

NEW JERSEY PUBLIC HOUSING AUTHORITY
JOINT INSURANCE FUND
June 9, 2021
Via Zoom teleconference
10:00 AM

Meeting Called to Order by Chairman DiVincent. Open Public Meeting Statement read into the record.

Salute to American Flag

ROLL CALL OF EXECUTIVE COMMITTEE:

Chairperson		
Robert DiVincent	Weehawken Housing Authority	Present
Secretary		
Sherry Sims	Boonton Housing Authority	Present
Board of Commissioners		
John Mahon	Bayonne Housing Authority	Present
Joseph Billy	Freehold Housing Authority	Present
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	Present
Grace Dekker	Berkeley Housing Authority	Absent
Susan Thomas	Middletown Housing Authority	Present
Eric Chubenko	Carteret Housing Authority	Present
Anthony Feorenzo	Hackensack Housing Authority	Present
Pamela Mitchell	Passaic Housing Authority	Present

APPOINTED OFFICIALS PRESENT:

Executive Director /Administrator	Perma Risk Management Services	Steve Sacco	Present
Attorney	DeCotiis, Fitzpatrick Cole & Giblin, LLP	Frank Borin	Present
Underwriting Mgr	Conner Strong & Buckelew	Edward Cooney	Present
Co-Treasurers	Execu-Tech, Inc.	William Snyder Louis Riccio	Present Present
Claims Service	Qual-Lynx	Claudia Acosta	Present
Safety Director	J.A. Montgomery Risk Control	Brian Maitland	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

Suzanne Bridge, RMC
Jennifer Conicella, PERMA
Joseph Hrubash, PERMA

Jack Zisa, RMC
Thomas McGuire, Phillipsburg HA
Donna Setzer, Qual-Lynx
Dominick Cinelli, RMC
Gus, Gosweiler, RMC
Deborah Hurley, Edison HA
Patti Fahy, RMC
Jonathon Tavares, Conner Strong & Buckelew
Tanya VanOrder, Madison HA
Gerald Sanzari, North Bergen HA
Jasmine Brascom, RMC
Kathy Young, RMC
Samantha Silvers, Millville HA
Joy-Ann Lambert, Camden HA
Tracy Lopez, Perma

Salute to American Flag

At the request of Chairman DiVincent, Executive Director proceeded with the meeting.

APPROVAL OF MINUTES: May 12, 2021 Open Minutes

MOTION TO APPROVE THE OPEN MINUTES AS REFERENCED ABOVE

MOTION:	Commissioner Billy
SECOND:	Commissioner Clarke
VOTE:	Unanimous

Correspondence

Executive Director referred to the MEL Helpline correspondence which outlined 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 Director's of member authorities.

Executive Director also referred to notice released by Qual-Lynx announcing that they have been acquired by Mitchell Genex Coventry; a leader in cost containment technology, provider networks, clinical services, pharmacy benefit management and disability management. Qual-Lynx has assured the Executive Directors of funds represented the acquisition should be seamless and that there will be no change in the service provided to the local joint insurance funds. Claims Administrator added that the changes are occurring internally with no disruptions to the services provided to the local joint insurance funds and further noted that Qual-Lynx is excited for the change as this will bring additional enhancements to services provided.

Underwriting Manager

Underwriting Manager reminded member that the MEL's Cyber Task Force released version two of the Cyber Risk Management Program. Underwriting Manager referred to the one page snapshot of changes to the program which included minimal changes to Tiers 1 & 2; of note, members that were in compliance for Tiers 1 & 2 will remain in compliance until year end however as of January 1, 2022 members will need to recertify inclusive of Tier 3. Those that are not in compliance will need to comply with all aspects of the newly released Version2 of the program. One of the major changes to the new program is the added Tier 3 which members can obtain a \$0 deductible for cyber claims (currently \$25,000); once a member has complied with the program it is important to

note – at the time of a cyber loss you must be in compliance with each tier of the program in order to be eligible for reimbursement; a re-imbusement application is available for submission.

