

**NEW JERSEY PUBLIC HOUSING AUTHORITY  
JOINT INSURANCE FUND  
OCTOBER 12, 2022 – 10:30 AM – 2023 BUDGET INTRODUCTION  
PERTH AMBOY HOUSING AUTHORITY  
(BIRCHWOOD BUILDING)  
PERTH AMBOY, NJ**

---

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:**

<b>Chairperson</b>		
Robert DiVincent	Edgewater Housing Finance Urban Renewal Corp.	Absent
<b>Secretary</b>		
Sherry Sims	Boonton Housing Authority	Absent
<b>Board of Commissioners</b>		
John Mahon	Bayonne Housing Authority	Absent
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	Absent

**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	Present
Pamela Mitchell	Passaic Housing Authority	Absent

**APPOINTED OFFICIALS PRESENT:**

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

**ALSO PRESENT**

Spiro Molfetas, RMC  
Ezio Altamura, RMC  
Mathew McArow, Jr., RMC  
Melody Johnson-Williams, Trenton HA  
Sadyhe Bradley, Trenton HA  
Tracy Lopez, Perma

Salute to American Flag

**APPROVAL OF MINUTES:** September 26, 2022 - Open Minutes

**MOTION TO APPROVE THE OPEN MINUTES AS REFERENCED ABOVE**

<b>MOTION:</b>	Commissioner Dzema
<b>SECOND:</b>	Commissioner Billy
<b>VOTE:</b>	Unanimous

**Correspondence**

Executive Director referred to correspondence outlining the MEL Helpline which offers 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.

**Underwriting Manager**

In the absence of the Underwriting Manager, Executive Director referred to the current cyber risk management program status report and the listing of certificates of insurance as previously issued.

**Pro Forma Financial Reports**

Executive Director reviewed financial reports which included the August Financial Fast-Track noting an increase for the month of \$61,930 and a year to date increase of \$383,272 resulting in a statutory surplus of \$4.9M. Executive Director noted 2018 as a deficit year totaling \$492,807 however there are funds within the closed year accounts to extinguish that deficit. As one time the Fund surplus was below \$2M. It appears that fund years 2019, 2020, 2021 and 2022 are trending positive.

## **2023 Budget**

Executive Director said the Finance Committee of the Fund held the 2023 Budget Workshop yesterday, October 11, 2022. The 2023 proposed Budget was reviewed as distributed and reminded members of the previously released draft article to appear in the NJ League of Municipalities magazine which was authored by Mayor Paul Tomasko, Alpine Borough and Charles Cuccia, Administrator, Little Falls, NJ representing the MEL which highlights inflationary pressures affecting 2023 budgets for members resulting from the recent increase in health insurance, workers compensation rates which are now the third largest in the Country increasing the weekly benefit by 9.9% in addition to the workers compensation pension offset resulting in an increase of over 10%. Executive Director also noted the cost of general and auto liability coverage increasing at a rate of 5% to 10% per year due to the erosion of Title 59 immunities within the NJ court system as well as the recent amendment in the sexual molestation statute of limitations which will increase total liability costs by an estimated 6%. In some cases, members within the MEL program are being hit with lawsuits based on allegations going back 50 years.

Executive Director noted the increase in the 2023 MEL budget of 16%, reminding members of the Fund retention of \$100,000 for property and \$300,000 for GL, AL and WC; once the fund exceeds its retention, the losses are handled by the MEL. (Municipal Excess Liability Joint Insurance Fund)

Executive Director added that the increase in Cyber Insurance Liability is doubling within the market, in addition to increased deductibles without strong cyber risk controls in place; in many cases, coverage is becoming more difficult to obtain.

Executive Director reviewed the budget advising that the Fund actuary provides actuarial projections which range from low, mid and high; the Finance Committee agreed to remain within the mid-range in an effort to remain fiscally responsible resulting in a proposed budget increase of 9.5% or \$13,858,181. In response to Executive Directors request for comments or questions, Commissioner Clarke extended a sincere thank you to members of the Finance Committee, Executive Director and staff for providing the 2023 proposed budget as these are very challenging times particularly in the insurance industry; we are in uncharted waters as a Committee we decided to take the most conservative approach for this budgetary period. Commissioner Clarke added a 16% increase in his opinion is low, he believes the future trend in lines of coverage will be in the 20-25% range from other carriers, once again thanking Executive Director, staff and Finance Committee for their efforts in preparing the 2023 proposed budget. Commissioner Clarke asked if there were any questions for the Board or the Finance Committee members, hearing none;

**MOTION TO INTRODUCE THE 2023 BUDGET IN THE AMOUNT OF \$13,858,181 AND SCHEDULE A PUBLIC HEARING ON TUESDAY, NOVEMBER 15, 2022 AT 3:00 PM AT THE TROPICANA HOTEL/CASINO – TAMBORA ROOM IN THE QUARTER, ATLANTIC CITY, NJ.**

<b>MOTION:</b>	Commissioner Billy
<b>SECOND:</b>	Commissioner Clarke
<b>VOTE:</b>	Unanimous

Executive Director said the 2023 Assessments and member deductibles will be provided for review to the Executive Committee during the November 15, 2022 meeting.

