
NEW JERSEY MUNICIPAL SELF INSURERS' JOINT INSURANCE FUND

**GENERAL FUND AND EXECUTIVE COMMITTEE MEETING MINUTES
June 3, 2022**

I. Call to Order – Kenneth MacMillan, Chairperson

The meeting was called to order via Zoom at 10:00 a.m. by Chairperson MacMillan.

II. Open Public Meetings Statement Read – Kenneth MacMillan, Chairperson

The Open Public Meetings Act was read by Chairperson MacMillan.

III. Roll Call

Executive Committee:

		<u>Attendance:</u>
Kenneth R. MacMillan	City of Burlington	Present
Louis Ferrara	Township of Burlington	Present
James Ulrich	Township of Clark	Present
Jeff Welz	North Hudson Regional Fire & Rescue	Present
Hector Olmo	Borough of Paramus	Present

Alternate Fund Commissioners

Jodi Botlinger	Township of Burlington	Absent
Michael DeOrio	North Hudson Regional Fire & Rescue	Absent

Also Present:

Barbara Murphy	Risk and Loss Managers, Inc.
Michaelene Miller	
Eric Bause	The Actuarial Advantage
Mark Worthington	T & M Associates
Shawn Gillon	Withum, Smith & Brown
Patti Fahy	Acrisure
Helen Goodwin	Hardenbergh Insurance Group
Kim Schweikert	Inservco

IV. Introduction of Guests

There were no introductions.

V. General Fund Business

A. MEL Delegate

The fund commissioners discussed the open MEL Delegate position with the recent departure of Chairperson D'Arco from the Borough of Paramus. Discussion ensued and the consensus was to nominate James Ulrich as the MEL delegate for the remainder of 2022.

Motion to approve James Ulrich as the MEL delegate for the remainder of the 2022 Fund Year.

Moved: Louis Ferrara

Seconded: Jeffrey Welz

Vote: Approved: Unanimous Nay:

VI. Executive Committee Business

A. **Approval of the General Fund and Executive Committee Open and Closed Meeting Minutes of March 18, 2022**

Motion to approve General Fund and Executive Committee Open and Closed Meeting Minutes of March 18, 2022.

Moved: Jeffrey Welz

Seconded: Louis Ferrara

Vote: Approved: Unanimous Nay:

B. **Reports**

1. Chairperson's Report – Kenneth MacMillan

There was no report.

2. MEL Delegate's Report – James Ulrich

a. Budget CAP Relief – Sample Town Resolution

James Ulrich referred to the sample resolution included in the agenda package. He stated that increasing costs, changing regulations, policy decisions and environmental impacts were affecting public entity budgets at a rate far greater than the allowable 2.5% budget increase. Barbara Murphy stated that the resolution was a sample that could be adopted by members and sent to their legislative representative. She stated that it asks that N.J.S.A. 40A:4-45 be amended to provide that appropriations in the first three years after the effective date of an approved amendment for liability insurance, worker's compensation insurance, cyber insurance, and property insurance be exempt from the Budget CAP and the Levy CAP Law 40A:4-45.44 through 45.47 treating these costs as a waiver of extraordinary costs for amounts above the 2.5% allowable increase.

b. Resolution 2022-20 – Evidencing Intent to Join NJ Cyber Risk Management Fund

Barbara Murphy referred to the resolution included in the agenda package. She stated that the MEL had formed a taskforce to explore the establishment of a Cyber Risk Management Fund for the purpose of providing cyber risk coverage. She also stated that this was in an effort to address the current changes anticipated in the availability of coverage and changing terms in the commercial cyber liability insurance markets. She further stated that the initial application for approval by the Department of Banking and Insurance must be accompanied by resolutions from at least two local units evidencing their intent to join the Fund and that this resolution was non-binding for membership.

Motion to approve resolution 2022-20 evidencing intent to join the NJ Cyber Risk Management Fund.

Moved: Jeffrey Welz

Seconded: Joseph D'Arco

Vote: Approved: Unanimous Nay:

3. Secretary's Report – Jeffrey Welz

There was no report.

4. Actuarial Valuation as of December 31, 2021 - The Actuarial Advantage, Eric Bause

5. Eric Bause presented the actuarial report, explaining that the purpose of the report was to project the ultimate losses for the fund. He commented that ultimate losses consist of reported losses that are paid losses and case reserves plus the incurred but not reported (IBNR) reserve.

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Eric further stated that the IBNR is a provision that takes into account the emergence of unknown claims, development on known claims and the reopening of closed claims. As of the December 31, 2021 valuation date the total case reserves and IBNR reserves were \$5,112,459.

- 5 Financial Statement as of December 31, 2020 - Withum, Smith & Brown, Shawn Gillon

Shawn Gillon presented a review of the financial statement distributed prior to the meeting. She stated that the financial statements are presented in accordance with generally accepted accounting principles and there were no audit comments or recommendations. He further stated that there were no deficiencies or weaknesses found for the Fund.

He stated that the balance sheet showed assets of \$13,348,820 and a fund surplus of \$7,130,516. The income statement showed net income of \$548,904.

Motion to Approve Resolution 22-21 Confirming Review of Annual Audit.

Moved: Hector Olmo

Seconded: James Ulrich

Vote: Approved: Unanimous Nay:

6. Custodian of Funds – Kenneth MacMillan

- a. Approval of Bill Lists for all Fund Years

Motion to approve Bill Lists for all fund years totaling \$658,075.76.

Moved: Jeffrey Welz

Seconded: Louis Ferrara

Vote: Approved: Unanimous Nay:

- b. Treasurer's Reports

As per the report distributed at the meeting.

- c. Investment Status

As per the report distributed at the meeting.

Barbara Murphy stated that the finance subcommittee had recently met with PFM, the Fund's asset managers, to review investment considerations including NJ/TERM, which is a fixed rate, fixed term investment that could potentially increase returns. She stated that the program would be in accordance with the Fund's cash management plan.

7. Attorney's Report – Craig Gotilla, Ansell Grimm & Aaron, PC

As per the report included in the agenda package.

8. Administrator's Report - Risk and Loss Managers, Inc., Barbara Murphy

As per the memorandum included in the agenda package.

- a. Resolution 22-22 Approving Payment of a Property Claim to the Borough of Paramus

- b. Resolution 22-23 Approving Payment of a Property Claim to the Township of Burlington

Motion to approve resolutions 22-23 through 22-23.

Moved: James Ulrich

Seconded: Louis Ferrara

Vote: Approved: Unanimous Nay:

9. Safety and Loss Control Services - T&M Associates, Mark Worthington

Mark Worthington stated that the safety committee had recently met to review the PEOSH Advisory Board citations.

- C. **Old Business**
There was no old business.
- D. **New Business**
There was no new business.
- E. **Public Comment**
There was no public comment.
- F. **Closed Session**
There was no closed session.

VII. Adjournment

Motion to Adjourn.

Moved: Hector Olmo

Seconded: Jeffrey Welz

Vote: Approved: Unanimous Nay:

The meeting adjourned at 10:29 a.m.

The next meeting will be held at **10:00 a.m.** on **Friday, September 9, 2022.**

Respectfully submitted,

Authorized Signature