

**CENTRAL JERSEY JOINT INSURANCE FUND
MEETING MINUTES**

April 20, 2022

ZOOM CONFERENCE CALL

**MEETING OF THE EXECUTIVE COMMITTEE CALLED TO ORDER AT 2:00 P.M.
OPEN PUBLIC MEETING STATEMENT READ INTO RECORD**

ROLL CALL OF 2022 EXECUTIVE COMMITTEE:

William Northgrave	Township of Edison	Present
Daniel Frankel	Borough of Sayreville	Present
Nancy Costa	Township of Hillsborough	Present
Timothy Dacey	Piscataway	Present
Robert Vornlocker	Township of Franklin	Present
Michael Gross	City of South Amboy	Present
Marcia Karrow	Borough of Middlesex	Present

EXECUTIVE COMMITTEE ALTERNATES:

Joseph Criscuolo	Township of East Brunswick	Present
Casey Wagner	Township of Woodbridge	Present
William Robins	Borough of Dunellen	Present
Melissa Perilstein	Borough of Metuchen	Absent
Bryan Bidlack	Township of South Brunswick	Present
Edward Kirschenbaum	Borough of Belmar	Absent
Christina Fischer	Borough of South Bound Brook	Present

ALTERNATE FUND COMMISSIONERS:

Sonia Alves-Viverios	Township of Edison	Absent
Charles Vanderlinde	Borough of Belmar	Present
Rick Tactay	Borough of Belmar	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Administrator PERMA Risk Management Services
Joseph Hrubash, Bradford Stokes, Brandon Tracy

Attorney Bob, Smith & Associates
Jeremy Solomon, Esq.

Auditor PFK O'Connor Davies, LLP
Dana Montanelli, Mike Andriola

Treasurer **Richard Lorentzen**

Claims Service Qual-Lynx
Tony Jones, Caty Lambe

Claims Service PERMA Claims
Robyn Walcoff, Jennifer Conicella

Safety Director/Law Enforcement J.A. Montgomery Risk Control
Paul Shives, Don Ruprecht, Mike Brosnan

Managed Care Provider Qual Care
Donna Setzer

ALSO PRESENT:

Jane Leal, Metuchen Parking Authority Fund Commissioner
Raven Williams, Township of Franklin
Amy Pieroni, North American Insurance Management
Patti Fahy, North American Insurance Management
Lindsay Travali, North American Insurance Management
Michael Avalone, Conner Strong & Buckelew
Dominic Cinelli, Brown & Brown
Jasmine Brascom, Alamo Insurance Group, Inc.

MINUTES: March 16, 2022 Open Minutes

MOTION TO APPROVE MINUTES FOR MARCH 16, 2022

Moved: Commissioner Gross
Second: Commissioner Costa
Vote: Unanimous

CORRESPONDENCE: None

EXECUTIVE DIRECTOR'S REPORT

CYBER LIABILITY UPDATE:

CYBER TRAINING D2: Included in the agenda was the monthly status report from D2, recapping members’ participation and training to date. Executive Director said there are a few members who are behind on their training.

CENTRAL JERSEY JIF CYBER TASK FORCE: The Cyber Task Force met on March 30th to discuss the initiative on the Budget CAP exemption, minimum standards compliance review, the MEL Cyber JIF initiative, and review of Cyber Claims in the Fund and MEL layer. We will be scheduling an additional meeting later in the year to discuss any updates. Commissioner Wagner said he has been involved in getting the Budget Cap amendment passed as it would be beneficial to municipalities and members.

MEL CYBER LIABILITY JIF: Executive Director said as discussed last month, a committee was formed at the MEL’s 2022 Reorganization meeting to research the creation of a special JIF to insure cyber liability. The committee met a few times to review progressive goals and discuss implementation measures to meet the target start-up date of January 1, 2023.

Executive Director said regulations require that any new JIF initial application be accompanied by at least two resolutions from two local units noting their intent to join. Included in the agenda was a resolution evidencing the Central Jersey JIF’s intent to join the New Jersey Cyber Risk Management Fund. The Executive Committee agreed to show their intent on joint the Fund.

MOTION TO ADOPT RESOLUTION 21-22 EVIDENCING THE CENTRAL JERSEY JIF’S INTENT TO JOIN THE NEW JERSEY CYBER RISK MANAGEMENT FUND ON JANUARY 1, 2023 FOR CYBER RISK COVERAGE.

Moved: Commissioner Dacey
Second: Commissioner Criscuolo
Vote: 13 Ayes – 0 Nays

MEL AND RCF 2021 FINANCIALS: Executive Director said the MEL and RCF are in the process of finalizing their year-end financials. In February 2021, the Department of Labor changed the rules concerning coordinating workers' compensation with the pension system on accidental disability pensions. This change cost the MEL approximately \$13 million. The 2021 COVID workers compensation claims will also cost the MEL an additional \$8 million in claims and associated IBNR. The MEL also experienced its second most expensive hurricane (Ida) that will cost an estimated \$8 million against its property claim budget of \$4 million. As a result, the MEL and RCF JIFs will need to do a surplus strengthening. Included in the agenda was the memorandum outlining the surplus strengthening strategy of the MEL and RCF JIFs and how it will affect the Fund, which the Executive Director provided additional detail. The memo was also distributed separately to Fund Commissioners.

