

## BURLINGTON COUNTY MUNICIPAL JOINT INSURANCE FUND

September 21, 2021  
Via Zoom Conferencing

### *OPEN SESSION MINUTES*

The meeting of the Burlington County Municipal Joint Insurance Fund (BURLCO JIF) was held via Zoom Conferencing on Tuesday, September 21, 2021 at 3:30PM, prevailing time. Chair McMahon, **Chesterfield**, presiding. The meeting was called to order at 3:30PM.

Mr. Forlenza then took a moment to verify call in phone numbers and rename them to the appropriate member.

### *FLAG SALUTE*

### *STATEMENT OF COMPLIANCE WITH OPEN PUBLIC MEETING ACT*

Notice of this meeting was given by: (1) sending sufficient notice herewith to the *Burlington County Times*, Mt. Holly, NJ, and to the *Courier Post*, Cherry Hill, NJ; (2) filing advance written notice of this meeting with the Clerks/Administrators of all member municipalities of the Burlington County Municipal Joint Insurance Fund; and (3) posting notice on the public bulletin boards of all member municipalities of the Burlington County Municipal Joint Insurance Fund.

### *ROLL CALL*

James Renwick, **Bass River Twp.**  
Rich Wolbert, **Beverly City**  
Maria Carrington, **Bordentown Twp.**  
Grace Archer, **Bordentown City**  
Glenn McMahon, **Chesterfield**  
Erin Provenzano, **Delanco Twp.**  
Jeffrey Hatcher, **Delran Twp.**  
Tom Pullion, **Edgewater Park**  
Patrice Hansell, **Fieldsboro Boro.**  
Steve Fazekas, **Florence Twp.**  
Paula Kosko, **Hainesport Twp.**  
Ed Dellorco, **Lumberton Twp.**  
Jay Springer, *Alternate*, **Lumberton Twp.**  
Mike Fitzpatrick, **Mansfield Twp.**  
Kathy Burger, **Medford Twp.**  
Jerry Mascia, **Mt. Laurel Twp.**  
Kyle Tuliano, **New Hanover Twp.**  
Susan Jackson, *Alternate*, **New Hanover Twp.**  
Debbie Vallari, *Alternate*, **Pemberton Boro.**  
Dan Hornickel, **Pemberton Twp.**  
Mike Mansdoerfer, **Riverside Twp.**  
David Matchett, **Shamong Twp.**  
J. Paul Keller, **Springfield Twp.**  
Doug Cramer, **Tabernacle Twp.**  
Steve Ent, **Westampton Twp.**  
James Ingling, **Wrightstown Boro.**

Absent Fund Commissioners were:

John Gural, **Palmyra Boro.**  
Mary Picariello, **North Hanover Twp**  
Kathy Hoffman, **Southampton Twp.**  
Maryalice Brown, **Woodland Twp.**

Those also in attendance were:

Paul Forlenza, MGA, Executive Director, *AJG Risk Management Services, Inc.*  
David S. DeWeese, Esquire, Fund Solicitor, *The DeWeese Law Firm, P.C.*  
Tom Tontarski, Treasurer  
John Saville, Safety Director, *J.A. Montgomery Risk Control*  
Chris Roselli, Claims Administrator, *Qual-Lynx*  
Karen Beatty, *QualCare*  
Debby Schiffer, *Wellness Director*  
Lou Romero, *Technology Risk Services*

Also present were the following Risk Management Consultant agencies:

Conner Strong & Buckelew  
EJA/Capacity Insurance  
Hardenberg Insurance Group  
Insurance Agency Mgmt.

Absent Risk Management Consultant agencies and Fund Professionals:

Paul Miola, CPCU, ARM, *AJG Risk Management Services, Inc.*  
CBIZ Benefits & Insurance Services

*These minutes do not necessarily reflect the order in which some items were discussed.*

Motion to move up Grace Archer, Bordentown City to Acting Secretary and to the Executive Committee in the absence of John Gural, Palmyra. Motion by Mr. Ingling, seconded by Mr. Wolbert. All in Favor. Motion carried by unanimous vote.

#### ***APPROVAL OF THE OPEN & CLOSED SESSION MINUTES***

Chair McMahon presented the Open & Closed session meeting minutes of the July 20, 2021 meeting of the Fund, as found in the agenda packet and as provided to the Executive Committee prior to the Executive Committee meeting, for approval.

Chair McMahon asked if there were any questions at this time. No questions were entertained.

Motion by Mr. Cramer seconded by Ms. Kosko to approve the Open & Closed session meeting minutes of the July 20, 2021 meeting. All in Favor. Motion carried by majority vote.

The Closed Session minutes of the July 20, 2021 meeting shall not be released to the public until the reason(s) for their remaining closed is no longer applicable and the Fund Solicitor has had the opportunity to review them.

#### ***EXECUTIVE DIRECTOR'S REPORT***

Mr. Forlenza reviewed the Executive Director's Report found in the agenda packet with the membership. He then highlighted the following items from his report:

Mr. Forlenza referenced the most recent Lost Time Accident Frequency Report noting a .61 rate for 2021 to date. This puts the BURLCOJIF as the best in the State for it's Lost Time Accident Frequency for the MEL affiliated JIFs.

