

**NEW JERSEY PUBLIC HOUSING AUTHORITY
JOINT INSURANCE FUND
October 13, 2021
The Perth Amboy HA – Birchwood Building
10:30 AM**

Meeting Called to Order by Commissioner John Clarke in the absence of Chairman DiVincent and Secretary Sherry 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	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	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 & Giblin, LLP	Frank Borin	Present
Underwriting Mgr	Conner Strong & Buckelew	Edward Cooney	Absent
Co-Treasurers	Execu-Tech, Inc.	William Snyder Louis Riccio	Absent Present
Claims Service	Qual-Lynx	Claudia Acosta	Present
Safety Director	J.A. Montgomery Risk Consulting	Brian Maitland	Present
Auditor	Homlan Frenia Allison	Robert Allison	Absent
Actuary	Actuarial Advantage	Kyle Mrotek	Absent
Managed Care	Qual-Care	Lisa Gallo	Present
Marketing	Warren Risk Marketing, LLC	Jack Warren	Present

ALSO PRESENT

Deborah Hurley, Edison HA
Jack Zisa, RMC
Katherine Young, RMC

Paul Shives, J.A. Montgomery
Jonathan Tavares, CSB
Joanne Sbrana, Bridgeton HA
James Howell, Bridgeton HA
Patti Fahy, RMC
Tanya VanOrder, Madison HA
Kimberly Gober, Glassboro HA
Tracy Lopez, Perma

APPROVAL OF MINUTES: September 24, 2021 Open Minutes

MOTION TO APPROVE THE OPEN MINUTES AS REFERENCED ABOVE

MOTION:	Commissioner Mahon
SECOND:	Commissioner Ditomasso
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.

Underwriting Manager

Underwriting Manager referred to the agenda reports as distributed outlining the memo released by the MEL Cyber Task Force and their participation in the Cybersecurity Awareness Month in October; the MEL has and will continue to release weekly content with associated themes as outlined within the bulletin. Underwriting Manager also referred to the MEL Cyber Risk Management Program-V2 as members will need to update Tiers 1, 2 & 3 by January 1, 2022 to become fully compliant; all previously approved members under the prior program are grandfathered until January 1, 2022 but must meet requirements for all three tiers of Version 2 for full approval.

Executive Director said currently we are dealing with a ransomware attack within the MEL system which has shut down a municipality for approximately two weeks and is costing the member hundreds of thousands of dollars; they are anxious to get their information back and this this could have been avoided had an employee not clicked on a link. Executive Director continued noting that there are cybersecurity providers in the market that will provide training to staff and report back to administrators which will outline the positive or negative positions employee may have been exposed to when responding to a phishing attempt. Perma receives training which includes a tutorial taking 20-25 minutes to complete and is followed up by phishing attempts to employees that “look like” they may be coming from administration or fellow employees or from an outside source. The training really makes you think twice before clicking on a link within an email and teaches you how to look at an email address, time of day sent etc. Executive Director added that within his review of the budget, you will notice the increase of 100% in cyber premium based on the hard market for this line of coverage.

EXECUTIVE DIRECTORS REPORT

Due Diligence Reports

Executive Director referred to the financial reports of August 31, 2021 beginning with the Financial Fast Track noting the increase in statutory surplus of \$70,453 for the month, and \$1,047,259 for the year resulting in a total surplus of \$4,162,103. Executive Director noted the

deficit in fund years 2017 and 2018 however there is sufficient funding within the closed years to address those deficit years. Executive Director said the next year transferring claim liabilities to the RCF is the 2017 Fund year. The past three years, 2021, 2020 and 2019 evidence a positive surplus.

2022 Budget

Executive Director said the Finance Committee met on October 4, 2021 to review the Proposed 2022 Budget. Enclosed you will find a copy of the 2022 proposed budget as recommended by the Finance Committee at an increase of 8.98% from the 2021 Fund year and is a direct result of a very hard insurance market; the MEL and the Funds are experiencing the hardest insurance market seen in approximately 30 years due to the global impact of fires, flooding, hurricanes and tropical storms.

Executive Director reminded members that the Fund retains the first \$300,000 of a single loss, then the loss is handled by the MEL. The property losses handled by the MEL from funds years 2016 through 2020 have total incurred amount \$16.8M, this number does not account for the recent tropical storm Ida which is approximately another \$6M in losses which is affecting the property line items within the proposed budget.

Executive Director said in addition to the property line items, the general liability line is increasing due to sexual molestation statute of limitations which has also increased liability costs as judges are not granting summary judgement motions resulting in increased defense costs due to the erosion of Title 59 immunities.