Executive Director said the total additional cost to the Central JIF will be around \$2.2 million, but the additional cost will not result in supplemental assessments to our membership, affect the Fund Budget or the member's budget. However, the additional cost will reduce the 12/31/21 year-end surplus by \$2.2 million. Chairman Northgrave complemented the Executive Director and his team for their work as the surplus was created for emergencies such as this.

RESOLUTION TO AMEND BUDGET CAP LAW: Executive Director said current regulations state that a municipality should limit any increase to its levy to 2% and limit any increase to appropriations to 2.5%, whatever is less over last year's final budget. Municipalities will face difficulties in meeting the budget cap due to incurred workers' compensation claims due to COVID-19, changes to the pension offset and a recent amendment to the sexual molestation statute of limitation.

These factors plus other costs to municipalities will not allow budgets to be capped at the current 2%. Executive Director added the Cyber Task Force has been voicing their concern at the State level. Included in the agenda was a template resolution urging our members to adopt and submit to their legislative agent. In response to Commissioner Criscuolo, Executive Director asked the Executive Committee to approve the resolution and then have members present it at their next Board meeting. The Executive Committee agreed.

MOTION TO ADOPT RESOLUTION 22-22 EVIDENCING THE CENTRAL JERSEY JIF'S INTENT TO JOIN THE NEW JERSEY CYBER RISK MANAGEMENT FUND ON JANUARY 1, 2023 FOR CYBER RISK COVERAGE

Moved:	Commissioner Dacey
Second:	Commissioner Criscuolo
Vote:	13 Ayes – 0 Nays

2022 MEL/RCF/EJIF MARCH 25TH MEETING & RETREAT: The MEL, RCF and EJIF held their March meetings in conjunction with the MEL Annual Retreat. The purpose of the retreat was to provide the sub-committees of the MEL an expanded opportunity to report directly to the Boards of the MEL, RCF and EJIF. Included in the agenda was a copy of Chairman Northgrave's report on the meetings. Executive Director said the Sub-Committees agreed they would like to see more participation from Fund Commissioners not on the committees as they could find the retreat beneficial.

2022 MEL, MR HIF & NJCE JIF EDUCATIONAL SEMINAR: The 11th annual seminar will be conducted virtually on two half-day sessions: Friday, April 29th and Friday, May 6th from 9AM to 12PM. The seminar qualifies for Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents.

There is no fee for employees, insurance producers, as well as personnel who work for services companies associated with the Municipal Excess Liability Joint Insurance Fund (MEL JIF), Municipal Reinsurance Health Insurance Fund (MR HIF) and New Jersey Counties Excess Joint Insurance Fund (NJCE JIF). Included in the agenda was the latest in a series of Power of Collaboration advertisement to be published in the League of Municipalities magazine that highlights the educational seminar. Executive Director, said Jacquelyn Suarez, the Division of Local Government Services, will be presenting on Friday April 29th.

2022 PRIMA CONFERENCE: The JIF has authorized attendance of Board Members at the annual risk management conference for the purpose of attending seminars. The 2022 PRIMA Annual Conference will take place June 5th through June 8th in San Antonio, Texas. Executive Director said to review all information regarding the 2022 PRIMA Conference including registration, please visit the website – <https://conference.primacentral.org/> . Please contact the Fund Office if you are interested in attending. Executive Director said a resolution authorizing Travel and Related Expenses for Fund Commissioner’s Attendance at the Annual Risk Management Conference was passed at March’s Fund meeting.

2021/2022 ELECTED OFFICIALS SEMINAR: The MEL’s Annual Elected Officials Seminar is available through the MEL Safety Institute. Included in the agenda were directions to follow to complete the course. The Fund office has reached out to all members to see if any would like to have the training in person; several will be conducted.

Executive Director said the MEL will provide a credit of \$250 against each member’s assessment for each municipal elected official and authority commissioner who completes the course by May 1, 2022. The credit will continue to be extended to the member’s municipal manager/administrator or authority executive director.

MEMBERSHIP RENEWALS: Woodbridge Township and Piscataway Township are due to renew their fund membership mid-year on 06/30/2022 and 7/1/2022 respectively. Executive Director said the Fund Office has distributed renewal documents to both members.

SAFETY LUNCHEON: The 2022 Safety Kick-Off Luncheon will be held at noon on June 15th at the Estate at Farrington Lake in East Brunswick. Executive Director said we are in the process of securing a key-note speaker; a save the date email will be sent from the Safety Director’s office and the Funds claims committee and regular monthly meeting will be held the same day prior to the luncheon at the Estate.

