

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND  
OPEN MINUTES  
APRIL 22, 2020  
MEETING HELD ELECTRONICALLY  
10:30 AM**

Meeting of Executive Committee called to order by Frank Pestana, Chairman. Open Public Meetings notice read into record.

**ROLL CALL OF 2020 EXECUTIVE COMMITTEE:**

Frank Pestana, Chairman	North Bergen MUA	Present
Bernard Rutkowski	Toms River MUA	Present
Brian Bigler	Secaucus MUA	Present
Michael Gianforte	Two Rivers Water Reclamation Authority	Present
Justin Flancbaum	Lakewood MUA	Present
Thomas Horn	Lambertville MUA	Present
Richard Brand	East Windsor MUA	Present

**EXECUTIVE COMMITTEE ALTERNATES:**

Jill Plesnarski, Alt#1	Readington-Lebanon SA	Present
Gary Vaccaro, Alt #2	Brick MUA	Present
Ivy Robinson, Alt #3	Plainfield MUA	Present
Bernard Bujak, Alt#4	South Monmouth Regl. SA	Present

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Adm	Perma Risk Management <b>Cathleen Kiernan</b>
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. <b>Robert Budesa</b>
Auditor	Nisivoccia, LLC <b>Bud Jones</b>
Claims Service	Qual-Lynx <b>Chris Roselli</b>
Safety Director	JA Montgomery Risk Control <b>Brian Maitland</b>
Managed Care	QualCare <b>Donna Setzer</b>
Underwriting Manager	Capacity Coverage <b>Jon Ziman</b>

MEL Underwriting Manager

Conner Strong & Buckelew  
**Edward Cooney**

Treasurer

**Stuart Neuhof**

**FUND COMMISSIONERS AND ALTERNATES PRESENT:**

Michele Nugent, Berkeley Twp MUA  
Brad Rosenthal, Cape May County MUA  
Pete Canal, Bayshore Regl SA  
Robert Maybury, Mount Holly MUA  
Brian Valentino, Western Monmouth MUA  
Earl Sutton, Little Egg Harbor MUA  
Jeffrey Williams, Linden Roselle SA  
Nancy Camey, Hamilton MUA

**ALSO PRESENT:**

Michael Avalone, Conner Strong & Buckelew  
Donna Reale-Waters, Sloan Insurance Agency  
Chuck Casagrande, Danskin Insurance  
Alison Kelly, Danskin Insurance  
Shakira Stanford, Brown & Brown  
Amy Pieroni, Reliance Insurance  
Lindsay Travali, Reliance Insurance  
Kathy Young, Alamo Insurance  
Tom Fitzpatrick, Fairview Insurance  
Brian Monaghan, TC Irons  
Jeff Kurtz, Governmental Risk Management Asso.  
George Crosby, Business and Governmental Insurance  
Craig Josephsen, David M Hundertmark Agency  
Ernest Reigstadt, Skylands Risk Management  
Bradford Stokes, PERMA Risk Management  
Karen A. Read, PERMA Risk Management  
Brandon Tracy, PERMA Risk Management

**APPROVAL OF MINUTES:** March 25, 2020 Open Minutes.

**MOTION TO APPROVE MARCH 25, 2020 OPEN AND CLOSED MINUTES.**

Moved:	Commissioner Gianforte
Second:	Commissioner Flancbaum
Vote:	Unanimous

**CORRESPONDENCE:** None

**REPORTS:**

**EXECUTIVE DIRECTOR'S REPORT:** Monthly report submitted to Executive Committee including monthly Fast-track Accident Frequency, Fast-track financial report, Claim Activity Report, Claims Management Exception Report, Interest Rate Summary Comparison, Monthly Loss Ratio by fund year and line of coverage and Monthly and Annual Regulatory Checklist. Executive Director said through January 31<sup>st</sup> the Financial Fast Track stands at \$8.3 million up \$58,000 from year end. Executive Director noted a new line item in the Financial Fast Track. It is a payable to the Residual Claims Fund. The Risk Management Plan for the MEL and RCF now includes a requirement that its surplus is at least 12.5% of its reserves, included Incurred But Not Reported/Reserved (IBNR). As of December 31, 2019, the RCF issued an additional assessment to the local JIFs to maintain that surplus. Executive Director said this action replaces the prior practice of strengthening INBR on the valuation when Fund year is transferred to the RCF.

