

**NEW JERSEY PUBLIC HOUSING AUTHORITY
JOINT INSURANCE FUND
December 3, 2021
The Armory, Perth Amboy
10:00 AM**

Meeting Called to Order by Commissioner Clarke in the absence of Chairman DiVincent and Secretary Sims. Open Public Meeting Statement read into the record.

Salute to American Flag

ROLL CALL OF EXECUTIVE COMMITTEE:

Chairperson		
Robert DiVincent	Weehawken Housing Authority	Absent
Secretary		
Sherry Sims	Boonton Housing Authority	Absent
Board of Commissioners		
John Mahon	Bayonne Housing Authority	Present
Joseph Billy	Freehold Housing Authority	Absent
John Clarke	New Brunswick Housing Authority	Present
Douglas Dzema	Perth Amboy Housing Authority	Present
Kathleen DiTomasso	Woodbridge Housing Authority	Present

ALTERNATE EXECUTIVE COMMITTEE MEMBERS:

Larry Stratton	South Amboy Housing Authority	Absent
Grace Dekker	Berkeley Housing Authority	Absent
Susan Thomas	Middletown Housing Authority	Absent
Eric Chubenko	Carteret Housing Authority	Present
Anthony Feorenzo	Hackensack Housing Authority	Absent
Pamela Mitchell	Passaic Housing Authority	Present

APPOINTED OFFICIALS PRESENT:

Executive Director /Administrator	Perma Risk Management Services	Steve Sacco	Present
Attorney	DeCotiis, Fitzpatrick Cole & Gibling, LLP	Frank Borin	Present
Underwriting Mgr	Conner Strong & Buckelew	Edward Cooney	Present
Co-Treasurers	Execu-Tech, Inc.	William Snyder Louis Riccio	Absent Absent
Claims Service	Qual-Lynx	Claudia Acosta	Present
Safety Director	J.A. Montgomery Risk Consulting	Ellie Moss	Present
Auditor	Homlan Frenia Allison	Robert Allison	Absent
Actuary	Actuarial Advantage	Kyle Mrotek	Absent
Managed Care	Qual-Care	Lisa Gallo	Absent
Marketing	Warren Risk Marketing, LLC	Jack Warren	Present

ALSO PRESENT

Jack Zisa, RMC

Jasmine Brascom, RMC
Dawn Cook, Newark HA
Ahmad Latoof, Newark HA
Nitin Patel, Newark HA
Samuel Noofayit, Newark HA
Jazmin Muntaloo, Newark HA
Darren Nolen, Newark HA
Elio Mena, Newark, HA
Flor Pineda, Newark HA
Randall Wood, Plainfield HA
Tracy Lopez, Perma

APPROVAL OF MINUTES: November 16, 2021 Open Minutes

MOTION TO APPROVE THE OPEN MINUTES AS REFERENCED ABOVE

MOTION:	Commissioner Dzema
SECOND:	Commissioner Mahon
VOTE:	Unanimous

Correspondence

Executive Director referred to correspondence which has been included in the monthly agendas outlining the MEL Helpline which offers consulting services from three law offices available to assist members in employment related issues. This is a service provided by the MEL and its use is encouraged for Executive Directors of member authorities.

Executive Director referred to the latest series of the Power of Collaboration which outlines the MEL's increased savings in taxpayer dollars while responding to the financial impact of Covid19.

The last piece of correspondence outlines the final managers supervisors training for December 7, 2021 required under the MEL Employment Practices/Public Officials Liability Risk Management Program. As a reminder the check list for completing all elements of the program must be submitted to the Fund office. Reminder emails have been issued for members that have not responded to date.

Underwriting Manager

Underwriting Manager said they continue to work through the renewal process and advised updates will be released from the MEL following the January meeting. Underwriting Manager also noted that the MEL Cyber Task Force will also release initiatives to support the current Cyber Risk Management ProgramV2.

In response to Commissioner Clarke, there are two purposes for completing the cyber check lists for Tiers 1, 2 & 3; one of which provides an update to the insurance carrier and the other to assist in reimbursement of the full deductible. Commissioner Clarke said it is encouraging to see an increase in compliance on respective tiers of the program.