EXECUTIVE DIRECTORS REPORT

Auditor And Actuary Year-End Reports

Fund Auditor referred to the Statement of Net Position for fund year 2020 noting that the total assets resulted in \$12,175,931 which is a decrease of approximately 3.5% from 2019 for which the largest contributor to this decrease relates to the investment in joint ventures, specifically changes within the MEL which have impacted the underlying joint insurance funds. Fund Auditor also noted a change in the unrestricted net position totaling \$2,136,635 a decrease of \$900,000 or 30%; this decrease is primarily due to two issues, one of which was the increase and provision for claims and claims expenses not only with the NJPHA JIF but for all joint insurance funds due to the Covid19 pandemic, additionally due to the decrease of 35% within the MEL fund balance; the funds that report a joint venture have now been negatively impacted. In review of the Statement of Revenue, Expenses, and Changes in Net Position, the negative impacts within the operating revenue are outlined in the loss of operating income and the change in investment in joint ventures. Fund Auditor also noted a common trend for joint insurance funds is the decrease in investment income. Fund Auditor said with exception to the minor comments made within the audit; there were no formal recommendations made for the 2020 year-end audit.

In response to Fund Auditor, the NJPHA JIF has authorized participation within the MEL Joint Cash Management and Investment program and the fund treasurers will be in contact with appropriate parties to begin investing on behalf of the JCMI.

Fund actuary referred to the year-end actuarial analysis report which coincides with the loss reserves of the audit; a statement of actuarial opinion will be provided for proper filing with the State.

MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION #23-21 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT.

MOTION:	Chairman DiVincent
SECOND:	Commissioner Chubenko
VOTE:	Unanimous

MEL JIF Update

Mr. Hrubash added to comments made by the Fund Auditor noting the changes within the MEL resulting in a sizable financial booking of Covid19 claims; the MEL remains in negotiations with the workers compensation excess insurer as to how they will apply the deductible for those losses; in preparation of the possibility that the MEL does not receive full coverage for those claims, it was a prudent that the financing be in place to cover those claims. In addition, Mr. Hrubash said the RCF and MEL triggers to their surplus floor will result in additional assessments to the member joint insurance funds. The additional assessments will be billed over a ten-year period to avoid sizable impacts to member joint insurance funds and is a result of a combination of items changes to workers compensation coverage as it relates to the pension system, the erosion of the Title59 etc.

Mr. Hrubash said we are in the beginning stages of the 2022 renewal process which we have reported will be difficult however, Mr. Grubb is optimistic of providing budgets within the 10% or lower range on the local level.

Executive Director referred to the Financial Fast Track of April 20, 2021 which evidenced the additional assessment of \$485,232 as the RCF and MEL trigger and removed from the closed year accounts. This amount represents the Funds portion of the additional assessment for all RCF and MEL members. The Fast Track also evidences a decrease in statutory surplus of \$12,003; however overall the increase to the surplus to date is \$537,910 resulting in a total statutory surplus of \$3,652,753. Executive Director noted a continued concern with property losses resulting in imposed deductibles to additional members in 2021; this line of coverage has exceeded the budgeted reserved amounts in prior years 2017, 2018 and 2020. As reminder, the fund retention is \$100,000; once exceeded the loss is taken over by the MEL.

MEL JIF

Executive Director said the MEL met on Wednesday, June 2, 2021 via Zoom teleconference. Commissioner Clarke encouraged members to review the MEL report as provided and reports coming within the future; the MEL covers so much information during their meetings, it is important that members read the MEL reports and review each item. If there are any questions with respect to the report as provided, Commissioner Clarke offered members to reach out to him.

Fund Treasurer commented on the review of property losses and the impact this may have on the members; for 2022 the Budget Committee will take the property losses in consideration when setting assessments and property deductibles.

In response to Fund Treasurers question relating to the workers compensation cases relating to Covid19, Executive Director said negotiations remain underway with the excess workers compensation carrier, to date they have not ruled if the Covid19 claims will be viewed as one occurrence or on an individual basis; as a reminder the Fund has a retention of \$300,000; we are prepared for litigation over the policy as the cost could be quite significant.

Mr. Hrubash noted that the excess workers compensation policy included an endorsement noted as the communicable disease endorsement which we interpret coverage to be one occurrence when read; Covid19 being one claim, one occurrence. The carrier is taking posture position that this was not the intent of the endorsement and may be looking at the claims per location/per claim.