Mr. Forlenza asked for members to review their SIP, OSB, Wellness, and EPL/Cyber Risk Management Budget balances included in the agenda. He noted all funds need to be claimed by

November 30, 2021. If you encumber your funds, they must be claimed by February 1, 2022. Mr. Forlenza emphasized not to wait until the last moment to utilize your funds. Mr. Forlenza stated there are still quite a few towns who have not utilized their funds yet, and reiterated to them not to lose it.

Mr. Forlenza referenced the Statutory Bond Status report and asked members to please review the report for accuracy and be sure to check the list to make sure any new employees are listed, as June/July is a popular time for people to retire. He reminded the members that the bond is for the individual, not the position, and if you would like to check the status of an application, please contact Ed Cooney, Fund Underwriter.

Mr. Forlenza noted the 2022-2023 MEL EPL Risk Management Plan had been revised and in July 2020 the Model Employment Practice Policies and Employee Handbook were placed on the NJ MEL's website (NJMEL.org). Adopting the revised policies and handbook are one of steps required by all members to become/remain in compliance with the MEL EPL Risk Management Plan. The date for completing the necessary steps for compliance with the MEL EPL Risk Management Plan is November 1, 2021 and noted most members seem to be close to completion.

Mr. Forlenza reminded everyone that completion of the Police Command Staff training by the members of your Police Department's Command Staff is a required element for compliance with the MEL's 2022-2023 Employment Practices Liability Plan of Risk Management. The sign-in sheets from the June 3, June 8<sup>th</sup>, and June 23<sup>rd</sup> dates have been taken off of the websites. It seems there was some concern with having officer's signatures on the website, and giving people the ability to possibly copy those signatures. The sign in sheets are available upon request from his office.

Mr. Forlenza noted that since April 15, 2021, the ACM, BURLCO, & TRICO JIFs have sponsored 20 Managers & Supervisor's Employment Liability Training sessions, with almost 1,000 participants among all three JIF's. These trainings were held via webinar and were presented by Armando Riccio, Esq. Participation by your managers & supervisors in this training is required for compliance with the 2022-2023 MEL EPL Plan of Risk Management. A list of the attendees at each session is available on the JIF website; [www.burlcojif.org](http://www.burlcojif.org). Please contact the Executive Director's office if you have any questions.

In regards to Non-Supervisory EPL Employee Training, Mr. Forlenza stated on November 23, 2020 and again on April 14<sup>th</sup>, a memorandum was sent to all members notifying them of the availability of non-supervisory employee training through the MEL Safety Institute (MSI). A required element of compliance with the MEL's 2022-2023 Employment Practices Liability (EPL) Risk Management Plan, all members are required to notify their non-supervisory employees of the availability of this training, though not required to take it. The training module is entitled *Building a Safe Workplace: Anti-Harassment and Discrimination* and is approximately 20 minutes in length. The memorandum provided specific directions on how to access the training module in the MSI. All members should document the notification of the availability of this training to their employees and the notification should go out as soon as possible. Again, the deadline to comply with all aspects of the EPL Risk Management Plan has been extended to November 1, 2021

Mr. Forlenza stated on July 13, 2021, a notice was sent to all Fund Commissioners, Municipal Clerks, & Risk Managers announcing the availability of additional training dates for the *Protection & Safe Treatment of Minors* webinars. It is strongly recommended that all Managers & Supervisors complete this training as soon as possible if not already completed. Completion of this training will assist in defending the municipality and their employees should they be named in a SAM claim. Please remember that this training is separate and distinct from the Managers & Supervisors employment training that must be completed for compliance with the MEL EPL Risk Management Plan.

In regards to Renewing Members and the visitation program, Mr. Forlenza stated letters were emailed on or about June 1, 2021, to the nine (9) members whose membership in the JIF is up for renewal on January 1, 2022. These members are: Chesterfield, Delanco, Edgewater Park, Fieldsboro, Medford, Pemberton, Tabernacle, Westampton, and Wrightstown. All Renewal Resolutions & Agreements have been received by his office. He also noted that all Renewal Presentations before the Governing Body to provide an update on the financial condition of the JIF, the member's participation in the JIF, and the many programs available to JIF members, have been completed and all went very well, whether in person or virtually

Mr. Forlenza stated on or about July 8, 2021, all members and their risk managers received a notification from his office that the 2022 Exposure Renewal Process will begin on or about July 15, 2021. As occurred last year, members received an email from Origami containing a link to the Origami renewal site. Included in the correspondence was important information pertaining to your property and equipment schedules, employee payroll information/counts, and other exposure data. In addition, the correspondence included important information regarding coverage exclusions and limits. All members and risk managers were urged to carefully review this information prior to starting the renewal process. Mr. Forlenza noted he was happy to see that 90% of schedules have been completed across the membership.

Lastly, Mr. Forlenza stated the Loss Ratio Snapshots, inclusive of the JIF, MEL and EPL and valued as of 6/30/21 were loaded into Origami on August 31, 2021, so if you have not logged into the system and reviewed them, please do so.