Executive Director also noted a current claim involving two members from another local joint insurance fund currently experiencing ransomware events with demands in the hundreds of thousands of dollars to unlock and return their systems to the members. Executive Director said this is an avoidable human error if trained properly and advised that there are companies available in the market that provide cyber training provide and report the results back to administrators based on employee responses such as opening a bad email or clicking a link etc. Commissioner

Ditomasso said that she has looked into the company KnowB4 for cyber training for the two entities insured by the Fund and advised that based on the service it is well worth the price.

Underwriting Manager reviewed the 2022 Insurance Renewal of policies covering the Executive Committee of the Fund specifically the Business Owners, Workers Compensation, Employee Theft and Travel Accident Policies noting that there have been no significant changes within the coverage and pricing. Underwriting Manager requested approval for renewal based on renewal outline provided.

**MOTION TO ACCEPT RECOMMENDATION FROM THE UNDERWRITING
MANAGER TO RENEW EXECUTIVE COMMITTEE POLICIES - BUSINESS
OWNERS, WORKERS COMPENSATION, EMPLOYEE THEFT AND THE
CONTINUED THIRD YEAR OF THE THREE YEAR TRAVEL ACCIDENT POLICY
FOR THE 2022 FUND YEAR.**

MOTION:	Commissioner Ditomasso
SECOND:	Commissioner Dzema
VOTE:	Unanimous

Executive Director noted the flood devastation incurred by fund members in the northern area due to tropical storm Ida and encouraged members to seek the assistance of a Risk Management Consultant after realizing that members are being faced with a short fall relating to their NFIP policies and the attachment point of the Fund for flood coverage.

Executive Director emphasized that each year flood maps should be reviewed for each building insured by a member as flood zone determinations can change from year to year; in a case with a member entity, a National Flood Insurance Policy (NFIP) with minimum limits were carried over from year to year without review or confirmation of flood zone changes resulting in a difference from the limit purchased to the attachment point of the Fund leaving the member with a gap in coverage as the Fund's coverage attaches at the maximum of the NFIP policy for designated flood zones locations. Executive Director said by retaining a licensed risk management consultant, they have the ability of assisting you obtaining flood zone designations per building and placing the NFIP policy as members Executive Directors may not have the time or staff to review flood zones on an annual basis.

EXECUTIVE DIRECTORS REPORT

Due Diligence Reports

Executive Director referred to the financial reports of October 31, 2021 beginning with the Financial Fast Track noting the increase in statutory surplus of \$77,530 for the month, and \$1,710,271 for the year resulting in a total statutory surplus of \$4,825,114 noting deficits in fund years 2017 and 2018 of which the 2017 fund year will transfer to the Residual Claims Fund however we will continue to monitor the lines of coverage particularly the property line. Executive Director commented on the implementation of services provided by J.A. Montgomery, decisions made by the Executive Committee and efforts made by members have appeared to make an impact on the financials, noting in recent past, the surplus for the Fund was just under \$2M and we are now seeing an increase.

2022 Budget and Assessments

Executive Director said in accordance with the regulations, the 2022 Budget as adopted by the Fund has been sent to all members of the Fund. The 2022 budget will also be sent to the Fund's official newspapers for advertisement, filed appropriately with the State and sent to all Fund professionals and risk management consultants.

As a reminder, the 2022 Annual Assessment billings will be mailed to all members within the coming weeks of December, the following policy was adopted by the Board regarding assessment installments:

At the open public meeting of the NJPHA JIF, the Executive Committee decided that any member of the JIF would be permitted to split their assessment billing into two equal installments.

However, the due dates will be enforced and an interest penalty applied to any member not submitting their assessment on the due dates. There will be no exceptions to this new policy.

The due dates are as follows:

First installment: January 31

Second installment: June 30

All members are encouraged to send in their full payment

Executive Director also reminded members to update their accounts payable information updating the address for the new lock box with as the prior lock box has been closed and will no longer accept payments made to the Fund. A note will also be enclosed within the distributed assessments to members noting the address change as an additional reminder.

2022 Budget

Executive Director referred to the revised 2022 budget which outlines a change due to exposure not requiring a public hearing for same as the change is under 5%. The change results in the final budget amount from \$12,086,849 to \$12,022,990.