In response to Fund Treasurer, Ms. Conicella of Perma noted essential employees would mean person that have been working with and have had access to the public since the beginning of the pandemic are deemed to be essential workers for which the state of emergency is due to expire on July 3, 2021 and would also impact the essential workers.

In response to Commissioner Mahon, Ms. Conicella said vaccinations were not taken into consideration when considering which employees were considered essential workers.

Mr. Hrubash added that from the initial onset of the pandemic expert attorneys in workers compensation that were very familiar with the presumption, statutes and so forth, and if there were any other results they would have been found.

Residual Claims Fund

Executive Director said the RCF met on Wednesday, June 2, 2021 via Zoom teleconference. Commissioner Sims's report was reviewed as distributed.

Executive Director Training

Executive Director said J.A. Montgomery Risk Consulting has added an additional 90 minute training webinar specifically for member Executive Directors, the training will provide the objective of understanding the responsibilities of the employer to its employees to create a safe and healthy work environment and how to best manage risk exposure as a public employer. The registration notice was issued by J.A. Montgomery via email on May 13, 2021 for the scheduled July 21, 2021 from 10:00 AM – 11:30 AM. As previously reported, the Fund is working with sponsorship agencies to enhance training for Fund members; NJNAHRO will distribute notification of this added training webinar as the additional host. For your convenience we are also providing the link for registration.

https://jamontgomery.zoom.us/webinar/register/WN_1lfTdYm1SJyMDJuKMAbcyA

Administration

2021 Financial Disclosures

Ms. Lopez said the Local Finance Board, at its meeting of April 14, 2021, voted to extend the date upon which the Board would take enforcement action against non-filers of the 2021 FDS until June 30, 2021. We encourage all fund commissioners and respective professionals to complete their filing if they have not done so to date. A reminder email was issued to those that have not filed to date.

2021 Assessment

Ms. Lopez reminded members that the statement of accounts have been emailed to members with a balance due on the 2021 annual assessment. The due date is June 30, 2021. It was further noted that there were some members that received the statement did not update their records accordingly as outlined within the additional notice provided updating the mailing address to the current lock box; the payments will be forwarded to the correct lock box address, however it was encouraged that members that have not processed their June 20th payment to update the address as provided and noted below.

**NJ Public Housing Authority JIF
P.O. Box 11487
Newark, NJ 07101**

Employment Practices Compliance Program

Ms. Lopez reminded members visit the MEL webpage to review all the elements of the MEL's EPL Compliance Program; deadline for updates and training are due by June 1, 2021. **Deadlines for updates and training has been extended to November 1, 2021.** Please use the following link to view an outline of the MEL program and its model documents:

<https://njmel.org/insurance/public-officials/risk-management-program/>

This year, the Managers & Supervisors Training can be met by attending the Instructor-led webinar: "Protecting Children From Abuse – Managers/Supervisors". This course for Managers includes an Employment Practices component. Enclosed you will find a copy of a notice distributed to members from J.A. Montgomery on classes scheduled through September. There are now three webinars remaining prior to the compliance deadline date.

Risk Management Consultant Agreements

Ms. Lopez said all Risk Managers must submit a copy of the executed Risk Management Consultant Agreement to the Fund office for the 2021 Fund year. Once the agreement is received, the risk manager may submit the signed voucher to the Fund office for processing. All risk management consultant appointments will be filed with the State.

Payroll Auditor

Ms. Lopez advised members based on authorization by the Executive Committee, NEIS has been appointed as the payroll auditor; members can expect a call to arrange and appointment for completion of 2020 payroll audit in preparation of the 2022 budget.

Treasurer Report

Mr. Snyder referred to the financial reports as of April 2021 inclusive of the Summary of Cash Transactions, Summary of Cash and Investments Instruments and the Claims Certification and Reconciliation reports. Fund Treasurer advised that the fund transferred from TD Bank to Investors Bank; as outlined within the reports a cash transfer of \$7.2M was transferred to Investors as a result of this change however, there was cash that remained with the administrative account to cover any outstanding checks.

