**MONMOUTH MUNICIPAL JOINT INSURANCE FUND**
**MINUTES**
**OCTOBER 10, 2024**
**WALL TOWNSHIP MUNICIPAL BUILDING**
**1:30 P.M.**

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

**Pledge of Allegiance**

**ROLL CALL OF 2024 EXECUTIVE COMMITTEE:**

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| Tom Rogers | Chairman | Boro of Rumson | Present |
| Bryan Dempsey | Secretary | Spring Lake | Absent |
| | | | |
| **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 | Absent |

**ALTERNATE EXECUTIVE COMMITTEE MEMBERS:**

| | | | |
|---|---|---|---|
| James Gant | | Boro of Sea Girt | Absent |
| Donna Phelps | | Boro of Oceanport | Absent |

**APPOINTED OFFICIALS PRESENT:**

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|---|---|---|---|
| **Executive Director /Administrator** | Perma Risk Management Services | Stephen A. Sacco | Present |
| **Attorney** | Cleary Giacobbe Alfieri & Jacobs | James Cleary, Esq.<br>Mitch Jacobs, Esq. | Present<br>Present |
| **Treasurer** | | Steven Mayer | Absent |
| **Claims Service** | Qual-Lynx | Kathy Kissane | Present |
| **Safety Director** | JA Montgomery Consulting | Paul Shives | Present |
| **Fund Risk Management Consultants** | The Danskin Agency<br>Conner Strong & Buckelew | Charles Casagrande<br>Thomas Merchel | Present<br>Present |
| **Auditor** | Hulsart & Company | Rich Helenbrecht | Absent |
| **Actuary** | Actuarial Advantage | Kyle Mrotek | Absent |
| **Underwriting Manager** | Conner Strong & Buckelew | Ed Cooney | Absent |

**ALSO PRESENT**
Jason Thorpe, PERMA
Joseph Hrubash, PERMA
Steven Krolian, PERMA
Djamal Kirby, PERMA
Robert Ferragina, Atlantic Highlands
Robert Bengivenga, Hazlet
Ana Bongiorno, Avon by the Sea
Rachel Giolitto, Sea Bright
Kim Humphrey, Keyport
Lisa Gallo, QualCare
Michael Brosnan, JA Montgomery
Amy Pieroni, RMC
Dominick Cinelli, RMC
Thomas Hudanish, RMC
Katie Walters, CSB
John Casagrande, Danskin Agency
Alison Kelly, Danskin Agency
Trevor Morris, Acrisure
Joseph Razzano, Fairview Insurance

**APPROVAL OF MINUTES**: September 12, 2024

**MOTION TO APPROVE OPEN MINUTES FOR ABOVE REFERENCED MEETING**

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| MOTION: | Commissioner Capp |
| SECOND: | Commissioner Nolan |
| VOTE: | 4 ayes; 0 nays; 1 abstention<br>Commissioner Mercantante |

**CORRESPONDENCE**

Mr. Sacco referred to the updated Qual-Lynx Account Team list.

**EXECUTIVE DIRECTOR:**

**2025 BUDGET PROCESS –** Mr. Sacco reported that the Executive Committee held a Budget Workshop on October 8, 2024 and thanked the committee members for their participation. He noted that Executive Committee gave careful consideration to claims funding levels while formulating the proposed budget. Mr. Sacco then highlighted the following challenges facing the JIF and all municipalities:

- ✓ **Property** – While we are still well within hurricane season, global property losses this year continue to be within the anticipated losses for the industry, which indicates we can expect positive renewal results in terms of rates, coverages and capacity. However, the results of the recent Hurricanes in the South could affect rating globally.
- ✓ **Liability** – Public Entity continues to see a very small marketplace with difficult underwriting restrictions. The overall liability market is seeing a slowing rate of loss development increase ("social inflation"); however, even the most recent years continue to experience high single to low double-digit increases. Simply, losses continue to settle higher than expectations. Specific to the MEL, NJ has landed on some of the top Liability lists, such as #9 on the "Judicial Hellholes" list and #2 in tort costs as a percentage of state GDP.

We have continually discussed the two growing and crucial exposures of Aging Infrastructure and Sexual Abuse/Molestation (SAM), but Auto Liability is persevering as a loss leader and setting new records in frequency and severity.