In response to Commissioner Gianforte, Executive Director said the Fund is not expecting any credits or refunds back due to lower usage of vehicles as many commercial auto carriers are doing for passenger vehicles. If there is a reduction in usage that leads to a reduction in claims experience, it becomes surplus. In response to Commissioner Gianforte, Underwriting Manager Jon Ziman said if trucks are still on the road the expectation of receiving a discount are not good, but Mr. Ziman said he will check with the carrier. The MEL Underwriting Manager Edward Cooney said in regards to the Workers Comp, Public Officials and Cyber lines of coverage on those lines they have not heard of any reductions in exposure basis.

In response to Commissioner Bigler, MEL Underwriting Manager said the standard claims process should be followed for anyone that believes they contracted the virus at work; they will have to be able to demonstrate there only exposure was at work, unless they are a public safety worker. Recent change in law provides a presumption of work related exposure. Public entities have strong immunities against any third-party actions. Jon Ziman, said it is kind of early to determine where this will hit the liability and in New Jersey general liability does cover third parties, if it is denied under workers comp then it would go their health insurance so at this point we haven't seen it hitting the general liability yet. Brian Maitland of the Safety Director's office said a Safety Bulletin is going out in regards to safely returning to work in regards to Covid-19.

**COVID 19:** Executive Director distributed copies of the notices issued by the MEL advising members on a MEL special committee formed to resolve matters related to coronavirus, workers' compensation claims related to coronavirus and member municipal bond issuance. Executive Director said the MEL has put together a subcommittee and hired an outside workers' compensation attorney that is very familiar with this JIF to assist in reviewing and how to handle the COVID-19 claims.

The MEL's Safety Director has been posting informative materials and links concerning COVID 19 to the MEL webpage [www.njmel.org](http://www.njmel.org)

**MEL's Joint Cash Management Investment Program:** After several years of legislative initiatives, the MEL established a Joint Cash Management and Investment (JCMI) pool. This program permits the JCMI to participate in the purchase of debt securities issued by highly rated municipalities.

The Residual Claims Fund and the Environmental Joint Insurance Fund executed agreements to participate at their March 27th meetings. At this time, the JCMI is also extending invitations to local affiliated Joint Insurance Funds. Executive Director submitted a Q&A prepared by the JCMI Operations Committee.

Resolution 19-20 distributed that would authorize the NJUA JIF to participation in the program. At the NJUA JIF's reorganization meeting, the Fund extended its contract with Wilmington Trust as Asset Manager on a month-to-month basis. If the JIF decides to join the JCMI, a notice will be issued to Wilmington Trust. It is the intent of the JCMI to stagger the addition of Joint Insurance Funds into the program.

**Motion to adopt Resolution 19-20 to authorize New Jersey Utility Authorities JIF's participation in the Municipal Excess Liability Fund Joint Cash Management and Investment Program (JCMI)**

Moved:	Commissioner Gianforte
Second:	Commissioner Horn
Roll Call Vote:	7 Ayes, 0 Nays

The application that must be completed and submitted to the JCMI for membership.

**MEL, RCF, EJIF March 27, 2020 Meetings:** Due to the current public health emergency, the MEL decided to forego the annual reporting of MEL sub-committees; however, each fund held their respective meetings via teleconference. Copies of Commissioners Bigler and Rutkowski's reports of the meetings were submitted for information.

**Second Installment Billings:** The Fund office emailed the second installment billing statements last week. The second installment due date is May 31, 2020.

Many of the other JIFs affiliated with the MEL adopted a quarterly payment process a number of years ago with due dates of January 31<sup>st</sup> (for final quarter of prior year plus first quarter of current year), March 31<sup>st</sup> and July 31<sup>st</sup>. Executive Director submitted an example of the billing for discussion purposes. The Fund office has found that it works more effectively when issuing elected/appointed seminar credits. In response to Executive Director, Commissioners said they did not expect any cash flow issues for member authorities due to the pandemic. Executive Director suggested the billing procedures be added to the Finance Committee's next meeting. Commissioner Gianforte agreed this matter should be discussed at the next Finance Committee meeting. Commissioner Gianforte said the indication that has been received is that there has been no drop in revenue for water or waste water authorities.