Mr. Forlenza asked if there were any other questions. No questions were entertained.

### ***SOLICITOR'S REPORT***

#### ***Closed Claims Report***

Mr. DeWeese stated that there was one (1) closed case(s) since the last meeting:

*K Johnson Urban Renewal, LLC v. Township of Bordentown*

***MEL EPL Helpline & Authorized Contact List*** – Mr. DeWeese reminded the members to please review the attached list of authorized contacts for the *MEL Employment Practices Helpline* and that members can appoint up to **two (2)** municipal representatives who will be permitted to contact the *Helpline* attorneys with their inquiries. The appointment of the municipal representatives must be made by Resolution of the Governing Body. These authorized contacts are the only individuals permitted to access this service, so please review the list and be sure who you would like appointed as the contacts are actually appointed.

Mr. DeWeese asked if there were any questions. No questions were entertained.

### ***SAFETY DIRECTOR'S REPORT***

Mr. Saville stated that the Safety Director's Report is included in the agenda and is self-explanatory. He then highlighted the following:

Mr. Saville noted his report included a list of the Safety Director Bulletins and Safety Announcements issued during the month.

MSI training continues to be provided through the Zoom Webinar Format due to the restrictions brought about from the pandemic. Training requirements must still be met while dealing with the pandemic and that PEOSHA is actively conducting compliance visits and they seem to still be

calling ahead for now. It is recommended that you review the hierarchy reports for your town in the learning management system to be sure your trainings are up to date. Mr. Saville noted to take advantage of the MSI Live Virtual classes or the videos offered through MSI Now. Group registrations are available for those with limited internet capabilities, and remember that PEOSH considers any training more than three years old to be outdated.

Lastly, Mr. Saville reminded everyone to please fill out the Supervisors Incident Report whenever an incident occurs as this helps him to understand exactly what happened and to help get to the root cause of the incident, and to review your Hierarchy reports to be sure all training requirements are up to date.

Mr. Saville asked if there were any questions at this time. No questions were entertained.

### ***CLAIMS ADMINISTRATOR'S REPORT***

#### ***Lessons Learned from Losses***

Mr. Roselli presented his *Lessons Learned from Losses* which reviewed how to lift correctly. Mr. Roselli noted to use the SMART lifting techniques:

- Size up the load
- Move the load closer
- Always bend your knees
- Raise the load with your legs
- Turn your feet in the direction you want to move.

He then discussed examples of claims that may not have occurred if the employee had used the SMART technique when lifting.

Mr. Roselli asked if there were any questions at this time. No questions were entertained.

#### **NOC Department Listing**

Mr. Roselli stated that the Adjustors have had limited options when categorizing the department where a claim occurred. Mr. Roselli noted that approximately 10 new departmental choices have been added to their system allowing for better coding of the departments where claims are occurring. With that said, Mr. Roselli presented two reports included in the agenda packet; one for June and one for August. Each report depicted the total number of claims from 2018 to 2021, by line of coverage, categorized as NOC (Not Otherwise Classified). When comparing the reports for liability claims, the % of claims with the NOC classification had dropped significant in August as compared to June. Mr. Roselli stated that Ms. Langsdorf would also be reviewing her outstanding claims with an NOC designation over the next month to better qualify the departments where workers compensation claims are occurring.

#### **Accident Investigation Report**

Lastly, Mr. Roselli reviewed a report also included in the agenda packet from Qual-Lynx depicting those towns that are/not completing a *Supervisors Incident Report* when reporting claims, as he stated these reports are a valuable tool when investigating accidents. He noted this will be a monthly report going to Mr. Forlenza and the Safety Director's office who will be reviewing it and discussing it with member towns during loss control visits.

### ***WELLNESS DIRECTOR'S REPORT***

Ms. Schiffer stated her report is included in the agenda packet and highlighted the following:

She stated that the deadline to use or encumber your Wellness Funds is approaching, so if you are struggling with appropriate ways to utilize your remaining balances, please contact her and she will help you brainstorm. Water challenges are a great idea, and some town have ordered water coolers for their employees, which makes this challenge super easy. She then reviewed some other ideas:

- ◆ Walking, Step, Self-care, Water, Weight loss challenges (one week – bingo cards to month-long tracking of activity)
- ◆ Prizes for various challenge
- ◆ Standing desks
- ◆ Anti-fatigue mats for the standing desks
- ◆ Fresh fruit – Misfit Produce Deliveries
- ◆ Sunscreen and hats with a sun-safety awareness handout
- ◆ Presentations – Diabetes, Stress management, Nutrition (General, Women specific, etc.) and so much more!
- ◆ Chair massages
- ◆ Meditation/Mindfulness Practice
- ◆ Wellness Days
- ◆ Team building games (scavenger hunt riddles, co-worker scavenger hunt, Work Family Feud game)
- ◆ Break room word puzzles, coloring books, health magazines
- ◆ Wellness Display Racks
- ◆ Smoothie Taste Test
- ◆ Wellness Wednesday Trivia
- ◆ Walking Buddy Recruitment
- ◆ Gratitude Board Year round
- ◆ Recipe Swaps – featuring seasonal fruit or vegetable – Make a dish to share with co-workers for a Potluck lunch
- ◆ Cooking demos: may require locating new resources. If interested, let's discuss.
- ◆ Yoga/stretching/office exercise demonstrations and participation
- ◆ Theme Day
- ◆ Demonstrations through the Food Bank of South Jersey

**New Resource Connections:**

**Wegmans Pharmacy** – If you are considering having a Wellness Day or would like to offer onsite flu clinics, please let her know.

