

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
OCTOBER 28, 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	Absent

EXECUTIVE COMMITTEE ALTERNATES:

Jill Plesnarski, Alt#1	Readington-Lebanon SA	Present
Gary Vaccaro, Alt #2	Brick MUA	Present
Bernard Bujak, Alt#3	South Monmouth Regl. SA	Present
Brad Rosenthal Alt#4	Cape May County MUA	Present

APPOINTED OFFICIALS PRESENT:

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

FUND COMMISSIONERS AND ALTERNATES PRESENT:

James Diaz, Jackson Township MUA
Natalie Chesko, Township of Ocean SA
Debbie Corson, Pine Hill MUA

ALSO PRESENT:

Michael Avalone, Conner Strong & Buckelew
Chuck Casagrande, Danskin Insurance
John Casagrande, Danskin Insurance
Alison Kelly, Danskin Insurance
Dominic Cinelli, Brown & Brown
Amy Pieroni, Reliance Insurance
Lindsay Travali, Reliance Insurance
Donna Waters, Sloan Insurance
Jennifer Olsen, Hardenbergh Insurance
Kathy Young, Alamo Insurance
Jennifer Conicella, PERMA
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: September 23, 2020 Open Minutes.

MOTION TO APPROVE SEPTEMBER 23, 2020 OPEN AND CLOSED MINUTES.

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

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 reported through August 31st the Financial Fast Track shows the statutory surplus stands at \$3.9 million compared to \$3.8 million at year-end. All Fund Years are in a positive position except for Fund Year 2020 - which can be typical for current year. The Lost Time Accident Frequency reports stands at 1.61 through August 31st, this time last year it was 1.82 as good as this number is, it is the highest number of the members of MEL JIFs that are monitored. Covid related claims have removed from the JIF-All lost time report since these types of claims are not what the Funds would generally measure in this report; Executive Director said EPL Compliance identifies deductibles and co-insurance amounts by member; members must update their programs by June 1, 2021 in order to maintain these deductibles.

2021 Budget: The main business of this month's meeting is the introduction of the 2021 budget. The Finance Committee met on October 9th via Zoom to review the draft budget which is enclosed in **Appendix II** along with the minutes of the meeting.

Executive Director reviewed the budget, and said lines one through four are determined by the Actuary. The Actuary has come back with favorable loss funds since the JIF has been adequately funding the retention. Lines 10 through 17 of the Budget is what the JIF pays to the excess carriers. Executive Director said Property - Line 10 is what is driving the budget and the Underwriting Manager suggested the JIF increase its rates by at least 10%, but we did not reflect that in this budget which is addressed further down in the budget. Executive Director said the other item that is impacting the budget is the POL EPL, which insured by QBE. The overall program is looking at a 2.2% increase that is divided among MEL affiliated JIFs, based on loss experience. The impact to the NJUA is about 3% but the Fund is looking at 21% because of the cyber liability coverage which is included in this line item. The cost for Cyber is expected to double based on the fact that claims are significantly outpacing premiums. Both JIF and MEL Underwriting Managers are still out to market for these coverages so these numbers are estimates until a quote is finalized.

Since members budgets will likely be impacted by Covid 19, the Finance Committee recommended adopting a budget based on a 2% increase. If final excess negotiations exceed budget, the Fund can transfer money from the Closed Years Surplus. To accommodate this step, the Finance Committee recommended limiting the dividend release to \$800,000. The Coverage Committee will also look at the cost if the MEL increased its retention so the Fund would attach to the excess liability carrier at \$2,000,000 rather than \$1,000,000. Executive Director said this will be reviewed between now and the end of the year. Committee Chairman Gianforte said the Finance Committee would be ready to answer any questions put forth from the membership.

Motion to introduce the 2021 budget totaling \$12,023,432 as presented and to schedule a public hearing on Tuesday, November 17, 2020 at 10:30 AM via Zoom.

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

Dividend – The Finance Committee reviewed the Fund's available dividend at its meeting. Enclosed with the budget is a copy of the available dividend calculations. Committee recommends a dividend in the amount of \$800,000. Resolution 29-20 is included in the agenda.

Motion to adopt Resolution 29-20 authorizing the release of a dividend in the amount of \$800,000.

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

Remote Public Meetings: The Division of Local Government Services issued Local Finance Notice LFN2021-21 regarding holding remote public meetings during a declared emergency. The MEL Fund Attorney has prepared a draft which has been distributed to Management Committee for review.

MEL Report: The MEL met on October 21, 2020 via Zoom; enclosed is a copy of Commissioner Rutkowski's report. Commissioner Rutkowski noted the report had Brian Bigler as Fund Commissioner and it should have reflected Bernie Rutkowski. Commissioner Rutkowski reminded members of the Employment Practices Model Policies and Procedures webinar on Thursday, October 29th.

Residual Claims Fund (RCF) Report: The RCF met on October 21, 2020 via Zoom; a copy of Commissioner Bigler's report is enclosed. The RCF's 2021 Budget was introduced and a public hearing was held on October 21, 2020 at 10:50 a.m.

RCF Board voted to accept the transfer of Fund Year 2016 outstanding liabilities of local member JIFs, valued as of December 31, 2020. Executive Director discussed the transfer and said a motion would be in order authorizing the transfer.

