

NEW JERSEY PUBLIC HOUSING AUTHORITY
JOINT INSURANCE FUND
JUNE 8, 2022
PERTH AMBOY HOUSING AUTHORITY
(BIRCHWOOD BUILDING/COMMUNITY ROOM)
10:30 AM

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

Salute to American Flag

ROLL CALL OF EXECUTIVE COMMITTEE:

Chairperson		
Robert DiVincent	Edgewater Housing Finance Urban Renewal Corp.	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	Absent
Grace Dekker	Berkeley Housing Authority	Absent
Susan Thomas	Middletown Housing Authority	Absent
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	Absent
Co-Treasurers	Execu-Tech, Inc.	William Snyder Louis Riccio	Absent Absent
Claims Service	Qual-Lynx	Claudia Acosta	Present
Safety Director	J.A. Montgomery Consulting	Brian Maitland	Present
Auditor	Homlan Frenia Allison	Lauren Holman	Present
Actuary	Actuarial Advantage	Kyle Mrotek	Absent
Managed Care	Qual-Care	Lisa Gallo	Absent
Marketing	Warren Risk Marketing, LLC	Jack Warren	Present

ALSO PRESENT

Patti Fahy, RMC
Dom Cinelli, RMC
Zach Edelman, RMC
Tracy Lopez, Perma

Salute to American Flag

APPROVAL OF MINUTES: May 3, 2022 - Open Minutes

MOTION TO APPROVE THE OPEN MINUTES AS REFERENCED ABOVE

MOTION: Commissioner Dzema
SECOND: Commissioner Clarke
VOTE: Unanimous

Correspondence

Executive Director referred once again to the MEL Helpline correspondence which outlined consulting services from three law offices available to assist in employment related issues. This is a service provided by the MEL and its use is encouraged.

Claims Administration

Claims Administrator advised that the Claims Committee met this morning and reviewed a total of five (5) claims one of which was informational. If there are no questions relating to the claims as reviewed, a request to process payment authority as presented and recommended by the Committee was made.

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

MOTION: Commissioner Clarke
SECOND: Commissioner Sims
VOTE: Unanimous

2021 Audit

Ms. Holman, Audit Partner of Holman Frenia Allison was introduced and presented the 2021-year end audit of the Fund. Ms. Holman reviewed the audit report beginning with the Independent Auditor's report provides their opinion as an "unmodified" opinion, the best opinion provided by an auditor supported by the basis of opinion which states that the audit was conducted with auditing standards as accepted by United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General also in compliance with standards prescribed by the Department of Banking and Insurance and the Division of Local Government Services, Department of Community Affairs within the State. The report also states that the audit was audited by other auditors who provided an "unmodified" opinion.

Ms. Holman added with respects to the report, confirmation was provided that because of the audit, they see no reason why the Fund would not exist a year from this provided opinion as testing of internal controls and procedures put in place supported this opinion.

Ms. Holman continued reviewing the comparative statement of net position noting the total assets of \$13.3M compared to 2020 of \$12.1 or an increase of 10% which is due to the MEL premium deferral payment of 2016- 2021, RCF and MEL strengthening resulting in a total net position of \$3.1M vs \$2.1 of 2020 following liabilities of the Fund. Ms. Holman also reviewed the Statement of Revenue, expenses and changes in net position which outlines Operating revenue of \$10.9M increased by 4.8% from 2020, operating expenses decreased by 11.5%, and a loss in non-operating revenue of \$407,869 due to claims and the change in the joint investment venture resulting in a total net position of \$3.1M.

In response to Commissioner Clarke, Ms. Holman responded noting that the fourth quarter payment the MEL was more due to timing than additional as the fourth quarter is collected in the following years payment.

In response to Commissioner Sims, Ms. Holman confirmed the call back of the premium deferral of the Fund for years 2016-2021 was a one-time payment and not an annual cost with the original understanding that the MEL could call back the balance or the 15% deferral if needed. Executive Director confirmed that this was a budget item however due to the claims experience the balance was called back.

In response to Commissioner Clarke, Ms. Holman confirmed that the auditor's report outlining the opinion must now appear at the beginning of the audit, no longer at the end and the laws have changed regarding auditing procedures.

MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION #21-22 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT.

MOTION:	Commissioner Billy
SECOND:	Commissioner Mahon
VOTE:	Unanimous

Underwriting Manager

In the absence of the Underwriting Manager, Executive Director referred to MEL Bulletin 22-25 which outlines the Flood and Named Storm Deductibles & NFIP coverage which will also be distributed via email to members of the fund via email. Executive Director encouraged members to work with risk management consultants for flood zone determinations purchasing the highest limit available for each building based on FEMA flood zoning; if a risk management consultant is not available or appointed by the authority, feel free to reach out the Fund office or Underwriting Department for guidance. Executive Director also reviewed the latest MEL Cyber Task Force bulletins updating members of lessons learned from their peers as it relates to cyber claims as well as active threat and vulnerabilities. Lastly, Executive Director referred to the listing of certificates of insurance previously issued on behalf of the members of the Fund as well as the cyber risk management compliance report.