Mr. Riccio also reminded members that the TDBank Lock Box will be closed at the end of July and advised members to update they accounts payable to reflect the change in address to the Investors Lock Box. Mr. Riccio said there are approximately \$3M of the 2021 assessments due by the June 30, 2021. Should assessments be received by TDBank after July 31st; they will be returned to the member authority.

With nothing further, the June 2021– Bill List Resolution #24-21:

FUND YEAR	AMOUNT
2021	\$ 75,288.52
Total	\$ 75,288.52

MOTION TO APPROVE RESOLUTION #24-21 JUNE 2021 BILL LIST AND THE TREASURERS REPORT AS DISTRIBUTED.

MOTION:	Commissioner Sims
SECOND:	Commissioner Clarke
VOTE:	Unanimous

Marketing

Marketing Director said the NJPHA JIF represents the majority of housing authorities in the State of New Jersey, all NJ authorities are aware of the Fund and have been contacted over the years. Marketing Director added that he is confident that the Fund provides a great program that is among the best programs to offer. Marketing Director said from time to time we will receive new members whose circumstances will change and we will continue to reach to and be available to those that will seek us out. In the interim, we are encouraged by the progress made regarding the possibility of the new not for profit JIF which not only improve coverage for our current non-profits but expanding the group of new clients in the future.

In response to Commissioner Clarke, Marketing Director said based on the structure of the Newark Housing Authority entity and the criteria set by the Fund coverage would be offered to the entity. This remains under review.

Attorney

Fund Attorney referred to the agenda report as distributed noting continued case management and oversight activities, continued consultation with assigned defense counsel on numerous cases that are outstanding with regards to litigation and case strategy.

Safety Director

Safety Director referred the listing of Loss Control surveys and Security Surveys completed for the month of May. Safety Director referred to the total Right to Know hours, with regards to RTK, there have been 36 completed with onsite inventory, 19 that are scheduled and five members that have been non-responsive for which we are working with the Fund office to have scheduled. The members that have declined service will utilize their current programs for reporting to the State. Safety Director continued with review of the MSI Safety Director’s bulletins and messages recently released and MSI Now & MSI DVDs utilized.

Managed Care

Managed Care provider referred to the managed care report for the month of May resulting in a total of 137 bills processed for which network utilization resulted in 93%. The total charges of \$109,887.79 were repriced for \$27,556.45 resulting in a total savings of \$82,331.34 or 75%. There were a total of 7 claims directed for medical treatment.

Claims Administration

Claims Administrator said the Claims Committee met June 8, 2021 and reviewed a total of (5) claims; on behalf of the recommendation of the Claims Committee they respectfully asked for payment authority of claims presented.

MOTION TO ACCEPT THE RECOMMENDATION OF THE CLAIMS COMMITTEE AND APPROVE THE PARS AS PRESENTED BY THE CLAIMS ADMINISTRATOR

FILE	COVG
2020207870	WC
2018122404	WC
2018130365	GL
2019173929	GL
2021219316	Prop

MOTION: Commissioner DiTomasso
SECOND: Commissioner Billy
VOTE: Unanimous

Claims Administrator introduced Ms. Migdalia Perez, WC Lost Time Adjuster. Ms. Perez has joined the Qual-Lynx team and will service the NJPHA JIF as the dedicated adjuster. The updated Qual-Lynx team contact sheet has been updated and included in the agenda for review.

Old Business

None.

New Business

In response to Commissioner DiTomasso, Fund Attorney said he will research concerns raised by Commissioner DiTomasso and Commissioner Clarke for guidance on reopening facilities and vaccinations relative to mandating proof from employees and well as tenants. At this time, CDC guidelines and Executive Orders issued by the Governor's office should be followed.

Public Comment

None

Executive Session

None.

MOTION TO ADJOURN THE MEETING

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

Meeting adjourned at: 10:38 AM

GROUP AFFIDAVIT FORM
CERTIFICATION OF FUND COMMISSIONERS

of the
NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND

We the Fund Commissioners of the **New Jersey Public Housing Authority Joint Insurance Fund** of full age, being duly sworn according to law, upon our oath depose and say:

1.) We are duly elected Fund Commissioners of the **New Jersey Public Housing Authority Joint Insurance Fund**.

