

**CENTRAL JERSEY JOINT INSURANCE FUND
MEETING MINUTES
October 20, 2021
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 THE 2021 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
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

ALSO PRESENT:

Jeremy Solomon, Bob Smith & Associates
Richard Lorentzen, Treasurer
Donna Setzer, Qual Lynx
Kathy Kissane, Qual Lynx
Tony Jones, Qual Lynx
Amy Pieroni, North American Insurance Management
Lindsay Travali, North American Insurance Management
Patti Fahy, North American Insurance Management
Dominick Cinelli, Brown & Brown
Jasmine Brascom, Alamo Insurance
Paul Shives, JA Montgomery Risk Control
Michael Brosnan, JA Montgomery Risk Control
Don Ruprecht, JA Montgomery Risk Control
Michael Avalone, Conner Strong & Buckelew
Edward Cooney, Conner Strong & Buckelew
Raven Williams, Township of Franklin
Bradford Stokes, Perma
Joseph Hrubash, Perma
Robyn Walcoff, Perma
Rachel Chwastek, Perma

MINUTES: September 15, 2021 Open Minutes

MOTION TO APPROVE OPEN MINUTES FOR SEPTEMBER 15, 2021

Moved: Commissioner Dacey
Second: Commissioner Costa
Vote: 9 Ayes, 0 Nays (2 abstentions – Karrow, Gross)

CORRESPONDENCE: None.

EXECUTIVE DIRECTOR'S REPORT: The Executive Director reported he had three action items for this meeting.

2022 Budget – The Rules and Contracts Committee met last week to review the proposed budget and are recommending the enclosed proposed budget. The Executive Director reported the MEL had its highest budget increase in years at 9.9%, which created a lot of discussion in the local JIFs and presenting budgets that were not near the annual 2% target. The Executive Director advised great news for the Central JIF, as the budget is close to where they have been historically, with a proposed budget increase of 2.77%, which is outstanding considering Covid-19, the Department of Labor Change in how they handle the accidental pension claims and the recent legislation for fire fighter cancer and sexual molestation. The Executive Director reviewed the budget with the Commissioners. There is a new line item, Workers Comp Pension, due to the Department of Labor Change, for \$467,000, that number provided by the actuary. The actuary also provided updated budget number for the Fire Fighter Presumption and SAM, however the Central Fund has been budgeting ahead of that, and as there has not been much activity the Rules and Contracts Committee thought the Fund could support a reduction on that line. The EJIF issued their largest dividend in their history, \$3.1 million, with \$327,000 going to Central and the EJIF budget only increasing 1%. Central's MEL budget is slightly higher than the average at 11.02%. The expenses reflect a 2% cost of living increase. The POL/EPL premium increase is 3.74%, just slightly above the average. The total Central JIF budget increase is 2.77%. The Rules and Contracts Committee had a discussion about the feasibility of taking a higher retention, but felt there wasn't enough cost savings to take on the additional exposure. The Executive Director asked if anyone had any questions and then asked for a motion to introduce the 2022 Central Budget.

Motion to introduce the 2022 budget in the amount of \$17,269,754 and schedule a public hearing at 2:00 pm on Monday, November 15, 2021.

Moved: Commissioner Gross
Second: Commissioner Costa
Vote: 11 Ayes, 0 Nays

2021 Dividend – The Rules and Contracts Committee also reviewed the available dividend calculation and recommended a dividend of \$750,000 from Closed Years accounts. Enclosed was Resolution 30-21 authorizing the release of the dividend. The Executive Director advised the dividend will not apply to new members, as eligibility takes a few years.

Motion to adopt Resolution 30-21 authorizing the release of a dividend in the amount of \$750,000 from Closed Year Accounts, subject to state approval.

Moved: Commissioner Gross
Second: Commissioner Costa
Vote: 11 Ayes, 0 Nays

Executive Committee Meetings – The Committee recommended that Executive Committee meetings be virtual until year end at which time it can be reevaluated. The Commissioners agreed.

Motion to continue meetings in a virtual format until year end at which time it can be reevaluated.

Moved: Commissioner Frankel
Second: Commissioner Vornlocker
Vote: Unanimous

2022 Safety Kickoff Meeting - The Committee recommended that 2022 Safety Kickoff meeting be virtual and scheduled in April timeframe to allow the commissioner's time to reevaluate a virtual versus in person meeting at the January 2022 reorganization meeting.

Cyber Training D2 - The Committee recommended that the Fund Office, Underwriting Manager and Risk Management Consultants work with certain members toward full training compliance. Included in the agenda was the monthly status report from D2, recapping members' participation and training to date. The Executive Director advised there were multiple cyber claims discussed at the MEL meeting and the cost to settle these claims are increasing quickly.

MEL's Cyber Security Requirements – Commissioner Criscuolo suggested the Fund discuss certification of software that meets the MEL's new cyber security requirement. The Executive Director asked Commissioner Criscuolo to lead the discussion.

Commissioner Criscuolo reiterated the Executive Director's comment that the D2 Training needs to be completed. The Fund made the commitment and paid for the training for all members of the staff and it is disheartening to have members under 50%.

Commissioner Criscuolo advised one idea in the cyber security requirements is to work with vendors to get certified. He suggested when we send out the information to vendors that work in many of our towns, processing vouchers or construction permits, it would make sense for them to get pre-certified, instead of every town confirming individually with every firm.

Underwriting Manager Mr. Cooney advised any outside technology vendors, especially the high risk ones, anyone transmitting or managing confidential data, we would want to work with to make sure they are as secure as possible, because they are one of the top three cyber threats. Additionally, it can be a nice addition to these firms to be able to market that they are MEL cyber certified.