Commissioner Clarke asked if there were any questions relating to the revised budget, hearing none:

MOTION TO ADOPT THE REVISED BUDGET IN THE AMOUNT OF \$12,022,990 AS PRESENTED

MOTION:	Commissioner Chubenko
SECOND:	Commissioner Mahon
VOTE:	Unanimous

MEL Report

Executive Director said the MEL met on November 17, 2021 during the League of Municipalities Conference which was also their public hearing of the 2022 budget. A copy of Commissioner Clarke's report was reviewed as distributed and Commissioner Clarke added further comment noting that the MEL is now seeing a number of the Covid19 claims that are coming in and reminded members to be mindful of this and encouraged members to be mindful when following procedures and reporting Covid19 claims quickly.

MEL Special Fund Commissioner

Executive Director said the Middlesex County Joint Insurance Fund became the 20th member of the Municipal Excess Liability Joint Insurance Fund. MEL Bylaws call for the appointment of a Special Fund Commissioner when there is a tie; which is rotated alphabetically. For 2022, that

appointment falls to the NJ Public Housing Authority Joint Insurance Fund and should appoint the 2022 special fund commissioner.

MOTION TO ELECT COMMISSIONER SHERRY SIMS AS THE SPECIAL FUND COMMISSIONER TO THE MEL FOR THE 2022 FUND YEAR.

MOTION: Commissioner Mahon
SECOND: Commissioner Chubenko
VOTE: Unanimous

Workers' Compensation/Pension Offset

Executive Director referred to Resolution #31-21 proposing amendments to proposed changes to regulations concerning workers' compensation/pension offsets for accidental disability claims urging a rule change. It is requested that each joint insurance fund adopt the resolution in support of the proposed amendments.

MOTION TO ADOPT RESOLUTION #31-21 SUPPORTING PROPOSED AMENDMENTS TO REGULATIONS CONCERNING WORKERS' COMPENSATION/PENSION OFFSET FOR ACCIDENTAL DISABILITY CLAIMS.

MOTION: Commissioner Ditomasso
SECOND: Commissioner Dzema
VOTE: Unanimous

Administration

2021 Board of Commissioners – Compensation

Ms. Lopez said the Fund adopted resolution #10-21 at its re-organization meeting which authorized the Treasurer to make payments to Board of Commissioners for 2021 meeting attendance. The attendance record listing for 2021 accompanied by a voucher should be completed and returned to the Fund office for proper processing. An additional bills list will run for the month of December to ensure that the commissioners receive their checks by the end of the Fund year.

2022 Fund Reorganization/ Proxy Notice

Ms. Lopez said the Fund's reorganization meeting was scheduled for January 12, 2022 at 10:30 AM. It is requested to change the meeting date to January 19, 2022 avoiding conflict with the PHADA Conference the week of January 9, 2022. Meeting details will be sent prior to the rescheduled date.

All Fund appointed Commissioners are encouraged to participate in the reorganization meeting; in the event a Commissioner is not able to attend, the Fund office has issued a notice to submit their proxy if their vote is needed during the reorganization of the Fund.

MOTION TO RESCHEDULE THE JANUARY REORGANIZATIONAL MEETING FROM JANUARY 12, 2022 TO JANUARY 19, 2022 AT 10:30 AM.

MOTION: Commissioner Ditomasso
SECOND: Commissioner Mahon
VOTE: Unanimous

Fund Commissioner Appointment / Resolutions

Ms. Lopez said the Fund has issued a notice to all members requesting that they update their respective resolutions appointing their Fund Commissioner to the Fund for the 2022 Fund year prior to the January reorganization meeting of the Fund.

2022 Meeting Schedule

Ms. Lopez referred to the draft 2022 meeting schedule and requested that if there are any changes needed to the schedule to please contact the Fund office. The meeting dates will be included in the January re-organization meeting agenda.

Treasurer Report

In the absence of the Fund Treasurers, Commissioner Clarke referred to financial report as distributed as the Summary of Cash Transaction, Summary of Cash and Investment and Certification and Reconciliation of Claim Payments and Recoveries reports as of October 21, 2021 as well as the December bill list.