**Transformational Leadership and Crisis Response – Dr. Elias Pilot Program**

The May Cohort was completed with success. We have been reaching out to towns as we look to start a September Cohort. The BURLCO towns who participated in May have the opportunity to send another mid-level manager to participate in September.

Dr. Elias is planning to be in NJ in mid-October to offer an in-person training for Front Line Officers if a location and participation can be secured. Working with Keith Hummel on this task.

Dr. Elias is compiling her findings on this first round along with any suggestions and recommendations, which will be shared with the Executive Committee upon completion.

**September Targeting Wellness Connection Newsletter:**

Ms. Schiffer noted, this month's Targeting Wellness Newsletter focused on Good News for Good Health, explained something that could be a royal pain to all of us...back, neck, shoulder or any other

joint pain in the body. When we are in pain, daily functioning can truly be a challenge and can cause much emotional stress.

**In the September Targeting Wellness Newsletter, you will find the following topics addressed:**

- Chronic vs. Acute pain
- Typical causes of Lower Back Pain
- Chronic pain and your brain
- How exercise can help reduce pain
- Nutrition Bites: Is your diet causing you chronic pain?
- Recipe Corner: 10-minute creamy bean & aubergine casserole

The "Exercise of the Month" focuses on lower back pain, a condition 1 out of 4 Americans experience.

Ms. Schiffer asked if there were any questions at this time. No questions were entertained.

***MANAGED HEALTH CARE REPORT***

**Lost Time v. Medical Only Cases**

Ms. Beatty presented the BURLCO JIF *Lost Time v. Medical Only Cases (Intake Report)*:

	<i>July</i>	<i>August</i>	<i>YTD</i>
<i>Lost Time</i>	3	3	43
<i>Medical Only</i>	7	21	84
<i>Report Only</i>	8	15	141
<i># of New Claims Reported</i>	18	39	268
<i>Report Only % of Total</i>	44%		53%
<i>Medical Only/Lost Time Ratio</i>	70:30	88:12	66:34
<i>Average Days to Report</i>	4.6	3.2	4.2

***Claims Report by Type***

Ms. Beatty presented a report which broke out and depicted the number of Indemnity, Medical Only and Report Only Claims for both COVID related and Non COVID related claims for the month of August 2021 and Year to Date 2021. Ms. Beatty noted there were no COVID related claims for the month of August. She noted the number of COVID claims is starting to slowly rise again.

August 2021 COVID Related Average Days to Report: 4.3

August 2021 Non COVID Related Average Days to Report: 2.4

***Transitional Duty Report***

Ms. Beatty presented the Year-to-Date Transitional Duty Report:

<b><i>Transitional Duty Summary Report</i></b>	<b><i>YTD</i></b>
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<i>Transitional Duty Days Available</i>	1,878
<i>Transitional Duty Days Worked</i>	1,413
<i>% of Transitional Duty Days Worked</i>	75%
<i>Transitional Duty Days Not Accommodated</i>	465
<i>% of Transitional Duty Days Not Accommodated</i>	25%
<i>\$ Saved by Accommodating</i>	\$123,222
<i>\$ Lost by Not Accommodating</i>	\$53,009

***PPO Penetration Report:***

Ms. Beatty presented the PPO Penetration Report:

<b><i>PPO Penetration Rate</i></b>	<b><i>July</i></b>	<b><i>August</i></b>
<i>Bill Count</i>	164	156
<i>Original Provider Charges</i>	\$247,614	\$186,787
<i>Re-priced Bill Amount</i>	\$99,035	82,338
<i>Savings</i>	\$148,579	104,449
<i>% of Savings</i>	60%	56%
<i>Participating Provider Penetration Rate - Bill Count</i>	98%	94%
<i>Participating Provider Penetration Rate – Provider Charges</i>	99%	85%
<i>EPO Provider Penetration Rate - Bill Count</i>	98%	98%
<i>EPO Provider Penetration Rate – Provider Charges</i>	97%	84%

Ms. Beatty asked if there were any questions. No questions were entertained.

***TECHNOLOGY RISK SERVICES REPORT***

Mr. Romero reported, in regards to training, everyone should have received an email from him this morning regarding the launch of the new cyber awareness training starting next Monday. He ask to please inform all your employees and elected official to be on the lookout for the coming email as some may want to delete the email thinking it is a phishing email or scam.

Mr. Romero noted the training course is approximately 25-30 minutes long and the FCs or clerks have been designated as the Point of Contact who will receive weekly status reports and stated you are responsible for ensuring compliance within your municipality. If changes need to be made, please send them to him and he will forward to the vendor.

