \$8.3 million surplus floor. Because this additional assessment is over ten years, the impact on each individual JIF will not be significant. The financials will be reviewed by the Audit Committee on May 24th and will be approved by the MEL Commissioners at its meeting on June 2nd.

JUNE MEETING: Currently, the Fund is scheduled to start in-person meetings in June at the Westwood Municipal Building. The Board should discuss what date to return to in-person meetings. Executive Director said the MEL has already made the decision to delay meeting in person at least until September, suggested holding the June meeting remotely, and reassess the situation at the next meeting. There were no objections.

MARIJUANA EFFECTS ON THE WORKPLACE: Executive Director said the MEL Fund Attorney prepared an additional bulletin included in the agenda concerning Marijuana Legalization – which focuses on the effects of marijuana in the workplace.

POWER OF COLLABORATION: Included in the agenda were the latest in the series of "Power of Collaboration ads that will appear in the League of Municipalities magazine. The first ad focuses on the actions taken to help members in addressing the public health crisis and the second ad highlights the EJIFs continued defense efforts in the Passaic River II Litigation. Executive Director highlighted the second ad noting how the EJIFs defense efforts saved members involved in the litigation millions of dollars in legal fees, and will assume common defense for the members in the Passaic River II Litigation.

Informational Items

Ms. Nancy Ghani of Perma discussed the remainder of the items.

2021 MEL, MR HIF & NJCE JIF EDUCATIONAL SEMINAR: Ms. Ghani said 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. Ms. Ghani said The May 14th seminar had over 200 attendees. 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 a Zoom invite with registration instructions has been emailed to members.

EMPLOYMENT PRACTICES COMPLIANCE PROGRAM: Please 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.** Ms. Ghani said the link to outline of program and model documents: <https://njmel.org/insurance/public-officials/risk-management-program/>

The program includes several training components members need to complete, which may be met through the following:

- **Managers & Supervisors** - This 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. You will find a copy of a notice included in the agenda distributed to members from J.A. Montgomery on classes scheduled through September. In addition, the Fund Attorney's office may be available to schedule virtual sessions via Zoom (or similar online platform) as an additional resource.
- **Police Chief & Command Staff** – A session was held on May 11, 2021 in Bergenfield. The attendance records are being reviewed and if needed a 2nd session will be scheduled.
- **Non-Supervisory Personnel** – Online course titled *Building a Safety Workplace: Anti-Harassment and Discrimination* has been developed and is available on the MEL website.

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.

SHARED AGGREGATE EXCESS LIABILITY: As a reminder, this Fund approved the option for members to purchase additional excess limits of \$10m excess \$20m on a shared aggregate basis. Members wishing to secure additional limits may contact the Fund office for quotes based on effective date requested to bind coverage and after confirmation from Ed Cooney, the MEL Underwriting Manager.

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. The 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. Ms. Ghani said to date, 23 Fund Commissioners have completed their filing. Ms. Ghani encouraged Fund Commissioners to reach out to the fund office with any questions regarding the filing.

Executive Director's Report Made Part of Minutes.

TREASURER:

REPORT: The Treasurer's report for month ending March 31st were included in the agenda.

Approving Payment of May 2021 Vouchers Resolution 20-21:

| | |
|-----------------------|--------------|
| Fund Year 2020 | \$10,000 |
| Fund Year 2021 | \$249,050.10 |
| TOTAL | \$259,050.10 |

Approving Payment of May 2021 Supplemental Vouchers Resolution 21-21:

| | |
|-----------------------|-------------|
| Fund Year 2021 | \$12,652.50 |
| TOTAL | \$12,652.50 |

APPROVE RESOLUTION 20-21 VOUCHER LIST FOR MAY 2021 AND RESOLUTION 21-21 SUPPLEMENTAL VOUCHER LIST FOR MAY 2021; APPROVE CERTIFICATION OF CLAIMS/CONFIRMATION OF CLAIM PAYMENTS FOR THE MONTH OF APRIL 2021.

Motion: Commissioner Pitofsky
Second: Commissioner Cleary
Treasurer's Reports Made Part of Minutes.

FUND ATTORNEY:

REPORT: The Fund Attorney had nothing further to report.

UNDERWRITING MANAGER:

LIST OF CERTIFICATES ISSUED: Included in the agenda was a List of Certificates issued for the period of 3/22/21 to 4/22/21.

CYBER CLAIMS: Included in the agenda was a Cyber Compliance report as of 4/30/21. Underwriting Manager noted going forward two reports will be provided; 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. Underwriting Manager noted a memorandum-summarizing version 2 of the plan has been updated.