Executive Director said workers compensation costs are increasing due to a recent Department of Labor decision directing governmental entities to pay workers' compensation on accidental disability claims that were paid previously by the pension plans before the change. This is in addition to the continued increases in worker's compensation medical costs and indemnity rates and Covid-19 claims inclusive of the 7 deaths within the MEL system resulting in \$20M.

Executive Director reminded members of the MEL's decision to keep their rates flat for the 2020 Fund year, assisting members during the pandemic, we are now looking at a two-year rate increase from the MEL at 9.9%.

Executive Director noted the loss fund line items within the budget (1-6) have remained conservative with certified loss projections as provided by the Fund Actuary, you will notice the reduction within those lines items with exception to the property line at 8.47%. Executive Director continued his review outlining the MEL premiums, namely, the MEL property line which is increasing by 18.37%, Cyber at 108.31% and the MEL's EPL/POL optional excess premium at 132%. The professional fees are capped at 2%. Executive Director also noted the surcharge line item within the budget for which has remained in place for the 2022 fund year resulting in the total 2022 budget increase of 8.98% or \$965,859 as recommended by the Finance Committee

At time Executive Director asked for any questions or comments regarding the 2022 proposed budget.

Commissioner Clarke took this opportunity to thank Steve Sacco, Tracy Lopez, Fund Professionals and the Finance Committee for their hard work for putting together this budget as it is a realistic approach when considering the numbers as a self-insured entity. This budget and the efforts have taken into consideration the things that are happening worldwide now and moving forward.

Motion to introduce the 2022 budget in the amount of \$11,720,329 and schedule a public hearing on Tuesday, November 16, 2021 at 3:00 PM at the Tropicana Hotel/Casino, Atlantic City, NJ.

MOTION:	Commissioner Mahon
SECOND:	Commissioner Ditomasso
VOTE:	Unanimous

Mr. Hrubash noted that a 9.9% budget coming from the MEL is a very impressive budget considering the impact on the insurance market with all the issues currently endured. As Executive Director previously mentioned, Covid19 has impacted the MEL with \$20M total incurred, we continue negotiations with the carrier as the interpretation of the communicable disease endorsement in our view is one occurrence. The MEL has hired attorneys to assist in the recovery of claims relating to Covid19. In response to Commissioner Mahon, Mr. Hrubash said the market place is no longer offering the endorsement as provided in 2020 and will treat each claim individually moving forward.

Residual Claims Fund

Executive Director said the public hearing on the RCF 2022 budget will be held on October 20, 2021 at 10:30AM at Forsgate Country Club. A copy of the RCF's 2022 Proposed Operating Budget was reviewed as introduced.

MEL JIF

Executive Director also noted that the MEL's 2022 budget introduction is scheduled for October 20, 2021 at the Forsgate Country Club in Jamesburg NJ.

Administration

Power of Collaboration

Ms. Lopez reviewed the latest in the series of "Power of Collaboration ads that will appear in the League of Municipalities magazine. The ad highlights the MEL's quick transition to online training during the pandemic and the value provided to its members through high quality accessible training.

Fund Commissioner Appointment / Resolutions

Ms. Lopez said the Fund will issue a notice to all members requesting that they appoint a Fund Commissioner to the Fund for the 2022 Fund year prior to the scheduled January 12, 2022 reorganization meeting of the Fund.

2021 Coverage Documents

Ms. Lopez said the fund office has uploaded member policies to the Fund's Risk Management Information System (Origami) and are available to members.

2022 Membership Renewals

There are forty members (29 all lines/ 11 wc) scheduled to renew the Fund membership at year end. Membership renewal documents were distributed; Ms. Lopez said the Executive Committee will be informed as status is updated.

Employment Practices Compliance Program

Ms. Lopez said the deadline date to become compliant and submit the check list certifying all elements of the MEL's EPL/POL program is approaching, November 1, 2021. If needed, please visit the MEL webpage to review all the elements of the MEL's EPL Compliance Program as follows:

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

Treasurer Report

Fund Treasurer confirmed that the TDBank accounts will be closed by the end of the month, \$6M has been transferred to Investors Bank and we will begin to invest in the MEL's Joint Cash Management and Investment program (JCMI) which is providing a higher rate of return for members of this program. Fund Treasurer referred to the reports as distributed noting no major changes.

October Bill List – Resolution #28-21:

FUND YEAR	AMOUNT
2021 Fund Year	\$ 95,245.36
Total	\$ 95,245.36

MOTION TO APPROVE RESOLUTION #28-21 OCTOBER 2021 BILL LIST AND THE TREASURERS REPORT AS DISTRIBUTED.

MOTION:	Commissioner Mahon
SECOND:	Commissioner Ditomasso
VOTE:	Unanimous

Marketing

As previously reported, there are a total of 40 members scheduled to renew their three-year fund membership at year end; follow up will continue for members that have not submitted their documents to date. The fund has been contacted to quote on three prospective housing authorities requesting a quote for all lines coverage, namely, Newton, Union City and Plainfield Housing Authorities. The fund will review submissions accordingly and advise of status as we move forward.