2.) In the performance of our duties, and pursuant to the Local Finance Board Regulation, we have familiarized ourselves with the contents of the Annual Fund Audit filed with the Secretary of the Fund pursuant to N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36 for the year 2020.

3.) We certify that we have personally reviewed and are familiar with, as a minimum, the sections of the Annual Report of Audit entitled:

GENERAL COMMENTS - RECOMMENDATIONS

_____	(L.S.)
_____	(L.S.)
_____	(L.S.)
_____	(L.S.)
_____	(L.S.)
_____	(L.S.)
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_____	(L.S.)
_____	(L.S.)
_____	(L.S.)
_____	(L.S.)
_____	(L.S.)

Secretary to the Fund

The Secretary of the Fund shall set forth the reason for the absence of signature of any members of the Executive Committee.

Important: This certificate must be sent to the Division of Local Government Services, CN 803, Trenton, NJ 08625.

Resolution No. 23-21

**Resolution of Certification
Annual Audit Report for Period Ending December 31, 2020**

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, the Annual Report of Audit for the year 2020 has been filed by the appointed Fund Auditor with the Secretary of the Fund as per the requirements of N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36, and a copy has been received by each Fund Commissioner, and

WHEREAS, the Local Finance Board of the State of New Jersey is authorized to prescribe reports pertaining to the local fiscal affairs, as per R.S. 52:27BB-34, and

WHEREAS, the Local Finance Board has promulgated a regulation requiring that the Fund Commissioners of the Fund shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all Fund Commissioners have reviewed, as a minimum, the sections of the annual audit entitled:

General Comments
and
Recommendations

and

WHEREAS, the Fund Commissioners have personally reviewed, as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled:

General Comments
and
Recommendations

as evidenced by the group affidavit form of the Fund Commissioners.

WHEREAS, such resolution of certification shall be adopted by the Fund Commissioners no later than forty-five days after the receipt of the annual audit, as per the regulations of the Local Finance Board, and

WHEREAS, all Fund Commissioners have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and

WHEREAS, failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the Fund Commissioners to the penalty provisions of R.S. 52:27BB-52 - to wit:

R.S. 52:27BB-52 - "A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office."

NOW, THEREFORE, BE IT RESOLVED, that the Fund Commissioners of the **New Jersey Public Housing Authority Joint Insurance Fund**, hereby state that they have complied with the promulgation of the Local Finance Board of the State of New Jersey, dated July 30, 1968, and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE
RESOLUTION PASSED AT THE MEETING HELD ON: June 9, 2021

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

Resolution No. 24-21

JUNE 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.

<u>FUND YEAR 2021</u>			
<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
009501	QUAL-LYNX	MANAGED CARE 6/21	6,487.33
			6,487.33
009502	DECOTIIS, FITZPATRICK, COLE & GIBLIN LLP	LEGAL SERVICES 6.4.21	3,688.53
			3,688.53
009503	QUAL-LYNX	CLAIM ADJ SERVICES 6/21	17,694.75
			17,694.75
009504	QUAL-LYNX	PERFORMANCE BOND 2021	119.00
			119.00
009505	PERMA	POSTAGE 5/21	27.45
009505	PERMA	EXEC DIRECTOR 6/21	28,116.42
009505	PERMA	POSTAGE 4/21	26.90
			28,170.77
009506	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 6/21	1,570.00
			1,570.00
009507	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 6/21	3,208.08
			3,208.08
009508	EXECU TECH, INC	WEBSITE MAINT 6/21	200.00
			200.00
009509	WARREN RISK MARKETING, LLC	MARKETING FEE 6/21	3,032.83
			3,032.83
009510	J.A. MONTGOMERY RISK CONTROL	SAFETY TRAINING 6/21	2,975.00
009510	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES 6/21	8,089.17
			11,064.17
009511	ALLSTATE INFORMATION MANAGEMNT	ACCT#862 - ARC & STOR - 4.30.21	53.06
			53.06
		Total Payments FY 2021	75,288.52
		TOTAL PAYMENTS ALL FUND YEARS	\$75,288.52