December Bill List – Resolution #32-21

FUND YEAR	AMOUNT
2021 Fund Year	\$ 91,537.77
Total	\$ 91,537.77

MOTION TO APPROVE RESOLUTION #32-21 DECEMBER 2021 BILL LIST AND THE TREASURERS REPORT AS DISTRIBUTED.

MOTION:	Commissioner Mahon
SECOND:	Commissioner Ditomasso
VOTE:	Unanimous

Marketing

Marketing Director said a quote has been released to Union City Housing Authority and we are currently working on a quote for Plainfield Housing Authority. We continue to follow up with members that have not submitted their membership renewal documents and will keep the Board informed as we move along.

Attorney

Fund Attorney referred to the agenda report as distributed noting continued case assignment and oversight activities.

Safety Director

Safety Director referred the listing of Loss Control surveys completed for the month of November. Safety Director noted the creation of the MEL Safety Institute (MSI) Leadership Academy for Managers, Administrators, Department Heads and Supervisors interested in sharpening and expanding communication, conflict resolution, stress managements and team-building skills. Open enrollment for the program start date of January 1, 2022 has opened as of December 1-22, 2021. There are subsequent dates that follow for which enrollment dates are also outlined on the MSI website - <https://melsafetyinstitute.org/msi-leadership-academy/>

Safety Director continued with review of the MSI Safety Director’s bulletins and messages recently released which will also be sent bimonthly through the MSI Newsletter. The MSI Now streaming service, MSI DVD and MSI Live was also reviewed as outlined within the agenda.

Commissioner Clarke noted the great job provided by J.A. Montgomery not only with his authority but with the Right to Know Services, site visits and additional resources that they provide. Commissioner Clarke encouraged members to utilize their services as tool available to each member of the Fund. Commissioner Mahon noted that he has members of his staff that are enrolled in this Leadership Academy after reaching out to Brian Maitland confirming that this is not at all time consuming or extensive and can be completed in a day or so and in some cases a couple of hours depending on the choices made and requirements needed.

Managed Care

Managed Care provider referred to the managed care report for the month of November resulting in a total of 140 bills processed for which 135 were in the network resulting in utilization of 96%. The total charges of \$312,568.06 were repriced for \$69,281.63 resulting in a total savings of \$243,286.43 or 78%. There were a total of seven claims directed for medical treatment.

Claims Administration

Claims Administrator said there were no claims to present for approval for this meeting and also wished everyone a Happy Holiday Season.

Old Business

Ms. Lopez reminded members of the all lines program that we are fast approaching the 2022 Fund year; there are approximately twenty-one members that have not submitted the MEL EPL/POL compliance check list signed by their counsel. If a member is not compliant by the new fund year, the deductible and co-insurance will be increased until such time of receipt of same, however not retroactive to January 1, 2022 but upon receipt of the check list.

New Business

In response to Commissioner Mahon, Executive Director noted the interest of many commissioners to proceed in 2022 with meeting virtually in lieu of in person. Executive Director said the Executive Committee will be polled and the Fund will act according to the response.

Public Comment

None

Executive Session

None.

MOTION TO ADJOURN THE MEETING

MOTION:	Commissioner Clarke
SECOND:	Commissioner Chubenko
ALL IN FAVOR:	Unanimous

Meeting adjourned at: 10:25 AM

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND

RESOLUTION #31-21

Resolution Proposing Amendments to Proposed Changes to Regulations Concerning Workers' Compensation/Pension Offsets for Accidental Disability Claims

WHEREAS, in 2006, the New Jersey Division of Workers' Compensation and the New Jersey Division on Pensions and Benefits adopted a rule that made the pension plans the primary payer of compensation for accidental disabilities including on-the-job accidents; and

WHEREAS, the purpose of this 2006 rule was to prevent duplicate payments by both the pension system and workers' compensation; and

WHEREAS, in February of 2021, the NJ Department of Labor adopted a temporary rule that reversed the 2006 rule and made workers' compensation the primary payer of these claims; and

WHEREAS, while we accept the logic that workers' compensation should be the primary payer because this promotes safety efforts, unfortunately the 2021 rule change was applied retroactively to accidents that occurred before the effective date of the change; and

WHEREAS, the rule change has already resulted in an estimated 11% increase in workers' compensation rates for local government effective at the beginning of 2022; and

WHEREAS, the change is also causing a substantial, but yet-to-be-determined impact on claim reserves for 2021 and earlier fund years. This retroactive impact will be manifested by either supplemental assessments for earlier fund years or by substantially lower dividends.