In regards to Phishing and Vulnerability Scanning, as of now, there is no phishing or vulnerability scanning report. The contract with Pivot Point Security who provided these services has expired and as you all know the JIF has publicized a Technology Risk Management Service RFP that includes training, phishing, and monthly network vulnerability scanning, which includes yearly penetration testing.



In regards to the MEL's Cyber Risk Management program, Mr. Romero has sent out a security questionnaire to all the IT contacts to start assessing where you are in the program. The next step is to review the findings with you and your IT professional and develop a roadmap towards certification. He noted many members are very close to Tier 1 & Tier 2 but are missing the Government Cyber Security membership piece which is simple and free to join and an email was sent out about this on September 8<sup>th</sup>.

As a quick reminder, Mr. Romero noted to be on the lookout for fraudulent hurricane and disaster recovery emails as there have been several cyber incidents this summer that included ransomware. Make sure you report any cyber incident quickly and to the appropriate parties and follow the JIF's Incident Report Roadmap.

Also, another scam to be aware of is if you get an email from an employee requesting a change to their payroll, bank information, or benefits, ask them to call you and validate the person over the phone, never make any financial or medical changes request submitted by email.

Lastly, Mr. Romero referenced a memorandum in the agenda in regards to Cyber Awareness Month. He noted this year's theme from the MEL Cyber Task Force is "Do Your Part, Be Cyber Smart". The MEL will be putting out weekly content and is a great opportunity for all members to promote cyber security within their town and include such segments that promote increasing cyber security skills, identifying phishing emails and making cyber security a priority and building it into your regular process.

Mr. Romero asked if there were any questions. No questions were entertained.

### ***TREASURER'S REPORT***

Mr. Tontarski presented an overview of the Treasurer's Report for the month of August 2021, a copy of which was provided to the membership in the agenda packet. Mr. Tontarski's reports are valued as of August 31, 2021 for Closed Fund Years 1991 through 2016, and Fund Years 2017, 2018, 2019, 2020, and 2021.

### **Investment Interest**

Interest received or accrued for the reporting period totaled \$27,629.34. This generated an average annual yield of 0.93%. However, after including an unrealized net gain of \$19,948.40 in the asset portfolio, the yield is adjusted to 1.60% for this period. The total overview of the asset portfolio for the fund shows a current market value of \$15,110,641.75. This current market value, however, when considering the total accrued income at month end is \$15,120,584.55.

Our asset portfolio with Wilmington/Trust consists of 3 obligations with maturities less than one year.

### **Receipt Activity for the Period**

	Monthly	YTD
Subrogation Receipts	\$2,084.73	\$33,639.78
Salvage Receipts	\$3,625.00	
Overpayment Reimbursements	\$762.50	
FY 2021 Premium Receipts	\$3,402,759.00	
FY 2020 Audit Refund Receipt	713.00	

**A.E.L.C.F. Participant Balances at Period End**

Delran Township	\$16,278.00
Chesterfield Township	\$1,119.00
Bordentown City	\$70,781.00
Bordentown Township	\$64,152.00
Westampton Township	\$10,479.00

**Cash Activity for the Period**

During the reporting period the Fund's "Cash Position" changed from an opening balance of \$17,180,279.85 to a closing balance of \$18,422,625.89 showing an increase in the fund of \$1,242,346.04.

***Loss Run Payment Register – July and August 2021***

Mr. Tontarski stated that the report included in the agenda packet shows net claim activity during the reporting period for claims paid by the Fund and claims payable by the Fund at period end in the amount of \$527,959.24. The claim detail shows 734 claim payments issued.

***Bill List – Ratification of August 2021***

For the Executive Committee's consideration, Mr. Tontarski presented the August 2021 Bill List in the amount of \$701,193.32 which was included in the agenda.

***Bill List - September 2021***

For the Executive Committee's consideration, Mr. Tontarski presented the September 2021 Bill List in the amount of \$95,113.57 which was included in the agenda packet.

Chair McMahon entertained a motion to approve the July and August 2021 Loss Run Payment Register and the August and September 2021 Bill Lists, as presented.

Chair McMahon asked if there were any questions at this time. No questions were entertained.

Motion by Ms. Kosko seconded by Mr. Mascia to approve the *July and August 2021 Loss Run Payment Register the August 2021 and September 2021 Bill Lists* as presented.

**ROLL CALL**    *Yeas*    Doug Cramer, **Tabernacle Twp**  
James Ingling, **Wrightstown Boro**  
Paula Kosko, **Hainesport Twp.**  
Jerry Mascia, **Mt. Laurel Twp.**  
Rich Wolbert, **Beverly City**  
Grace Archer, *Acting Secretary*, **Bordentown City**  
Glenn McMahon, *Chair*, **Chesterfield**

*Nays:*            None  
*Abstain:*        None

Motion carried by unanimous vote.