**2020 MEL & MR HIF Educational Seminar** – The 10th annual seminar scheduled for Friday, May 1, 2020 has been postponed and will be rescheduled at a later date.

**Online Elected Officials Training:** Every year, the MEL holds training seminars for elected officials and reduces a member's assessment by \$250 for each elected/appointed official and chief operating officer completing the course by May 1<sup>st</sup>. This course is available on-line; instructions on how to access the course is enclosed for your review. This year's Elected

Officials Training will focus on Preventing Child Abuse and Protecting Public Entities from the liability imposed by new legislation concerning sexual molestation.

**Employment Practices Training:** another copy of memorandum outlining this year's Employment Practices Liability Program, including manual/handbook updates and training requirements distributed. The MEL contracted with a law firm to conduct a comprehensive review of the model personnel manual/handbook. As a result, the compliance deadline for all elements of the compliance program have been pushed back to June of 2021. Executive Director said had planned on rolling out Managers and Supervisor training during this time frame but due to the current situation, this training has been delayed. that will have to be pushed back until we are able to hold more than 10 person meetings.

**League Magazine** - The latest in the series of "Power of Collaboration" ads in the LOM publication highlights the benefits of online training.

**2020 Financial Disclosures** - The Division of Local Government Services distributed a notice that online filings could begin on Monday March 30<sup>th</sup> for JIF Commissioners, as well as, any other municipal related positions that require filing. Emails were sent to Fund Commissioners and Professionals; please note the deadline to file is April 30<sup>th</sup> and the Local Finance Board has issued violations in the past for not filing. Executive Director said at this time we are not aware of an extension of the due date.

**TREASURER:**

**VOUCHER PAYMENTS (BILL LIST)**

Closed	\$ 14,857.00
2018	\$ 32,904.68
2019	\$ 32,842.00
2020	\$ 678,655.96

**SUPPLEMENTAL BILLS LIST**

2020	\$ 84,668.50
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**CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF MARCH 2020:**

Closed:	\$ .00
2016:	\$ 26,689.07
2017:	\$ 10,029.79
2018	\$ 37,234.94
2019	\$ 89,941.20
2020	\$ 27,308.33
Total:	\$ 191,203.33

**MOTION TO APPROVE APRIL BILLS LIST, SUPPLEMENTAL BILLS LIST, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF MARCH 2020 CLAIMS AND ACCEPT TREASURER'S REPORT:**

Moved: Commissioner Gianforte  
Second: Commissioner Bigler  
Roll Call Vote: 7 Ayes, 0 Nays

Treasurer's Report Attached & Made Part of Minutes.

**ATTORNEY:** None

**MANAGED CARE:**

**MONTHLY REPORT:** Report submitted and reviewed by Ms. Setzer QualCare. Ms. Setzer said as of this date they received three call in related to Covid-19 stating they all tested positive, two were confirmed it was probably not work related and one is still pending determination. Ms. Setzer discussed the Tele Doc process.

Report Made Part of the Minutes.

**SAFETY DIRECTOR:**

**MONTHLY REPORT:** Monthly report submitted and reviewed by Safety Director Brian Maitland. Mr. Maitland said currently all visits have been suspended but the Safety Director is available by phone, email, Zoom meetings or participation in your safety meetings. The MEL webpage has a whole Covid-19 section. MSI trainings have been discontinued until the middle of May and that will probably be extended. Trainings are still available on-line and we are currently testing trainings through Netflix.

Report Made Part of Minutes.

**CLAIMS:** Report in Executive Session.

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS**

Moved: Commissioner Gianforte  
Second: Commissioner Flancbaum  
Roll Call Vote: 7 Ayes, 0 Nays

**OLD BUSINESS: NONE**

**NEW BUSINESS: NONE**

**PUBLIC COMMENT:** Executive Director asked everyone that attended the meeting via Zoom or phone to email Karen Read to confirm attendance.

**MOTION TO ADJOURN:**

Moved:	Commissioner Gianforte
Second:	Commissioner Horn
Vote:	Unanimous

**MEETING ADJOURNED: 11:28 am**  
**NEXT REGULAR MEETING: May 27, 2020**  
Karen A. Read, Assisting Secretary

For  
Bernard Rutkowski, SECRETARY  
**Date Prepared: - May 13, 2020**