- ✓ **Workers' Compensation** – We are all intimately aware of our Workers' Compensation history, but it is worthwhile noting New Jersey is #1 in Workers' Compensation costs (175% higher than the median) and is #9 for Local Government Incident Rates.

    - ✓ Reopened Cases: Costs have escalated because New Jersey judges are now reopening cases up to four and five times while in the past they rarely reopened a case more than once. This change has resulted in the need to substantially increase IBNR reserves for fund years going back as long as two decades.

    - ✓ Accidental Disability Claims: IBNR reserves are being substantially increased because of a 2021 Department of Labor decision that directed workers' compensation to pay many accidental disability claims that heretofore were paid by the pension plans.

    - ✓ Firefighters Presumption: Another recent law created a presumption that firefighters diagnosed with cancer are eligible for workers' compensation.

    - ✓ COVID: The same law also made COVID compensable. New Jersey's workers' compensation cost per employee for COVID is the second highest in the country.

- ✓ **Cyber** – Cyber events continue to increase in frequency and severity, with some of the largest known claim costs in NJ local government coming in the past 12 months. It's critical to be aware the events we continue to experience are still very typical types of events (social engineering, unpatched security, email compromise) and even just the Basic Security controls adopted by the Cyber JIF would prevent or minimize most losses.

- ✓ **Public Officials & Employment Practices** – We continue to see an increase in the severity of our losses, but it is still at a very predictable rate. While there are some Public Officials claims (especially Land Use related) that will see large loss dollars, Employment Practice claims should be our focus due to their significant total loss dollars.

Mr. Sacco then referred to the proposed 2025 displayed on the screen. He advised that the Executive Committee is once again recommending a conservative approach and applied the mid-range loss fund amounts to the budget. Mr. Sacco advised that the loss funds provided by the actuary are increasing by 2.11%. He then moved to the premiums section of the budget and advised that both the MEL and MEL Property premiums were increasing by 6.94% and 13.21% respectively. Mr. Sacco then moved to the expenses, fees & contingency section of the budget. He noted that that professional fees are capped at a 2% increase which is consistent with prior practices. Mr. Sacco advised that that the overall budget is increasing by 4.99%. He added that of the local JIFs managed by PERMA, the Monmouth JIF budget increase is among the lowest. Mr. Sacco further added that the Monmouth JIF will once again not be recommending a divided due to the various external factors affecting the insurance marketplace and asked if there were any comments or questions. Chairman Rogers thanked the professionals and committee members for their work on preparing the budget. With no further comments, Mr. Sacco asked for a motion to introduce the proposed 2025 budget and schedule a public hearing.

**MOTION TO INTRODUCE THE 2025 BUDGET FOR THE MONMOUTH MUNICIPAL JOINT INSURANCE FUND IN THE AMOUNT OF $21,259,787 AND SCHEDULE A PUBLIC HEARING FOR NOVEMBER 14, 2024.**

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| **MOTION**: | Commissioner Nolan |
| **SECOND**: | Commissioner Capp |
| **ROLL CALL VOTE**: | Unanimous |

**RESIDUAL CLAIMS FUND (RCF) –** Mr. Sacco reported the Residual Claims Fund met on September 9th, amended its 2024 Budget, and introduced its 2025 Budget. He referred to Commissioner Nolan's report enclosed within the agenda packet and advised that the public hearing on the RCF budget will be held on October 16, 2024 at 11:30 AM.

**RCF 2025 REPRESENTATIVE** – Mr. Sacco advised that the Fund should nominate its 2025 representative and alternate to the RCF. He noted that Commissioner Nolan is currently the RCF representative, and Chairman 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.**

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| **MOTION**: | Commissioner Capp |
| **SECOND**: | Commissioner Mercantante |
| **VOTE**: | 3 ayes; 0 nays; 2 abstentions |
| | Commissioner Nolan |
| | Chairman Rogers |

**ENVIRONMENTAL JIF (E-JIF) MEETING** – Mr. Sacco reported that the E-JIF met on September 9, 2024 and introduced its 2025 Budget. He referred to Commissioner Nolan's report enclosed within the agenda and noted that the E-JIF will hold its public hearing and adopt its 2025 Budget on October 16, 2024.