## COMMITTEE REPORTS

### *Safety Committee Meeting Minutes – July 20, 2021*

Mr. Cramer noted the Safety Committee met on July 20, 2021 and a verbal report was given at the July meeting where he reminded everyone discussions included the Safety Directors 1<sup>st</sup> and 2<sup>nd</sup> quarter Loss Control Reports; the Safety Directors reports on renewing members; and the JIF and the MEL Loss Ratio reports. He also noted the detailed minutes were self-explanatory and included in the agenda packet. If anyone had any questions, they could reach out to him at any time.

### *Finance Committee Meeting Minutes – August 24, 2021*

Mr. Mansdoerfer noted the committee met on August 24, 2021 in Delran and referenced the minutes that were emailed out to all members earlier today, stating they were self-explanatory, and highlighting the following:

He noted discussions included 2021 changes in Premiums and with an unfunded liability of approximately \$2,000,000 at the MEL level it will affect our 2022 Premiums at approximately a \$3,015 increase per member.

Also discussed was hiring a Police Consultant at a cost of approximately \$1,000 per member with a Police Department as the Defense Panel feels a Police Consultant will be a valuable tool in assisting with Police Departments adhering to Policies and hoping to lessen the severity of some claims.

It was decided to take the name of the line item Cyber Risk Services and rename it to Cyber Online Training to clarify the allocation of those funds.

Mr. Mansdoerfer stated one of the more important discussions was the additional perils resulting from recent legislative & regulatory changes that were not funded in the Actuaries initial Loss Funding projections. The Committee decided to add 25% of the Actuary's additional funding recommendations for these perils to the 2022 Loss Funding Budget, to be sure we have adequately funded the 2022 Budget.

He stated the Committee reviewed the Interim Financial Summary valued as of June 30, 2021 and referenced those reports in the agenda as well, noting the Fund continues to be in good financial condition. Mr. Mansdoerfer also noted included in the agenda was the yearly MEL Fiduciary Disclosure Statement memo put out each year for the members to review simply stating the MEL is financially sound; however, is not subject to any Guaranty Fund protection in the event of insolvency. As a result, be aware of any potential additional assessments should the MEL become insolvent.

Lastly Mr. Mansdoerfer stated there are two (2) Resolutions presented for consideration. One authoring the release of Surplus in the amount of \$850,000 from closed year accounts 2008-2016, and the other recommending IntraFund transfers.

Mr. Mansdoerfer asked if there were any questions. No questions were entertained.

### ***Resolution 2021-33 – Authorizing Refund of Closed Year Account (2008-2016) Surplus Release of Surplus***

Chair McMahon entertained a motion to approve Resolution 2021-33, *Authorizing Refund of Closed Year Accounts (2008-2016) Surplus Release as presented*

Motion by Mr. Ingling, seconded by Ms. Archer, to approve *Resolution 2021-33* as presented.

**ROLL CALL**    *Yeas*    Doug Cramer, **Tabernacle Twp**  
James Ingling, **Wrightstown Boro**  
Paula Kosko, **Hainesport Twp.**  
Jerry Mascia, **Mt. Laurel Twp.**  
Rich Wolbert, **Beverly City**  
Grace Archer, *Acting Secretary*, **Bordentown City**  
Glenn McMahon, *Chair*, **Chesterfield**

*Nays:*                None  
*Abstain:*            None

Motion carried by unanimous vote.

***Resolution 2021-34 – Authorizing Intra-Fund Transfers***

Chair McMahon entertained a motion to approve Resolution 2021-34, *Authorizing Intra-Fund Transfers of \$53,277 from the 2018 Deductibles Line to the 2018 General Liability Line \$50,000 from the 2018 Deductibles Line to the 2018 Workers Compensation Line; and \$75,000 from the 2020 Deductibles Line to the 2020 Property Line* as presented

Motion by Ms. Kosko, seconded by Mr. Wolbert, to approve *Resolution 2021-34* as presented.

**ROLL CALL**    *Yeas*    Doug Cramer, **Tabernacle Twp**  
James Ingling, **Wrightstown Boro**  
Paula Kosko, **Hainesport Twp.**  
Jerry Mascia, **Mt. Laurel Twp.**  
Rich Wolbert, **Beverly City**  
Grace Archer, *Acting Secretary*, **Bordentown City**  
Glenn McMahon, *Chair*, **Chesterfield**

*Nays:*                None  
*Abstain:*            None

Motion carried by unanimous vote.

***MEL/RCF/EJIF REPORTS***

Ms. Jack reported the MEL met on September 1, 2021 and the report was included in the agenda and was self-explanatory. She then highlighted the MEL Budget has an increase of 9.9% and there is a very thorough outline on the Budget included in the agenda from the MEL Chair and asked everyone to please take the time to review it. The other item to note is there is a Resolution being presented seeking authority to renew membership in MEL for another 3 years commencing on January 1, 2022.

***Resolution 2021-35***

Chair McMahon entertained a motion to approve **Resolution 2021-35**, *Authorizing to Renew Membership in the Municipal Excess Liability Joint Insurance Fund for a Period of 3 Years commencing on January 1, 2022* as presented

Motion by Mr. Ingling, seconded by Mr. Wolbert, to approve *Resolution 2021-35* as presented.