Pro Forma Financial Reports

Executive Director reviewed financial reports which included the March Financial Fast-Track noting a reduction in surplus in the amount of \$187,672 for the month, \$326,124 for the year and deficit in the 2018 Fund year totaling \$539,072 however, the closed years have retained a surplus which can extinguish the deficit position if needed resulting in a total current surplus of \$4.2M. Executive Director also reviewed the loss ratio analysis report which outlines the increase in claims within the property and workers compensation coverage.

MEL JIF

Executive Director said the MEL JIF met on Thursday, June 2, 2022, at the Forsgate. Commissioner Clarke encouraged members to read the full report making sure there are no surprises as we continue to see some of the areas of coverage increase in cost with special emphasis on the cyber liability coverage; if members have not updated their cyber risk management program it is highly recommended that you do so as this is a line of coverage which will be challenging. Commissioner Clarke offered members to contact him if they have any questions regarding his report.

Residual Claims

Executive Director said the RCF also met on Thursday, June 2, 2022, at the Forsgate. Commissioner Sims's report was reviewed as distributed.

RFP/RFQ Process

Executive Director said the professional service contract term for the Fund Attorney, Defense Panel, including Subrogation Attorney, Fund Auditor, Safety Director including Right to Know services will expire December 31, 2022. We request authorization to proceed in the RFP/RFQ process for the 2023 Fund year / (Safety Director/RTK Services 2023-2025 term). The Fund will have to advertise, pursuant to N.J.S.A. 19:44A-20.4 et. Seq accordingly.

MOTION TO AUTHORIZE RELEASE RFP/ RFQ FOR PROFESSIONAL SERVICES OF FUND ATTORNEY, DEFENSE PANEL, INCLUDING SUBROGATION ATTORNEY, FUND AUDITOR, SAFETY DIRECTOR INCLUDING RIGHT TO KNOW SERVICES PURSUANT TO THE FAIR AND OPEN PROCESS AS OUTLINED IN N.J.S.A. 19:44A-20.4 ET. SEQ. FOR THE 2023 FUND YEAR.

MOTION:	Commissioner Clarke
SECOND:	Commissioner Billy
VOTE:	Unanimous

2022 Coverage Documents

Ms. Lopez said the Fund office is in the final stages of preparing coverage documents, which will be posted to Origami during the month of June.

Boonton HA/Non-Profit

Ms. Lopez advised that Boonton HA has requested coverage for their non-profit entity, Affordable Housing Opportunities Matter, Inc. (AHOM). The entity is scheduled to be added under Boonton HA as an additional named insured effective June 1, 2022.

Workers Compensation Payroll Audit

Ms. Lopez noted that the payroll audit for members of the Fund is currently underway, each member has been advised that a representative from NEIS, Inc. will reach out to each respective member for scheduling a virtual or in-person audit of the 2021 payroll in preparation of the 2023 budget process.

2022 Assessment

Ms. Lopez said statements of accounts had been emailed to members with a balance due on the 2022 annual assessment. The due date is June 30, 2022.

Implicit Bias in the Workplace Training

Ms. Lopez reviewed the copy of the program flyer distributed by NJAHRA for the training taking place on June 28, 2022, at 10:00 AM at the Middletown Township Housing Authority. We encourage attendance for this informative training.

Treasurers Report

In the absence of the Fund Treasurer, Executive Director referred to the March reports as distributed inclusive of the Summary of Cash Transactions, Summary of Cash and Investments Instruments and the Certification and Reconciliation of Claims Payments.

Executive Director reviewed Resolution 22-22 June Bill List.

FUND YEAR	AMOUNT
2021	\$ 25,175.00
2022	\$ 121,097.81
Total	\$ 146,272.81

MOTION TO11 APPROVE RESOLUTION #22-22 JUNE 2022 BILL LIST AND THE TREASURERS REPORT AS DISTRIBUTED.

MOTION: Commissioner Ditomasso
SECOND: Commissioner Clarke
VOTE: Unanimous

Marketing

Marketing Director said the Fund is currently reviewing underwriting information provided Princeton Housing Authority to expand their coverages from a workers compensation member to an all-lines member. Once finalized, the Fund will offer a quote and present to the Board for membership consideration.

Attorney

Fund Attorney said there is a piece of legislation being considered which has gone through Committee in the Senate which allows for-profit entities to join a joint insurance fund with other non-profits or housing authorities. The bill was proposed by Ms. Christiana Foglio, head of Community Investment Strategies and is an owner of several for-profit affordable housing and tax credit properties in the state and has worked with Senator Singleton on this bill as a result of not having the ability to secure insurance coverage in the public market. The piece of legislation as introduced was circulated to the professionals of the Fund as well as the Municipal Excess Liability Insurance Fund (MEL JIF) which have raised several concerns regarding the implications of the addition of for-profit entities inclusive of financial security, bonding, control etc. Professionals are currently working with Ms. Foglio in scheduling a meeting with Senator Singleton by the end of the month to address our concerns and possible amendments to the bill.