SAFETY DIRECTOR:

REPORT: Safety Director's report was included in the agenda for review. Report included April activities, upcoming MSI classes, copies of distributed Safety Director Bulletins, and MSI Now & MSI DVD usage. Safety Director reminded members if they are more joining webinars more than five minutes late they will not receive credit.

Monthly Report Made Part of the Minutes.

MANAGED CARE:

REPORT: Managed Care Provider reviewed the April reports, which were included in the agenda. The April report indicated a saving of 68% for the month and 63% since inception.

Monthly Activity Report Part of Minutes.

CLAIMS:

REPORT: Included in the agenda were case laws pertaining to public entities.

Monthly Activity Report Part of Minutes.

OLD BUSINESS:

COVERAGE COMMITTEE: PAUL TOMASKO, CHAIR

QUASI APPLICATION: Ms. Ghani said this was distributed as an additional item and noted the Coverage Committee reviewed the application included in the supplemental item for the Arts Council of Glen Rock as a Class III Quasi entity for coverage. The Coverage committee approved the application so it would be appropriate to make a motion to approve the request for coverage. A one-time assessment of \$125 would be charged to Glen Rock for the coverage of this entity.

MOTION TO APPROVE THE ARTS COUNCIL OF GLEN ROCK AS A CLASS III QUASI ENTITY AND CHARGE A ONE-TIME ASSESSMENT OF \$125.

Moved: Commissioner Tomasko
Second: Commissioner Pitofsky

JIF CLAIMS AUDIT REPORT: Perma conducted and completed its annual claims audit of JIF Claims, LLC and found that JIF Claims continues to provide above-average claims management services to the Fund. The report was been distributed for informational purposes to the Executive Committee. No action by the Board was necessary.

NEW BUSINESS:

NONE

MOTION TO ADOPT THE CONSENT AGENDA:

Motioned: Commissioner Pitofsky
Second: Commissioner Cleary
Roll Call: 11 Ayes – 0 Nays

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Motioned: Commissioner Pitofsky
Second: Commissioner Cleary
Vote: Unanimous

MEETING ADJOURNED: 5:47 PM

Brandon Tracy, Assisting Secretary
For

Paul Tomasko, SECRETARY

**BERGEN COUNTY MUNICIPAL JOINT INSURANCE FUND
BILLS LIST**

Resolutoin No. 20-21

MAY 2021

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

BE IT RESOLVED that the Bergen 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.

| <u>FUND YEAR 2020</u> | | | |
|-------------------------------|----------------------------|-------------------------------|-----------------------|
| <u>Check Number</u> | <u>Vendor Name</u> | <u>Comment</u> | <u>Invoice Amount</u> |
| 003176 | TRINITY BROKERAGE INC. | VOID & REISSUE | -5,695.50 |
| 003236 | LEONIA BOROUGH | SAFETY INCENTIVE PROGRAM 2020 | 1,000.00 |
| 003236 | | | 1,000.00 |
| 003237 | PARK RIDGE BOROUGH | SAFETY INCENTIVE PROGRAM 2020 | 1,000.00 |
| 003237 | | | 1,000.00 |
| 003238 | HILLSDALE BOROUGH | SAFETY INCENTIVE PROGRAM 2020 | 1,000.00 |
| 003238 | | | 1,000.00 |
| 003239 | DUMONT BOROUGH | SAFETY INCENTIVE PROGRAM 2020 | 1,000.00 |
| 003239 | | | 1,000.00 |
| 003240 | SADDLE RIVER BOROUGH | SAFETY INCENTIVE PROGRAM 2020 | 1,000.00 |
| 003240 | | | 1,000.00 |
| 003241 | CRESSKILL BOROUGH | SAFETY INCENTIVE PROGRAM 2020 | 1,000.00 |
| 003241 | | | 1,000.00 |
| 003242 | MAHWAH TOWNSHIP | SAFETY INCENTIVE PROGRAM 2020 | 1,000.00 |
| 003242 | | | 1,000.00 |
| 003243 | HO-HO-KUS BOROUGH | SAFETY INCENTIVE PROGRAM 2020 | 1,000.00 |
| 003243 | | | 1,000.00 |
| 003244 | RIDGWOOD VILLAGE | SAFETY INCENTIVE PROGRAM 2020 | 1,000.00 |
| 003244 | | | 1,000.00 |
| 003245 | UPPER SADDLE RIVER BOROUGH | SAFETY INCENTIVE PROGRAM 2020 | 1,000.00 |
| 003245 | | | 1,000.00 |
| 003246 | TRINITY BROKERAGE INC. | CLOSTER - RMC - 1ST QTR 2020 | 5,695.50 |
| 003246 | | | 5,695.50 |
| Total Payments FY 2020 | | | 10,000.00 |