**ROLL CALL**    *Yeas*    Doug Cramer, **Tabernacle Twp**  
James Ingling, **Wrightstown Boro**  
Paula Kosko, **Hainesport Twp.**  
Jerry Mascia, **Mt. Laurel Twp.**  
Rich Wolbert, **Beverly City**  
Grace Archer, *Acting Secretary*, **Bordentown City**  
Glenn McMahon, *Chair*, **Chesterfield**

*Nays:*                None  
*Abstain:*            None

Motion carried by unanimous vote.

Mr. Matchett reported the RCF also met on September 1, 2021 and the report was included in the agenda packet as well and was self-explanatory. He highlighted there is also a Resolution being presented seeking authority to renew membership in RCF for another 3 years commencing on January 1, 2022.

***Resolution 2021-36***

Chair McMahon entertained a motion to approve **Resolution 2021-36, *Authorizing to Renew Membership in the Municipal Excess Liability Residual Claims Fund for a Period of 3 Years commencing on January 1, 2022*** as presented

Motion by Mr. Cramer, seconded by Ms. Archer, to approve *Resolution 2021-36* as presented.

**ROLL CALL**    *Yeas*    Doug Cramer, **Tabernacle Twp**  
James Ingling, **Wrightstown Boro**  
Paula Kosko, **Hainesport Twp.**  
Jerry Mascia, **Mt. Laurel Twp.**  
Rich Wolbert, **Beverly City**  
Grace Archer, *Acting Secretary*, **Bordentown City**  
Glenn McMahon, *Chair*, **Chesterfield**

*Nays:*                None  
*Abstain:*            None

Motion carried by unanimous vote.

Lastly, Ms. Jack noted the EJIF met on September 1, 2021 and the report was included in the agenda packet as well and was self-explanatory. She stated that include in the report was the EJIF Budget that was presented at that meeting for adoption.

Both Ms. Jack and Mr. Matchett asked if there were any questions. No questions were entertained.

***MISCELLANEOUS BUSINESS***

**MEL – 2022 Pre-Renewal Presentation**

Mr. Cooney, Fund Underwriter with Conner Strong, presented the 2022 Pre-Renewal presentation to the Fund, and noted his presentation was also included in the agenda packet.

Mr. Cooney provided a general overview of coverage and pricing for the JIF members. He noted that over the past four (4) years, the MEL has seen sporadic warning signs of a hard market, especially considering the long soft market the MEL enjoyed for nearly a decade. The property market led the charge a few years back and the increases have been steady and are linked to increasing frequency and severity of losses.

Mr. Cooney first noted the ratio of dollars paid in terms of premiums versus losses, and noted as an industry, the property market has been losing money for quite some time and the trend is continuing. He further explained that the losses in the property market are impacting other markets as well. Mr. Cooney then specifically highlighted the fourth quarter of 2019 which marks the beginning of the worst insurance market since the mid-1980s; the same type of market that created the JIFs. The frequency and severity of catastrophic losses across the world is a big issue, as well as the cost associated with these claims. This includes some things we are not use to seeing, such as hurricane Ida in New Jersey as an example.

Mr. Cooney then discussed the umbrella, or Excess Liability Coverage, which is the most severely hit coverage across the entire market place. He then referenced his presentation depicting annual increases in liability renewal premiums including the compounding effect of the quarterly changes on top of each other. This is why some of public entities, whether in pools or not, are seeing increases, with a good loss ratio of 30%, to increases of 200-500% for entities with a bad loss ratio

Next, Mr. Cooney reviewed what is causing the liability rates to increase so drastically. He noted a huge decrease in underwriting capacity, which means there are less limits available to all the insurers. Due to supply and demand, the insurance companies are charging more money to cover less risk. This is a big factor in why the Liability Insurance Market is increasing. Mr. Cooney then reviewed what the true underlying trends are affecting all of these changes.

On the Liability side, the biggest trend is the impact of Social Inflation, which means settlements and defense costs are increasing dramatically. For example, an auto liability claim in 2014-2015, may have been forecast to cost \$200,000 at the time of the loss; however, when it settled out in 2018, the cost was \$600,000. This is a documented trend that has gone on for many years. He then referenced his presentation depicting this trend, noting claims from 7-8 years ago are coming in at 2-3x higher than originally anticipated. He also noted that the MEL loss development trends have gone up 40% in the last six years. Mr. Cooney then explained the underlying trends that we are facing. He noted that from 2013-2015 the insurance industry had an underwriting profit; however, that trend has changed dramatically. Mr. Cooney noted that the 50 largest jury verdicts per year from 2014-2017 have increased dramatically, almost doubling.

Next, Mr. Cooney reviewed the Cyber market reiterating that ransomware is the number one culprit for these increases. These losses are coming from administration departments and police departments. He noted that half of these claims are caused by human error or a system glitch, which are both preventable. He noted some important stats that are developing, and are rather new, including: 19% of breaches are due to compromised credentials (email addresses and passwords), and 16% due to third party vulnerabilities. Again, these losses are trending upward at an alarming rate and all of the third party entities that municipalities work with; accounting firms, IT firms, etc., are a major security threat for all of us.