Motion to adopt Resolution 30-20 authorizing the transfer of Fund Year 2016 valued as of December 31, 2020.

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

EJIF Report: The EJIF met on October 21, 2020 via Zoom; enclosed is a copy of Commissioner Rutkowski's report.

2020 Fiscal Management Plan Amendment: The Fund Office has been notified that Ms. Janet Buggle has retired from Qual-Lynx. Ms. Buggle is an authorized signer on the Qual-Lynx claims accounts therefore she should be removed. Investors Bank has requested a revised Resolution to remove her as a signatory.

Motion to adopt Resolution 31-20 amending the New Jersey Utility Authorities Joint Insurance Fund 2020 Fiscal Management Plan

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

Requests for Qualifications: As authorized in July, we have advertised and released RFQs, due in the Fund office on September 10th. Enclosed is a summary of responses received. Responses and evaluation forms will be distributed to Executive Committee. On September 4th we advertised Professional Services RFPs for the Fund Attorney and Defense Panel. Enclosed is a summary of those responses. Executive Director said the NJUAJIF did receive a response other

than the incumbent for Managed Care. The name of the company was Innovative Claims Administration. Robyn Walcoff and Jen Conicella from Perma contacted them several times to complete the repricing process to see the strength of their network. The firm was unresponsive to the NJUA request as well as other JIFs for which they submitted a proposal. Executive Director said given that the NJUA JIF should be ready to move forward and evaluate the responses even though there is not competition it is required to score them. Each member of the Executive Committee will be part of the scoring process. Executive Director said the scoring process could be done at the November Claims Review meeting.

Employment Practices Program - A webinar has been scheduled for October 29th at 2:00 PM to provide guidance to members' counsel and administrators on the new Personnel Manual and Employee Handbook. Memorandum also summarizes the various training elements of the Employment Practices Compliance Program. Enclosed is a copy of the notice emailed to all members on October 13, 2020. Executive Director said Managers and Supervisors training should take place every two years. The due date has been extended to June 1, 2021. This year, there is a new requirement that everyone is trained on Protecting Our Children From Abuse even if you do not have children coming through the authority. JA Montgomery is doing instructor led webinars. Notices are being sent and the information is also available on the Learning Management System and they will continue through 2021 so that everyone can meet their EPL Compliance.

2021 Membership Renewals: Membership documents were sent out following the July meeting. Attached is a list of members scheduled to renew fund membership by January 1, 2021. To date 29 of the 35 members submitted their documents to renew with the fund. Renewals were due back in the fund office by October 1, 2020. Fund office is following up with members yet to submit their documents.

Cyber Security Challenges and Covid 19: Attached is a copy of article published in the League of Municipalities Magazine, written by Ed Cooney, MEL's Underwriting Manager and Michael Geraghty, CISO for the State of New Jersey and Director of NJCCIC.

November JIF Meeting: The NJUA scheduled their November meeting at the League of Municipalities on November 17th at 2:00 PM. Since the League has been cancelled the next JIF Meeting is scheduled for November 17, 2020 at 10:30 AM via Zoom. To participate dial 1-929-205-6099 enter Meeting ID: 91720689373 followed by the passcode: 5402297784.

2020/2021 Elected Officials Seminar: The MEL's Annual Elected Officials Seminar will be included in the League of Municipalities Virtual Conference. The program has already been filmed. Executive Director said the program will be put on the learning management system as well.

TREASURER:

VOUCHER PAYMENTS (BILL LIST)

2018	\$ 3,872.29
2019	\$ 3,945.00
2020	\$ 128,622.27

CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF AUGUST 2020:

Closed:	\$.00
2016:	\$	10,436.73
2017:	\$	7,560.75
2018	\$	10,933.93
2019	\$	50,668.95
2020	\$	73,004.21
Total:	\$	152,604.57

MOTION TO APPROVE OCTOBER BILLS LIST, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF AUGUST 2020 CLAIMS AND ACCEPT TREASURER'S REPORT:

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

Treasurer's Report Attached & Made Part of Minutes.

ATTORNEY: None

UNDERWRITING MANAGER: Underwriting Manager Jon Ziman discussed the State of the Market paper issued by a large wholesaler. The paper gives an indication of what is driving cost increases on all the different lines of coverages. If member have questions they can reach out to Mr. Ziman directly.

MANAGED CARE:

MONTHLY REPORT: Report submitted and reviewed by Ms. Setzer QualCare.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Monthly report submitted and reviewed by Safety Director Brian Maitland. Mr. Maitland said topic at the December Executive Safety Committee Meeting is the Environmental update. MSI Now with streaming videos and the MEL Medial Library usage reports were included in the Safety Director's report.

Report Made Part of Minutes.

CLAIMS:

Chairman Pestana said the claims were reviewed by the Executive Committee earlier this morning a motion to approve the PARs would be in order.

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: NONE

MOTION TO ADJOURN:

Moved:	Commissioner Gianforte
Second:	Commissioner Horn
Vote:	Unanimous

MEETING ADJOURNED: 11:14 am
NEXT REGULAR MEETING: November 17, 2020
Karen A. Read, Assisting Secretary
For
Bernard Rutkowski, SECRETARY
Date Prepared: - November 4, 2020