Attorney

Fund Attorney referred to the agenda report as distributed noting continued case assignment and oversight activities. Fund Attorney noted the release of the RFQs/RFPs, for Fund Auditor, Fund Attorney, Defense Panel inclusive of Subrogation Attorney which are due on October 27, 2021. Responses will be reviewed accordingly for recommendation at the January reorganization meeting of the Fund.

Safety Director

Safety Director referred the listing of Loss Control surveys completed for the month of September. Safety Director referred to the total Right to Know hours associated with the program and noted that this project is now complete, however assistance is being provided based on inspections completed by the State.

Safety Director continued with review of the MSI Safety Director's bulletins and messages recently released and MSI Now streaming service, MSI DVD and MSI Live as outlined within the agenda. Safety Director also noted that an announcement was provided outlining the release of a

Newsletter which be sent on a bi-monthly basis and will include the bulletins available to members. This was considered as a way to reduce the amount of emails released to members, however should members wish to continue to receive bulletins as they are released it is recommended that the mobile application be downloaded.

Commissioner Clarke encouraged members to utilize the MEL Safety Institute for training as winter is approaching, the training program is a great resource for members and their employees which provides videos, DVD's, live training etc.; if there is a topic which is not available that members would like to see, please contact the Safety Director for consideration. Commissioner Clarke also thanked Safety Director and his team for bringing the Fund up to date with safety related topics and programs, it has been a great experience.

Managed Care

Managed Care provider referred to the managed care report for the month of September resulting in a total of 51 bills processed for which 51 were in the network resulting in utilization of 98. The total charges of \$27,142.40 were repriced for \$9,740.91 resulting in a total savings of \$17,401.49 or 64%. There were a total of four claims directed for medical treatment.

Claims Administration

Claims Administrator said the Claims Committee met October 12, 2021 reviewing (19) claims. On behalf of the recommendation of the Claims Committee they respectfully asked for payment authority of claims presented during the month October.

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

October PARs

FILE	COVG	FILE	COVG
01244914	WC	2020201312	WC
2021229255	WC	2021209753	WC
2017092012	WC	1190030	WC
2020186694	WC	2018130365	GL
2018142996	WC	2020198494	GL
2019146868	WC	2022242655	Prop
2018145483	WC	2021232837	Prop
2021228414	WC	2017094167	GL
2021237431	WC		
001253806	WC		
2020198023	WC		

MOTION: Commissioner Mahon
SECOND: Commissioner Billy
VOTE: Unanimous

Old Business

None

New Business

None

Public Comment

None

Executive Session

None.

MOTION TO ADJOURN THE MEETING

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

Meeting adjourned at: 10:50 AM

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

Resolution No. 28-21

OCTOBER 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>
009559	QUAL-LYNX	MANAGED CARE 10/21	6,487.33
			6,487.33
009560	DECOTHS, FITZPATRICK, COLE & GIBLIN LLP	RETAINER 9/21	3,691.83
			3,691.83
009561	QUAL-LYNX	TPA 10/21	17,694.75
			17,694.75
009562	PERMA	POSTAGE 9/21	5.30
009562	PERMA	EXEC DIRECTOR 10/21	28,116.42
			28,121.72
009563	CONNER STRONG & BUCKLEW	UNDERWRITING MGR 10/21	1,570.00
			1,570.00
009564	THE ACTUARIAL ADVANTAGE	ACTUARY 10/21	3,208.08
			3,208.08
009565	ASBURY PARK PRESS	AD 9.25.2021	42.20
			42.20
009566	EXECU TECH, INC	TREASURER Q4 2021	19,899.00
			19,899.00
009567	EXECU TECH, INC	WEBSITE 10/21	200.00
			200.00
009568	NJ ADVANCE MEDIA	AD 9.28.2021	79.05
009568	NJ ADVANCE MEDIA	AD 9.25.2021	23.25
009568	NJ ADVANCE MEDIA	AD 9.28.2021	77.50
			179.80
009569	WARREN RISK MARKETING, LLC	MARKETING 10/21	3,032.83
			3,032.83
009570	J.A. MONTGOMERY RISK CONTROL	SAFETY DIRECTOR 10/21	8,089.17
009570	J.A. MONTGOMERY RISK CONTROL	RIGHT TO KNOW 10/21	2,975.00
			11,064.17
009571	ACCESS	ARC SERVICE&STORAGE 9.30.2021	53.65
			53.65
		Total Payments FY 2021	95,245.36
		TOTAL PAYMENTS ALL FUND YEARS	\$95,245.36