

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
SEPTEMBER 23, 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. Matthew Thompson
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:

Elaine Super, Egg Harbor Township MUA
James Diaz, Jackson Township MUA
Marlene DiMarco, Deptford Twp MUA
Jeffrey Williams, Linden Roselle Sewerage Authority
Debbie Corson, Pine Hill MUA

ALSO PRESENT:

Michael Avalone, Conner Strong & Buckelew
Katherine Walters, 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
Craig Josephson, David M Hundertmark Agency Inc.
Jennifer Conicella, PERMA
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management
Brandon Tracy, PERMA Risk Management

APPROVAL OF MINUTES: August 26, 2020 Open Minutes.

MOTION TO APPROVE AUGUST 26, 2020 OPEN AND CLOSED MINUTES.

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

CORRESPONDENCE: Executive Director reported Western Monmouth Utility Authority submitted a letter indicating that they will consider options for their renewal and they will be removed from budget when it is introduced. At this point, they will stand on their own but the JIF will ultimately provide Western Monmouth with a quote. During the budget process the JIF cannot count any of the expenses for a member considering options, but would charge them proportionately in their quote.

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 July 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 1.5 through July 31st, this time last year it was 2.04 which is a low number. 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. Executive Director said once regulations on virtual meetings is adopted by the state, the JIF will need to adopt its policy.

MEL Report: The MEL met on September 2, 2020 via Zoom; enclosed is a copy of Commissioner Rutkowski's report. Executive Director highlighted the MEL's Joint Cash Management Investment Program, (JCMI), which the NJUA JIF Treasurer has already started the process of participating in from the start. The JCMI quickly formed and was able take advantage of some investment opportunities. If they had continued investing in our limited abilities prior, the MEL would have earned \$200,000 in earnings ultimately but by being able to capitalize on some bond issues of member towns the JCMI was actually able to earn \$1.45 million during that time period and at the same time bringing down the bidding costs for members. This has saved towns about \$180,000 and capitalized on a short term issues in the market for municipalities.

Executive Director discussed management of the MSI by JA Montgomery. Since JA Montgomery could not provide in person classroom training they had to rethink the process of how they were going to meet training needs. As a result, their contract was per class and priced out on the how they used to deliver the training. JA Montgomery had to make some modifications to contract arrangements to accommodate the time spent in developing the new process as well as having a new rate for webinars. As a result of those changes, at the end of the year, JA Montgomery does expect to have trained more employees and more classes than they would have otherwise. The webinars worked very well and will be a continued method of delivery going forward but they will still provide classroom training.

Residual Claims Fund (RCF) Report: The RCF met on September 2, 2020 via Zoom; a copy of Commissioner Bigler's report is enclosed. The RCF's 2019 budget amendment was adopted, reflecting the transfer of local JIFs' Fund year 2015. The RCF's 2021 Budget was introduced and a public hearing will be held on October 21, 2020 at 10:50 a.m. Executive Director said the RCF adopted an administrative budget at the beginning of the year. This year the RCF transferred fund year 2015 and will make a \$10 million dollar budget amendment or probably much larger than that at this point because the RCF will take in the open claims from all the Joint Insurance Funds. The budget was introduced, and there will be a public hearing in October.

EJIF Report: The EJIF met on September 2, 2020 via Zoom; enclosed is a copy of Commissioner Rutkowski's report. The EJIF's 2021 Budget was introduced and a public hearing will be held on October 21, 2020 at 10:50 a.m. Commissioner Rutkowski said the EJIF was successful in recovering close to \$980,000 from a claim back in 2006. The EJIF approved a 2020 dividend in the amount of \$2.5 million. Executive Director said Pollution claims, take a lot longer to close, but they all have to be closed before they can go to the carrier for recovery so this why the EJIF is now receiving a recovery for a claim from 2006 year almost 14 years ago.

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. Beginning with Fund Year 2018, the Board entered into three-year agreements with all fund Professionals except Attorneys.

Executive Director said the NJUA JIF received multiple responses for Managed Care. The best way to evaluate the responses for managed care is to complete a "market basket"; this process provides responders with actual NJUA and MEL provider billings for responders to reprice. This measures the strength of their network savings. Once the process is complete the Executive Committee will go over all of the RFQs and individually score them.