**E-JIF 2025 REPRESENTATIVE -** Mr. Sacco advised that the Fund should nominate its 2025 representative and alternate to the E-JIF. He noted that Commissioner Nolan is currently the E-JIF representative, and Chairman 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.**

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| **MOTION**: | Commissioner Capp |
| **SECOND**: | Commissioner Roth |
| **VOTE**: | 3 ayes; 0 nays; 2 abstentions |
| | Commissioner Nolan |
| | Chairman Rogers |

**MEL MEETING** – Mr. Sacco reported that the MEL also met on September 9, 2024 at the Forsgate Country Club. He referred to Commissioner Nolan's report on the meeting and advised that the MEL will introduce its 2025 budget on October 16, 2024 at 10:30 AM. Mr. Hrubash added that the 2 largest increases in the MEL budget will be the purchase of additional crime coverage in the amount of $1 million x $1 million and the property insurance.

**MEL 2025 REPRESENTATIVE -** The MEL's nominating committee will be beginning its deliberations for the November meeting. The Fund should nominate its 2025 representative and alternate to the MEL. Currently, Commissioner Nolan is the Fund's MEL representative and Chairman 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.**

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| **MOTION**: | Commissioner Capp |
| **SECOND**: | Commissioner Roth |
| **VOTE**: | 3 ayes; 0 nays; 2 abstentions |
| | Commissioner Nolan |
| | Chairman Rogers |

**BANKING SERVICES –** Mr. Sacco asked Mr. Hrubash, MEL Executive Director, to provide an update on Banking Services. Mr. Hrubash reported that in March 2024, the MEL Board of Fund Commissioners appointed TD Bank to provide banking services effective July 1, 2024. He noted that while finalizing contract details it was determined that TD Bank insisted on a "Limitation of Liability clause and a Disclaimer of Warranties" clause (LLDW) within the contract. Mr. Hrubash advised that the MEL Fund Attorney discussed the matter with various levels of management at TD Bank without success as it now appears to be an industry standard. He further advised that the MEL has decided to move forward with TD Bank but will continue efforts to determine if any other banks would provide the needed services without imposing the stated limitations. Mr. Hrubash added that the MEL has continued to negotiate with TD Bank and has made some progress in an agreed upon increase in the limit of liability. He then referred to copies of the MEL Management Committee minutes and a memorandum from the MEL Fund Attorney enclosed within the agenda packet. Mr. Sacco advised that for the record, the Monmouth JIF will accept the MEL's recommendation regarding the "Limitation of Liability clause and a Disclaimer of Warranties" clause (LLDW) within the MEL's contract with TD Bank for Banking Services.

**FLOOD LEGISLATION – MEL LETTER TO GOVERNOR MURPHY** – Mr. Sacco asked Mr. Hrubash to provide an update on Flood Legislation. Mr. Hrubash referred to a letter from the MEL Executive Directors to Governor Murphy regarding the concerns in the recent jury decision of Amons v Haddonfield. He advised that the MEL Fund Attorney has provided talking points regarding legislation amendments for flooding issues enclosed within the agenda.

**BULLETIN: FIELDTURF CLASS ACTION SUIT** – Mr. Sacco reported that the MEL Fund Attorney prepared a bulletin advising members of a deadline concerning a class action lawsuit involving municipalities and schools that purchased a turf field from FieldTurf USA, Inc. from 2005-2012. He noted that the Fund Office distributed the bulletin via email to all JIF Fund Commissioners.

**CYBER JIF REPORT -** The NJ Cyber JIF met on Thursday, September 19th via Zoom. A copy of Commissioner Gant's report on the meeting is included in the agenda.

**CYBER JIF 2025 REPRESENTATIVE –** Mr. Sacco reported that the Fund should nominate its 2025 representative and alternate to the Cyber JIF. He advised that Commissioner Gant is currently the Cyber JIF representative, and the alternate representative position is vacant. Chairman Rogers advised that if there is anyone interested in serving as the Cyber JIF alternate representative, they should let him, Mr. Sacco, or Mr. Thorpe know.