2022 FINANCIAL DISCLOSURES: Executive Director said JIF Commissioners can begin the online filing of the Financial Disclosure forms inclusive of any other municipal related positions that require filing. The Division of Local Government Services has released Local Finance Notice 2022-06 containing filing instructions for local government officers. The JIF roster has been updated and emails with filing information have been sent to Fund Commissioners and Professionals. Please note the filing deadline is April 30th and the Local Finance Board has issued violations in the past for not filing.

MAY MEETING: Executive Director reminded members the Fund is scheduled to begin “in person” meetings in May at the YMCA at the Piscataway Community Center in the multi-purpose room located at 520 Hoes Lane Piscataway, NJ 08854.

PRO-FORMA MONITORING REPORTS: Monthly report submitted to Fund Commissioners including Monthly Fast-Track Accident Frequency, Fast-Track Financial report, Claim Activity

Report, Interest Rate Summary Comparison, Monthly Loss Ratio by fund year and line of coverage and the Monthly and Annual Regulatory Checklist. The Executive Director reported the Fund currently has a surplus of \$10.2 million and said the adjustments for the 2021 MEL, RCF Financials will affect the surplus. Executive Director asked if there were any questions, there were none, and concluded his report.

Reports Made Part of Minutes.

TREASURER: The Treasurer presented the Bill’s List and treasurer report. Mr. Lorentzen reported since the inception of the Fund; assessments were due bi-annually, January 1st and July 15th, but due to Covid the July 15th installment was split into two installments in July and October. Since municipalities budgets are returning to normal, Mr Lorentzen suggested to return to the original billing schedule in 2023. The Board agreed to return to the normal billing schedule of two payments in 2023.

RESOLUTION 23-22 APRIL PAYMENTS

Fund Year 2020	\$1,250.00
Fund Year 2021	\$59,623.92
Fund Year 2022	\$2,363,484.39
Total	\$2,424,358.31

MOTION TO ADOPT RESOLUTION 23-22 APRIL BILLS LIST, AS SUBMITTED:

Moved: Commissioner Fischer
 Second: Commissioner Costa
 Roll Call Vote: 13 Ayes - 0 Nays

Voucher Lists, Treasurer Report & Investment Portfolio Reports Made Part of Minutes.

CLAIMS/ MANAGED CARE:

CLAIMS: Claims Manager said included in the agenda was the March workers compensation ratio report showed there were 18% indemnity claims, 82% medical only. There were 17 claims in March.

The subrogation recovery report shows \$24,910.79 recovered for the month of March, and almost \$96,098.07 for the year. The Claims Committee met and reviewed 17 PARs, prior to the JIF meeting, for March.

PAYMENT AUTHORIZATION REQUESTS: Claims Committee reviewed payment authorization requests presented by Claims Service in March. Claims Review Committee reviewed and recommended as submitted.

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS FOR MARCH CLAIMS PRESENTED IN EXECUTIVE SESSION BY QUAL-LYNX:

Moved: Commissioner Criscuolo
 Second: Commissioner Karrow
 Roll Call Vote: 13 Ayes - 0 Nays

MANAGED CARE:

MANAGED CARE: The managed care report for the year reflected 428 bills for the month of March totaling \$706,548.55, \$224,605.63 was paid yielding a savings of \$481,942.92 or 68% with a network penetration of 99%.

UNDERWRITING MANAGER

LIST OF CERTIFICATES ISSUED: There were 15 certificates issued from 2/22/2022 to 3/22/2022.

CYBER COMPLIANCE REPORT – AS OF 3/31/2022: Included in the agenda was the cyber compliance report as of 3/31/22.

List of Certificates made part of the minutes.

MARKETING MANAGER:

MARKETING MANAGER REPORT: The Marketing Manager said we will be scheduling a meeting with Perma and will provide a report in May.

SAFETY DIRECTOR:

SAFETY DIRECTOR REPORT: Safety Director said the report was included in the agenda. The report included a list of loss control visits, meetings, bulletins that went out and the MSI Now/DVD usage for the month of March.

Also included in the report was a link directing members to the schedule of upcoming webinars and classes being offered. Mr. Shives noted Don Ruprecht of J.A. Montgomery conducted a Regional Safety Training course on the new CDL training regulations. It was well attended and received positive feedback.

OLD BUSINESS: None

NEW BUSINESS:

Commissioner Karrow announced this will be her final meeting and is retiring from the Borough of Middlesex. Commissioner Criscuolo congratulated her and wished her well. Executive Director invited Commissioner Karrow to attend the June meeting to officially announce her retirement and celebrate her time serving the Fund.

PUBLIC COMMENT: None

MOTION TO ADJOURN

Moved:	Commissioner Fischer
Second:	Commissioner Karrow
Vote:	Unanimous

Meeting adjournment at 2:40 p.m.

Prepared by Brandon Tracy, Account Manager for

Nancy Costa, Secretary