Mr. Cooney then discussed the MEL Budget increase which is projected at 9.9% for 2022, which is the highest increase in almost 30 years. He noted; however, that the MEL is in a much better position than other insurers around the country, which is due to strong risk control and claims management.

Mr. Cooney indicated that each year the MEL compiles a list of emerging risks that are trending that may have an impact on its operations. As of today, many of the emerging risks that are being monitored are out of the MEL's control, including:

- Social Inflation
- Pandemic Risk

- Sexual Abuse and Molestation Claims
- Statutory Presumption Acts
- Post Covid-19
- Aging Infrastructure
- Non CAT Property Loss
- Climate & Weather
- Internet of Things (IoT)
- Autonomous Vehicles
- Nanotechnology
- Marijuana Legalization & Workers Compensation

Finally, Mr. Cooney discussed the MEL's renewal strategy for the continuing hard market. He plans on strengthening the underwriting information by collecting more detailed data that may be required by underwriters on exposures such as dams. He will also examine alternative program structures, conduct widespread marketing, and rely on the value of carrier loyalty and relationships. Our efforts will be helped by identifying and addressing critical risk factors and by strengthening safety programs

Mr. Cooney concluded his presentation by thanking the Fund for their time today. He asked if there were any questions. No questions were entertained.

#### *Next Meeting*

Chair McMahon noted that the next meeting of the BURLCO JIF will take place on **Tuesday, October 19, 2021 at 3:30 PM** via TBD.

#### ***PUBLIC COMMENT***

Motion by Mr. Ingling, seconded by Mr. Wolbert to open the meeting to the public. All in favor. Motion carried.

Chair McMahon opened the meeting to the public for comment.

Hearing no comment from the public, Chair McMahon entertained a motion to close the public portion of the meeting.

Motion by Ms. Kosko, seconded by Mr. Wolbert, to close the meeting to the public. All in favor. Motion carried.

#### ***EXECUTIVE SESSION MEETING – Resolution #2021-37***

Chair McMahon entertained a motion to go into a closed session to discuss matters affecting the protection and safety of the public and to discuss pending or anticipated litigation and/or contract negotiations.

Motion by Ms. Archer, seconded by Mr. Ingling to Adopt ***Resolution #2021-37***

**ROLL CALL**    *Yeas*    Doug Cramer, **Tabernacle Twp.**  
James Ingling, **Wrightstown Boro**  
Jerry Mascia, **Mt. Laurel Twp.**  
Rich Wolbert, **Beverly City**  
Grace Archer, *Acting Secretary*, **Bordentown City**  
Glenn McMahon, *Chair*, **Chesterfield**

*Nays:*                      None

*Abstain:* None

Motion carried by unanimous vote.

A Closed Session of the BURLCO JIF was held and the meeting was then reopened to the public.

***REOPEN PUBLIC PORTION OF THE MEETING***

Chair McMahon entertained a motion to reopen the public portion of the meeting.

Motion by Mr. Ingling, seconded by Mr. Cramer to reopen the public portion of the meeting. All in favor. Motion carried.

***APPROVAL OF CLAIMS PAYMENTS***

Chair McMahon asked for a motion for *Approval of Claims Payment* on the following claims as presented in Closed Session.

<i>Workers' Compensation</i>	<i>General Liability</i>	<i>Property</i>	<i>Auto</i>
2018128624	2017091126	2020190107	2020179991
MLT-2020179427		2022242383	
2021237818		2021233610	
2022242605		2022243878	
2021238464		2022242885	
2022242864			

Chair McMahon asked if there were any questions at this time. No questions were entertained.

Motion by Mr. Cramer, seconded by Mr. Ingling, to approve the following claims as discussed in *Closed Session*.

**ROLL CALL**    *Yeas*    Doug Cramer, **Tabernacle Twp.**  
James Ingling, **Wrightstown Boro**  
Jerry Mascia, **Mt. Laurel Twp.**  
Rich Wolbert, **Beverly City**  
Grace Archer, *Acting Secretary*, **Bordentown City**  
Glenn McMahon, *Chair*, **Chesterfield**

*Nays:* None

*Abstain:* None

Motion carried by unanimous vote.

***AUTHORIZATION TO ABANDON SUBROGATION – APPROVAL***

There were three (3) claim(s) presented for abandon subrogation:

2020190627  
2020207085  
MLT-2020189575

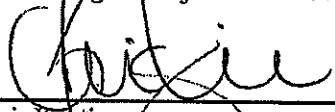
***MOTION TO ADJOURN***

Chair McMahon entertained a motion to adjourn the September 21, 2021 meeting of the BURLCO JIF.



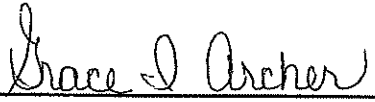
Motion by Ms. Archer, seconded by Mr. Mascia to adjourn the September 21, 2021 meeting of the BURLCO JIF. All in favor. Motion carried.

The meeting was adjourned at 5:27 PM.



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Kris Kristie,  
*Recording Secretary for*



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*Grace Archer, Acting SECRETARY*