**MOTION TO NOMINATE JAMES GANT TO SERVE AS THE FUND'S REPRESENTATIVE TO THE CYBER JIF.**

**MOTION:** Commissioner Nolan
**SECOND:** Commissioner Roth
**VOTE:** Unanimous

**RMC BEST PRACTICES** – Mr. Sacco referred to is an email from the Monmouth JIF Executive Director and a memorandum regarding suggested 'best practices' for Risk Management Consultants. He advised that the memorandum included a list of items which sets a minimum level of services the Monmouth JIF Executive Committee feels all members should be receiving from their respective RMC. Chairman Rogers added that the list of items were well thought out and encouraged members to make sure their taking advantage of the services.

**FUND ATTORNEY AND DEFENSE PANEL RFPS** – Mr. Sacco reported that as authorized by the Board, the Fund QPA issued RFPs for the positions of Fund Attorney and Defense Panel. He noted that the return date for the proposals was September 25th and referred to the list of respondents enclosed within the agenda.

**FINANCIALS –** Mr. Sacco referred the Committee to the Q2 Financial Fast Track enclosed within the agenda. He reported that as of June 30th, the Fund's statutory surplus stands at $10.7 million and is in excellent financial shape.

**TREASURER**

Mr. Sacco said Mr. Mayer was unable to attend the meeting. He then referred to the October Bills List contained within the Agenda Packet.

| FUND YEAR | AMOUNT |
|---|---|
| **October Bills List** | |
| 2024 | $ 194,147.94 |
| **TOTAL** | **$ 194,147.94** |

**MOTION TO APPROVE RESOLUTION # 28-24 APPROVAL FOR PAYMENT OF OCTOBER 2024 BILL LIST**

**MOTION**: Commissioner Capp
**SECOND**: Commissioner Nolan
**ROLL CALL VOTE**: Unanimous

**MANAGED CARE:**

Ms. Gallo referred the Committee to her report enclosed within the agenda. She reported that through the month of September, there has been a savings of $2,448,616 resulting in 68% savings. Ms. Gallo then referred to the Top 10 Claimants report enclosed in the agenda. She advised that the report was designed with the intent to focus on the types of injuries that accumulate the highest charges. Ms. Gallo further advised that the report now includes a "Mechanism of Injury" sections which outlines the way the claim occurred. She reported that the top 10 claimants since January 1st represents 63% of the total charges for medical treatment. Chairman Rogers thanked for the updated report and said the reports are more impactful when you can see how some of the injuries occurred and where the money associated with the claims is spent.

**CLAIMS SERVICE**

Ms. Kissane reported that the Claims Committee met on October 7th to review the PARs and is recommending approval of the same. She then asked for a motion to approve the claims as recommended by the Claims Committee and the Fund Attorney's legal bills for the month.

**MOTION TO APPROVE PAYMENT OF CLAIMS AS RECOMMENDED BY THE CLAIMS COMMITTEE AND MR. CLEARY'S LEGAL BILLS IN THE AMOUNT OF $2,856.00.**

**WC**
**2024319932**
**2024326046**
**2022243527**
**2024310534**

**GL/PRP/AL**
**2020202928**
**2023285429**
**2022272923**
**2023291454**
**2023294687**
**2025341675**
**2025344671**
**2025344600**
**2025340053**
**2024333335**
**2025340340**
**2025343180**

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| **MOTION:** | Commissioner Capp |
| **SECOND:** | Commissioner Nolan |
| **ROLL CALL VOTE:** | Unanimous |

**SAFETY DIRECTOR**

Mr. Shives was present and reviewed the September activities and the October agenda. He referred to the list of Loss Control activities for the month of September and the meetings attended. Mr. Shives then referred to the MSI Now training offerings, MSI DVDs usage, MSI Bulletins issued for the month and the MSI Live webinar schedule. Mr. Shives reported that a new Safety Incentive Program (SIP) has been put together with the assistance of the Executive Committee. He noted that an orientation on the new program was held earlier in the week but noted that only 8 members were represented. Mr. Shives advised that another orientation is scheduled for October 15th. He said there will likely be 2 additional orientations scheduled as the program will take effect January 2025.

*Safety Report Attached and Made Part of the Minutes*

**RISK MANAGEMENT CONSULTANT TEAM:**

None.

**OLD BUSINESS**

None.

**NEW BUSINESS**

None.

**PUBLIC COMMENT**

Mr. Thorpe read the Public Comment Section of Resolution 6-24 into the record.