FUND YEAR 2021

| <u>Check Number</u> | <u>Vendor Name</u> | <u>Comment</u> | <u>Invoice Amount</u> |
|---------------------|--------------------------------|---|-----------------------|
| 003247 | | | |
| 003247 | BERGEN RISK MANAGERS, INC. | MANAGED CARE 5/21 | 33,857.39 |
| 003247 | BERGEN RISK MANAGERS, INC. | FROI 5/21 | 1,362.49 |
| | | | 35,219.88 |
| 003248 | | | |
| 003248 | OLD TAPPAN BOROUGH | POLICE ACCRED 2021 | 25,000.00 |
| | | | 25,000.00 |
| 003249 | | | |
| 003249 | BERGEN RISK MANAGERS, INC. | TPA 5/21 | 29,186.69 |
| | | | 29,186.69 |
| 003250 | | | |
| 003250 | JIF CLAIMS, L.L.C. | LIABILITY/PROPERTY TPA 5/21 | 32,364.67 |
| | | | 32,364.67 |
| 003251 | | | |
| 003251 | J.A. MONTGOMERY RISK CONTROL | SAFETY DIRECTOR 5/21 | 17,032.08 |
| | | | 17,032.08 |
| 003252 | | | |
| 003252 | PERMA RISK MANAGEMENT SERVICES | EXEC DIRECTOR 5/21 | 33,813.07 |
| | | | 33,813.07 |
| 003253 | | | |
| 003253 | PERMA RISK MANAGEMENT SERVICES | CLAIMS AUDIT 2021 | 8,963.19 |
| | | | 8,963.19 |
| 003254 | | | |
| 003254 | THE ACTUARIAL ADVANTAGE | ACTUARY FEE 5/21 | 4,581.66 |
| | | | 4,581.66 |
| 003255 | | | |
| 003255 | HUNTINGTON BAILEY, L.L.P. | ATTORNEY FEE 5/21 | 5,480.08 |
| | | | 5,480.08 |
| 003256 | | | |
| 003256 | LARACY ASSOCIATES LLC | TREASURER FEE 5/21 | 1,541.67 |
| | | | 1,541.67 |
| 003257 | | | |
| 003257 | CONNER STRONG & BUCKELEW | UNDERWRITING FEE 5/21 | 1,524.00 |
| | | | 1,524.00 |
| 003258 | | | |
| 003258 | CONNER STRONG & BUCKELEW | POSITION BOND 5/21 | 2,244.00 |
| | | | 2,244.00 |
| 003259 | | | |
| 003259 | NEWTECH SERVICES, INC. | WEB MAINT/HOST 5/21 | 75.00 |
| | | | 75.00 |
| 003260 | | | |
| 003260 | ALLSTATE INFORMATION MANAGEMNT | ACCT#408 - ARC & STOR - 3.31.2021 | 234.11 |
| | | | 234.11 |
| 003261 | | | |
| 003261 | PROFESSIONAL INSURANCE ASSOC. | RMC - MAHWAH - 2ND QTR 2021 | 15,110.00 |
| 003261 | PROFESSIONAL INSURANCE ASSOC. | RMC - FRANKLIN LAKES - 2ND QTR 2021 | 6,148.00 |
| 003261 | PROFESSIONAL INSURANCE ASSOC. | RMC - CRESSKILL - 2ND QTR 2021 | 7,229.00 |
| 003261 | PROFESSIONAL INSURANCE ASSOC. | EMERSON - RMC - 2ND QTR 2021 | 5,878.00 |
| 003261 | PROFESSIONAL INSURANCE ASSOC. | RMC - FAIR LAWN - 2ND QTR 2021 | 10,647.00 |
| | | | 45,012.00 |
| 003262 | | | |
| 003262 | BROWN & BROWN METRO, INC | DEMAREST - RMC FEE 2021 | 3,389.00 |
| 003262 | BROWN & BROWN METRO, INC | DEMAREST - RMC FEE 2021 | 3,389.00 |
| | | | 6,778.00 |
| | | Total Payments FY 2021 | 249,050.10 |
| | | TOTAL PAYMENTS ALL FUND YEARS \$ | 259,050.10 |