In response to Commissioner Clarke, Fund Attorney noted that there are many elements of the proposed addition of non-profits which need to be addressed before we could make any considerations.

Commissioner Clarke said given the esthetics of the program and perhaps providing coverage tiers he believes this would be a great opportunity for the Fund if we do not put the Fund in jeopardy. Fund Attorney said should the Fund provide coverage there is a possibility that the MEL may not without amendments.

Safety Director

Safety Director referred to the agenda report as distributed outlining the loss control and security loss control surveys completed during the month of May. Safety Director also reviewed the listing of Safety Director Bulletins and Messages distributed to members of the Fund through the MSI App in addition to the usage listing of MSI Now & MSI DVD. Safety Director advised of great attendance the MSI Live trainings have been very well attended and an updated will be provided during the next scheduled meeting.

In response to Commissioner Clarke, Safety Director requested a follow up list of courses of interest to expand upon as discussed with Mr. Shives. Commissioner Clarke noted the HUD is very focused on their inspections as relating to fire safety which we should be prepared.

Managed Care

In the absence of the Managed Care provider, Executive Director referred to the monthly report for May as distributed.

Old Business

None

New Business

Executive Director said our next meeting is scheduled for July 13, 2022 and confirmed with the Executive Committee as their request is to continue to meet in person.

Public Comment

None

Executive Session

None.

MOTION TO ADJOURN THE MEETING

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

Meeting adjourned at: 10:27 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 2021.

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

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

Resolution No. 21-22

Resolution of Certification

Annual Audit Report for Period Ending December 31, 2021

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 2021 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 8, 2022

NEW JERSEY PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND BILLS LIST

Resolution No. 22-22

JUNE 2022

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

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
009700			
009700	HOLMAN FRENIA ALLISON, P.C.	AUDIT 2021	15,000.00
			15,000.00
009701			
009701	REGIONAL RISK MANAGERS LLC	GUTTENBERG HA - RMC - 2021	10,175.00
			10,175.00
		Total Payments FY 2021	25,175.00

FUND YEAR 2022

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
009702			
009702	QUAL-LYNX	MANAGED CARE 6/22	6,617.08
			6,617.08
009703			
009703	APEX INSURANCE SVS c/o QBE INSURANCE	PO&EPL # QJK01086-00	9,458.00
			9,458.00
009704			
009704	DECOTIIS, FITZPATRICK, COLE & GIBLIN LLP	ATTORNEY FEE 4/22	3,782.92
			3,782.92
009705			
009705	QUAL-LYNX	PERFORMANCE BOND 2022 # 51791	272.00
009705	QUAL-LYNX	CLAIM ADJ 6/22	18,128.75
			18,400.75
009706			
009706	PERMA	POSTAGE 4/22	28.03
009706	PERMA	EXEC DIRECTOR 6/22	28,857.00
			28,885.03
009707			
009707	CONNER STRONG & BUCKELEW	UNDERWRITING FEE 6/22	1,601.00
			1,601.00
009708			
009708	THE ACTUARIAL ADVANTAGE	ACTUARY FEE 6/22	3,272.25
			3,272.25
009709			
009709	ASBURY PARK PRESS	ACCT: ASB-117561 - AD - 5.21.22	49.96
009709	ASBURY PARK PRESS	ACCT: ASB-117561 - AD - 5.1.22	41.16
			91.12
009710			
009710	EXECU TECH, INC	WEBSITE MAINT 6/22	200.00
			200.00
009711			
009711	NJ ADVANCE MEDIA	ACCT# XNJPU0555207 - AD - 5.24.22	39.78
009711	NJ ADVANCE MEDIA	ACCT# XNJPU0555207 - AD - 5.3.22	19.89
			59.67
009712			
009712	WARREN RISK MARKETING, LLC	MARKETING FEE 6/22	3,094.00

009713			
009713	J.A. MONTGOMERY RISK CONTROL	SAFETY TRAINING 6/22	3,034.50
009713	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL 6/22	8,285.83
009713	J.A. MONTGOMERY RISK CONTROL	RIGHT TO KNOW 6/22	10,166.67
			21,487.00
009714			
009714	NJ NAHRO	SERVICE - 2ND QTR 2022	10,046.36
			10,046.36
009715			
009715	DREW & ROGERS INC.	PROFESSIONAL SERVICES 4/22	1,558.00
			1,558.00
009716			
009716	ERIC CHUBENKO	REIMBURSEMENT - AON SYMPOSIUM 6/22	1,777.20
			1,777.20
009717			
009717	ACCESS	ACCT#862 - ARC & STOR - 4.30.22	5.49
009717	ACCESS	ACCT#862 - ARC & STOR - 4.30.22	81.94
			87.43
009718			
009718	REGIONAL RISK MANAGERS LLC	GUTTENBERG HA - RMC - 2022	10,680.00
			10,680.00
		Total Payments FY 2022	121,097.81
		TOTAL PAYMENTS ALL FUND YEARS	\$146,272.81