*No public comments were made.*

**MOTION TO CLOSE PUBLIC COMMENTS**

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|---|---|
| **MOTION:** | Commissioner Capp |
| **SECOND:** | Commissioner Nolan |
| **VOTE:** | Unanimous |

**CLOSING COMMENTS**

Chairman Rogers noted that the next JIF meeting is scheduled for November 14th and will be held via Microsoft Teams.

**MOTION TO ADJOURN MEETING**

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| **MOTION:** | Commissioner Capp |
| **SECOND:** | Commissioner Nolan |
| **VOTE:** | Unanimous |

Meeting Adjourned at: 2:01 P.M.

NEXT MEETING: November 2024
Microsoft Teams
1:30 P.M.

# MONMOUTH COUNTY MUNICIPAL JOINT INSURANCE FUND
# BILLS LIST

**Resolution No. 28-24** **OCTOBER 2024**

**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 2024**

| **Check Number** | Vendor Name | Comment | Invoice Amount |
|---|---|---|---|
| | QUAL-LYNX | OUTSIDE ADJUSTER 10/24 | 7,259.00 |
| | QUAL-LYNX | CLAIM ADJ. SERVICES 10/24 | 51,006.00 |
| | | | **58,265.00** |
| | J.A. MONTGOMERY CONSULTING | SAFETY DIRECTOR 10/24 | 14,622.00 |
| | J.A. MONTGOMERY CONSULTING | LAW ENFORCEMENT 10/24 | 2,550.00 |
| | | | **17,172.00** |
| | QUALCARE, INC. | WC ACCESS/UM- FOR 10/24 | 18,665.67 |
| | | | **18,665.67** |
| | PERMA | LOSS FUND MGMT 10/24 | 3,104.08 |
| | PERMA | ADMINISTRATION FEE 10/24 | 35,131.25 |
| | | | **38,235.33** |
| | THE ACTUARIAL ADVANTAGE | ACTUARIAL CONSULTING FEE 10/24 | 4,014.41 |
| | | | **4,014.41** |
| | CLEARY GIACOBBE ALFIERI AND JACOB, LLC | LITIGATION FEE INV 138888 THRU 9/25/24 | 10,744.67 |
| | CLEARY GIACOBBE ALFIERI AND JACOB, LLC | LEGAL SERVICES THRU 9/25/24 INV 138888 | 1,835.33 |
| | | | **12,580.00** |
| | STEPHEN MAYER | TREASURER FEE 10/24 | 1,867.67 |
| | | | **1,867.67** |
| | JEFFERY BERTRAND | REIMB. MEETING LUNCH EXPENSE 09/24 | 329.06 |
| | | | **329.06** |
| | DANSKIN INSURANCE AGENCY, INC. | RMC FEES 10/24 | 40,480.50 |
| | | | **40,480.50** |
| | CONNER STRONG & BUCKELEW | UNDERWRITING MGMT FEE 10/24 | 1,105.00 |
| | | | **1,105.00** |
| | GANNETT NEW YORK NJ LOCALIQ | A# 1120891 INV 6672460-10595520 9/25/24 | 42.92 |
| | GANNETT NEW YORK NJ LOCALIQ | A# 1120604 INV 6672433-10548157 9/7/24 | 136.20 |
| | GANNETT NEW YORK NJ LOCALIQ | A# 1120891 INV 6672460-10415228 9/4/24 | 64.04 |
| | GANNETT NEW YORK NJ LOCALIQ | A# 1120891 INV 6672460-10415286 9/4/24 | 64.04 |
| | GANNETT NEW YORK NJ LOCALIQ | A# 1120604 INV 6672433-10547966 9/7/24 | 165.24 |
| | | | **472.44** |
| | EXECU-TECH, INC. | WEBSITE MAINTENANCE 10/24 | 200.00 |
| | | | **200.00** |
| | THE CANNING GROUP LLC | QPA SERVICES 10/24 | 583.33 |
| | | | **583.33** |
| | ACCESS | INV 11082351 DEPT 410 08/31/24 | 177.53 |
| | | | **177.53** |
| | | **Total Payments FY 2024** | **194,147.94** |
| | | **TOTAL PAYMENTS ALL FUND YEARS** | **194,147.94** |