WHEREAS, this rule change is coming at a time when local government insurance costs are already increasing at a high rate, among these increases are:

- a) COVID claims under recently enacted legislation have increased workers' compensation costs for governmental entities by 15% to 20%,
- b) Fire Fighter's Cancer Presumption claims under recently enacted legislation are also increasing workers' compensation costs,
- c) Municipalities are being sued for sexual molestation claims under the recently enacted increase in the statute of limitations,
- d) Premiums for cyber liability claims are doubling and deductibles are also increasing; and
- e) Premiums for property insurance (fire and flood) are increasing in the range of 20% in 2022 because of the impact of natural disasters.

NOW THEREFORE, BE IT RESOLVED, that the New Jersey Public Housing Authority Joint Insurance Fund urges that the rule change be amended so that it not be retroactive to occurrences prior to the rule change; and

BE IT FURTHER RESOLVED, the Fund urges the legislature to adopt amendments to the cap law so that property and casualty insurance costs are outside the cap for the next three years; and

BE IT FURTHER RESOLVED, that copies of this resolution are forwarded to the New Jersey Division of Worker's Compensation, the New Jersey Division of Pensions and Benefits, the members of the New Jersey General Assembly and the State Senate from New Jersey legislative District (note: or districts), the Lieutenant Governor, the Governor of the State of New Jersey and the members of the New Jersey Public Housing Authority Joint Insurance Fund.

**New Jersey Public Housing Authority
Joint Insurance Fund**

Attest

**NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 32-21

DECEMBER 2021

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

BE IT RESOLVED that the New Jersey Public Housing Auth. 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 2021			
CheckNumber	VendorName	Comment	InvoiceAmount
009587	QUAL-LYNX	MANAGED CARE 12/21	6,487.33
			6,487.33
009588	DECOTHS, FITZPATRICK, COLE & GIBLIN LLP	ATTORNEY 11/21 RETAINER	3,677.33
			3,677.33
009589	QUAL-LYNX	TPA 12/21	17,694.75
			17,694.75
009590	PERMA	EXECUTIVE DIRECTOR 12/21	28,116.42
			28,116.42
009591	CONNER STRONG & BUCKELEW	UNDERWRITING MGR 12/21	1,562.00
009591	CONNER STRONG & BUCKELEW	GUARD INS. - WC POLICY RENEWAL 2022	363.00
009591	CONNER STRONG & BUCKELEW	SELECTIVE- COMMERCIAL CRIME RENEWAL 2022	2,496.00
009591	CONNER STRONG & BUCKELEW	NAUTILUS INS. PACKAGE POLICY RENEW 2022	1,396.00
			5,817.00
009592	THE ACTUARIAL ADVANTAGE	ACTUARY 12/21	3,208.12
			3,208.12
009593	NJ ASSOC OF HOUSING & REDEVELO	SPONSOR FEE Q4 2021	10,046.36
			10,046.36
009594	ASBURY PARK PRESS	ADVERTISE RFP 11.13.2021	57.95
009594	ASBURY PARK PRESS	AD FOR OPS COMMITTEE MEETING 11.10.2021	41.30
			99.25
009595	EXECU TECH, INC	WEBSITE 12/21	200.00
			200.00
009596	NJ ADVANCE MEDIA	ADVERTISE MEETING 11.10.2021	20.15
009596	NJ ADVANCE MEDIA	ADVERTISE 2022 PROPOSED BUDGET 10.27.202	74.06
			94.21
009597	WARREN RISK MARKETING, LLC	MARKETING FEE 12/21	3,032.83
			3,032.83
009598	J.A. MONTGOMERY RISK CONTROL	SAFETY TRAINING 12/21	2,975.00
009598	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR 12/21	8,089.17
009598	J.A. MONTGOMERY RISK CONTROL	SAFETY TRAINING BALANCE 11/21 UNDERPAID	2,000.00
			13,064.17
		Total Payments FY 2021	91,537.77
		TOTAL PAYMENTS ALL FUND YEARS	\$91,537.77