## **Residual Claims Fund (RCF)**

Executive Committee said the public hearing on the RCF 2023 budget will be held on October 19, 2022 at 3:00 PM at Forsgate Country Club.

**MEL JIF**

Executive Committee said the MEL's 2023 budget introduction is scheduled for October 19, 2022 at the Forsgate Country Club in Jamesburg NJ.

**Cyber JIF**

Executive Director said as previously reported the Cyber JIF will be effective January 1, 2023; enclosed you will find Resolution #25-22 for the NJPHA JIF to become a member of the Fund. The Cyber JIF is a noted line item within the 2023 proposed budget. A Fund representative to the Cyber JIF must be appointed.

**MOTION TO ADOPT RESOLUTION # 25-22 AUTHORIZING MEMBERSHIP OF THE NJ PUBLIC HOUSING AUTHORITY JOINT INSURANCE FUND IN THE CYBER JIF.**

**MOTION:** Commissioner Stratton  
**SECOND:** Commissioner Billy  
**VOTE:** Unanimous

**MOTION TO APPOINT COMMISSIONER JOHN CLARKE AS THE REPRESENTATIVE TO CYBER JIF.**

**MOTION:** Commissioner Billy  
**SECOND:** Commissioner Chubenko  
**VOTE:** Unanimous

**Fund Commissioner Appointment / Resolutions**

Ms. Lopez said the Fund office will issue a notice to all members requesting that they appoint a Fund Commissioner to the Fund for the 2023 Fund year prior to the January 11, 2023 reorganization meeting of the Fund.

**RFP/RFQ Process**

Ms. Lopez said as previously authorized, the RFP/RFQ's were released for the positions of Fund Attorney, Defense Attorney, Subrogation Attorney, Fund Auditor, Safety Director/Right to Know service on September 21, 2022, with a return date of October 26, 2022, at 2:00 PM. Results for same will be included in the November agenda.

**Treasurers Report**

In the absence of Fund Treasurers, Executive Director referred to the treasurers report as distributed.

October bill list-Resolution 26-22:

<b>FUND YEAR</b>	<b>AMOUNT</b>
2022	\$ 118,353.38
<b>Total</b>	<b>\$ 118,353.38</b>

**MOTION TO APPROVE RESOLUTION #26-22 OCTOBER 2022 BILL LIST AND THE  
TREASURERS REPORT AS DISTRIBUTED.**

**MOTION:** Commissioner Stratton  
**SECOND:** Commissioner Billy  
**VOTE:** Unanimous

**Marketing**

Marketing Director advised that there are twenty-four members (23 all lines/ 1 wc) scheduled to renew the Fund membership at year end. Membership renewal notices were distributed to respective members and follow up will continue to be pursued in coordination by myself and the Fund office.

**Attorney**

Fund Attorney reported on the previously discussed legislation of for-profit affordable housing members entering into non-profit joint insurance funds which is currently having difficulty gaining traction within this legislative session, if there is no action on this bill it will more than likely be reintroduced during the next legislative cycle.

**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 September. 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 and the availability of the MSI Live schedule through the remainder of the year. In response to Commissioner Clarke, by year end all members will have received a security and site inspection visit.

**Managed Care**

Managed Care provider referred to the monthly report for September reporting 110 bills processed inclusive of six (6) injuries reported. Total charges of \$320,970.48, once Qual-Lynx contracted rates were implemented the charges were repriced for \$164,637.47 resulting in a total savings of \$156,333.01 or 49%. The claims pierced the network at a rate of 96%.

**Claims Administration**

Claims Administrator advised that the Claims Committee met this morning and reviewed a total of four (4) claims in addition to authorizing a settlement in a subrogation matter (Resolution #27-22) If there are no questions relating to the claims or resolution as recommended, a request to process payment authority as presented and adopt Resolution #27-22 as recommended by the Claims Committee and Fund Attorney was made.

**MOTION TO ACCEPT THE RECOMMENDATION OF THE CLAIMS COMMITTEE  
APPROVING THE PARS AND AUTHORIZING RESOLUTION #27-22 AS  
PRESENTED BY THE CLAIMS ADMINISTRATOR AND FUND ATTORNEY.**

**MOTION:** Commissioner Billy  
**SECOND:** Commissioner Stratton  
**VOTE:** Unanimous

**Old Business**

None

**New Business**

None

**Public Comment**

None

**Executive Session**

None.

**MOTION TO ADJOURN THE MEETING**

**MOTION:**

Commissioner Billy

**SECOND:**

Commissioner Dzema

**ALL IN FAVOR:**

Unanimous

**Meeting adjourned at: 10:55 AM**

Signed:

---

Tracy Lopez, Acting Secretary  
On behalf of Secretary Sherry Sims