We are in the process of advertising for Professional Services RFPs for the Fund Attorney and Defense Panel. Executive Director said the NJUA JIF has a one-year contract with the attorneys and multiple year contracts for every other position.

Risk Management Information/Operating System (RMIS): Members and Risk Managers received an email with a link to renewal worksheets – to begin the 2020 underwriting renewal during the month of July; members should have complete the process by September 15th.

EPL Compliance Program: The MEL approved the revised Personnel Manuals and Employee Handbooks at their June 3rd meeting. We have uploaded the revised documents to the MEL's webpage njmel.org. Attached is another copy of the announcement that was emailed to all members and Risk Management Consultants. The deadline for members to update their EPL Compliance Program is June 1, 2021.

Executive Director said members should take look at the MEL's webpage, because the updates are much different from the past. The MEL decided to actually engage a firm to look at our whole process and they have made changes to the policies – creating an Employee Handbook separate and distinct from the Personnel Manual. Best practices are that supervisors need a little bit more detail than the employees do. There is a letter in the agenda identifying policies that were removed, combined, or referred to in other ways. This represents the big change and is why the deadline was extended to June 1, 2021. The MEL's Fund Attorney is going to schedule a webinar to explain the changes and answer any questions. The webinar will be open to Executive Directors and authority attorneys.

J.A. Montgomery has been scheduling a series of webinars titled “Protecting Our Children from Abuse – For Managers and Supervisor. This 2-hour webinar meets the MEL’s EPL Compliance Program requirement for Managers & Supervisors Training. Filming for the video for non-supervisory training has begun and is expected to be available in the MSI’s Learning Management System by the end of the year. Executive Director said this would also satisfy the managers and supervisors training. Members are encouraged to take this training using the JA Montgomery version. Brian Maitland said there will be two night sessions for this training on October 14th and 20th that will start at 6:00 pm. Executive Director said the Protecting Your Children for non-supervisory has been up on the MEL webpage and instructions were sent out a while ago.

2021 Membership Renewals: Membership documents were sent out following the July meeting. Enclosed in the agenda is a list of members scheduled to renew fund membership by January 1, 2021. To date seventeen of the thirty-five members submitted their documents to renew with the fund. Renewals are due back in the fund office by October 1, 2020. Executive Director said the JIF has received about four more renewals since this agenda was distributed.

Finance Committee: We are in the process of scheduling a Finance Committee meeting for mid-October to review the 2021 budget, and discuss the next steps regarding cyber security for the NJUA JIF. Finance Committee members are: Michael Gianforte, Chair; Frank Pestana, Brian Bigler, Bernard Bujak and Bernie Rutkowski.

November 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 it will be necessary to change the date, time and location of the meeting. Commissioner Gianforte recommended to keep the meeting on Tuesday, November 17th at the normal start time of 10:30 am.

MOTION TO APPROVE NOVEMBER MEETING CHANGE

Moved:	Commissioner Gianforte
Second:	Commissioner Bigler
Vote:	Unanimous

TREASURER:

VOUCHER PAYMENTS (BILL LIST)

2018	\$ 1,288.64
2020	\$ 128,961.85

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

Closed:	\$.00
2016:	\$ 10,643.67
2017:	\$ 7,560.75
2018	\$ 10,933.93
2019	\$ 50,668.95

2020	\$ 73,004.21
Total:	\$ 152,604.57

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

Moved:	Commissioner Bigler
Second:	Commissioner Gianforte
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.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Monthly report submitted and reviewed by Safety Director Brian Maitland. Mr. Maitland said on October 9th we have NJCIC providing training on the current state of cyber crime and registration has been sent out to members. Safety Meetings for the year will be held via Zoom.

Safety Director said on a positive note JA Montgomery launched MSI Now last month which is safety video trainings that are on demand through the Safety Institute with over 130 videos that can be viewed. In person training has been cancelled until further notice and continue with webinars through 2021. If any member needs confined space training please reach out to the Safety Director's office.

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: 11:11 am

NEXT REGULAR MEETING: October 28, 2020

Karen A. Read, Assisting Secretary

For

Bernard Rutkowski, SECRETARY

Date Prepared: - October 15, 2020