The Executive Director asked Mr. Cooney if this was something the Central JIF Cyber Task Force should review or if it should be at the MEL Level.

The Underwriting Manager thought it would be a good test run in the Central JIF with their high risk vendors.

The Executive Director asked Ms. Chwastek to schedule a Cyber Task Force meeting.

The Executive Director advised the MEL has discussed a possible Cyber JIF, similar to the EJIF and that discussion will continue into 2022. Additionally a claim was discussed where the town was completely shut down, not only affecting their day to day operations but their backups and phones as well.

MEL Cyber Task Force - October is Cyber Security Awareness month, the task force distributed the attached memorandum was included in the agenda. This year's overall theme is "Do your Part. #BeCyberSmart.

Membership Renewals: The Central JIF has six members scheduled to renew fund membership; a status report was included in the agenda.

Residual Claims Fund (RCF): The public hearing on the RCF budget was held earlier today. Enclosed in the agenda was a copy of the RCF's 2022 Operating Budget.

Environmental JIF- The public hearing on the E JIF budget was held earlier today. Enclosed in the agenda was copy of the EJIF's 2022 Budget.

MEL - The MEL's 2022 budget introduction was held earlier today. Enclosed in the agenda was a copy of the proposed budget.

Employment Practices Compliance Program: Please visit the MEL webpage to review all the elements of the MEL's EPL Compliance Program; Deadlines for updates and training is November 1, 2021. Please use the following link to view an outline of the MEL program and its model documents:

<https://njmel.org/insurance/public-officials/risk-management-program/>

This year, the Managers & Supervisors Training can be met by attending the Instructor-led webinar: "Protecting Children From Abuse – Managers/Supervisors". This course for Managers includes an Employment Practices component. Attached on Page 10 you will find a copy of a notice distributed to members from J.A. Montgomery on classes scheduled through December.

League Magazine Ad: Attached in the agenda was the latest in the series of "Power of Collaboration" ad that will appear in the November edition of League of Municipalities magazine. The ad highlights the MEL's quick transition to online training during the pandemic and the value provided to its members through high quality accessible training.

November Meeting Date – Due to the League of Municipalities, the meeting date will be Monday, November 15, 2021.

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 advised that concluded his report unless anyone had any questions.

Reports Made Part of Minutes.

TREASURER: The Treasurer, Mr. Richard Lorentzen, presented the Treasurer’s Reports and the Bill’s List.

RESOLUTION 29-21 OCTOBER 2021 VOUCHER PAYMENTS

2020	\$ 21,771.00
2021	\$ 344,759.99

MOTION TO ADOPT RESOLUTION 29-21, APPROVING THE OCTOBER VOUCHER PAYMENT LIST, AS SUBMITTED:

Moved:	Commissioner Criscuolo
Second:	Commissioner Costa
Roll Call Vote:	11 Ayes, 0 Nays

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

CLAIMS/ MANAGED CARE:

CLAIMS – Kathy Kissane advised the workers comp lost time accident ratio report for September was included in the agenda. There were 27 new claims. The subrogation report shows a recovery for September of \$64,393.91, with a year to date amount of \$521,425.02.

Kathy Kissane advised the Claims Committee reviewed the 14 PARs prior to the JIF meeting and recommended approval.

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

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

Moved: Commissioner Gross
Second: Commissioner Frankel
Roll Call Vote: 11 Ayes, 0 Nays

MANAGED CARE:

MANAGED CARE – Donna Setzer reported there were a total of 252 bills, 245 were in network for September totaling \$203,231.88 came in, \$65,516.61 was paid yielding a savings of \$137,715.27 or 68% with a network penetration of 97%. Also included in the agenda were the reports for Top 10 Providers, Savings by Specialty and Top 10 Charges. Ms. Setzer asked if there were any questions and then concluded her report.

UNDERWRITING MANAGER

LIST OF CERTIFICATES ISSUED – The Underwriting Manager advised there were 10 certificates issued from 6/22/2021 to 7/22/2021. Also included was an update on the cyber risk management compliance, including a list of those members grandfathered until January 1, 2022. Mr. Cooney advised frequency and severity of cyber claims are going up and attackers are very good and getting better, so it is very important to get cyber compliant. The Underwriting Manager asked if there were any questions and then concluded his report.

List of Certificates made part of the minutes.

MARKETING MANAGER: Ms. Amy Pieroni advised they are following up with prospects, the deadline to issue their reservation of rights letters was October 1, and a target list should be available in November.

SAFETY DIRECTOR: Paul Shives advised the Safety Director's report was included in the agenda. The report included a list the loss control visits and a list of all the meetings attended during the month of September, as well as the reports, bulletins issued by the Safety Directors Office during that time. Also included is a listing of the MSI Now, the live streaming safety library and the member usage. The report also included a link to the MSI Live, the current virtual webinar system with classes available for the next three months. Mr. Shives advised there are only two more sessions of the Protecting Minors course, one November 10th and December 7th. Mr. Shives asked if there were any questions and then concluded his report.

OLD BUSINESS: NONE

NEW BUSINESS: Commissioner Robins asked if the MEL dinner invitation email could be shared with other Dunellen employees attending the League of Municipalities.

The Executive Director advised the Commissioners can share it.

PUBLIC COMMENT: NONE

MOTION TO ADJOURN

Moved:	Commissioner Vornlocker
Second:	Commissioner Karrow
Vote:	Unanimous

Meeting adjournment at 2:36 p.m.
Prepared by Rachel Chwastek, Assisting Secretary for

Nancy Costa, Secretary