

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
JANUARY 23, 2013
TOMS RIVER MUA
10:30 AM**

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

PLEDGE OF ALLEGIANCE – Chairman Dunn led Commissioners in the Pledge of Allegiance

ROLL CALL OF 2012 EXECUTIVE COMMITTEE:

William Dunn, Chairperson	Mount Holly MUA	
David Johnson, Secreatry	Little Egg Harbor MUA	Present
Brian Bigler	Secaucus MUA	Present
Tammy Fetherman	Lacey MUA	Present
Richard Cranmer	Readington-Lebanon Sewerage Authority	Present
Patrick Parkinson	Township of Middletown Sewerage Authority	Absent
Jerome Cevetello	Manasquan River Reg'l. Sewerage Authority	Present

EXECUTIVE COMMITTEE ALTERNATES:

Michael Gianforte, Alt#1	Two Rivers	Present
Robert Fischer, Alt #2	Bayshore Regional SA	Present
Robert Burner, Alt #3	Cape May County MUA	Present
Frank Pastena, Alt #4	North Bergen MUA	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Adm	Perma Risk Management Cathleen Kiernan
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. Robert Budesa
Claims Service	Qual-Lynx Kathy Kissane
Safety Director	JA Montgomery Risk Control Joanne Hall
Managed Care	QualCare Donna Setzer
Underwriting Manager	Capacity Coverage Jon Ziman
Treasurer	Stuart Neuhof

FUND COMMISSIONERS AND ALTERNATES PRESENT:

Justin Flancbaum, Lakewood MUA
Michael Pucilowski, Washington Township MUA
Bernard Rutkowski, Toms River MUA
Jim Benson, Musconetcong Sewer Authority
Robert Smith, Western Monmouth UA
Michele Nugent, Berkeley Township MUA

ALSO PRESENT:

Michael Avalone, Conner Strong & Buckelew
Jeff Stapleton, Otterstedt Insurance Agency
Robin Racioppi, NAIMC
Patti Fahy, NAIMC
Charles Casagrande, Danskin Insurance Agency, Inc.
Dominic Cinelli, Brown and Brown of New Jersey
Larry Graham, Fairview Insurance
Mary Ann Costabile, Rue Insurance
Ilene Laursen, Conner Strong & Buckelew
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: December 19, 2012 Open & Closed Minutes.

MOTION TO APPROVE December 19, 2012 OPEN & CLOSED MINUTES.

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

CORRESPONDENCE: None

MOTION TO ADJOURN SINE DIE MEETING:

Moved:	Commissioner Johnson
Second:	Commissioner Gianforte
Vote:	Unanimous

Sine Die meeting adjourned - chairs vacated and Executive Director to conduct meeting.

Executive Director said a quorum of the Fund Commissioners was not present. As a result, election conducted using the ballots issued to members following the Nominating Committee's report in December. The fund office received a total of 23 for the full slate. In accordance with Fund bylaws, a quorum is 23.

ELECTION OF 2013 CHAIRPERSON, SECRETARY, 5-MEMBER EXECUTIVE COMMITTEE AND 4 ALTERNATES: The Nominating Committee presented its recommended slate at the December meeting and shortly thereafter ballots were mailed to Fund Commissioners.

David Johnson, Chairman	Little Egg Harbor MUA
Brian Bigler, Secretary	Secaucus MUA
Tammy Fetherman	Lacey MUA
Richard Cranmer	Readington-Lebanon SA
Jerome Cevetello	Manasquan River Regional SA
Michael Gianforte	Two Rivers Water Reclamation Authority
Robert Fischer	Bayshore Regional SA
Alt #1 Robert Burner	Cape May County MUA
Alt #2 Frank Pastena	North Bergen MUA
Alt #3 Reno Wilkins	Plainfield Municipal Utilities Authority

ROLL CALL OF 2013 EXECUTIVE COMMITTEE:

David Johnson, Chairman	Little Egg Harbor MUA	Present
Brian Bigler, Secretary	Secaucus MUA	Present
Tammy Fetherman	Lacey MUA	Present
Richard Cranmer	Readington-Lebanon Sewerage Authority	Present
Jerome Cevetello	Manasquan River Reg'l. Sewerage Authority	Present
Michael Gianforte	Two Rivers Water Reclamation Authority	Present
Robert Fischer	Bayshore Regional SA	Present

EXECUTIVE COMMITTEE ALTERNATES:

Robert Burner, Alt #1	Cape May County MUA	Present
Frank Pastena, Alt #2	North Bergen MUA	Present
Reno Wilkins, Alt #3	Plainfield Municipal Utilities Authority	Present

OATH OF OFFICE: Oath of Office Administered by the Fund Attorney.

REORGANIZATION RESOLUTIONS - Resolution 1-13 and 2-13 submitted to confirm ballots received for Chairperson, Secretary, 5-member Executive Committee and 4 alternates.

MOTION TO ADOPT RESOLUTIONS 1-13 AND 2-13 CERTIFYING THE BALLOTS ELECTING THE 2013 CHAIRPERSON AND SECRETARY AND THE 2013 FIVE-MEMBER EXECUTIVE COMMITTEE AND FOUR ALTERNATES:

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

RESOLUTION 3-13 FUND PROFESSIONAL APPOINTMENTS AND SERVICE ORGANIZATIONS – The board resolved to award professional service agreements in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq. for Fund Year 2013. Requests for Qualifications were advertised in October and reviewed in November. During the budget process, board established fee increases at 1.50%.

Executive Director	Perma Risk Management Services
Attorney	John Sahradnik & Robert Budesca, Esquire
Treasurer	Stuart Neuhof
Actuary	Actuarial Advantage
Auditor	Bud Jones, Nisivoccia LLP
Safety Director	JA Montgomery Risk Control Services
Claims Administrator	Qual-Lynx
Asset Manager	TD Bank
Underwriting Manager	Capacity Coverage Company
Managed Care Provider	Qualcare
Payroll Auditor	NEIS

Executive Director said, as was done in 2012, the appointment of TD Bank Asset Manager is with a 30 day cancellation clause. Executive Director said Unitized Trust is still under review by the state.

MOTION TO APPROVE RESOLUTION 3-13

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

RESOLUTION 4-13 ESTABLISHING A FISCAL MANAGEMENT PLAN: Resolution submitted designating Official Depositories and approving a Cash Management Plan; authorizing Signatories on Administrative Accounts; and authorizing Signatories on Claim Accounts; establishing a rate of interest for delinquent assessments; and certifying Approval Officer for all Fund expenses. In addition to Chairperson, Secretary and Treasurer, Commissioner Fetherman was added as additional signatory.

Executive Director said the Cash Management Plan has been expanded to include Wells Fargo Bank.

RESOLUTION 5-13 ESTABLISHING PUBLIC MEETING PROCEDURES: Resolution presented establishing 2013 Meeting Dates as the fourth Wednesday of every month at 10:30 a.m. in the in the Toms River Municipal Utilities Authority, Toms River, NJ including the fourth Wednesday in January 2014.

There are TWO exceptions to this meeting schedule. The first exception is the February meeting, which will be combined with the annual Safety Breakfast on February 27th at 9:00 a.m. at the Clarion Hotel, Toms River, NJ. The second exception is the November meeting, which is scheduled for 2:30 p.m. on November 19th in Atlantic City at the Taj Mahal in conjunction with the AEA.

RESOLUTION 6-13 ESTABLISHING FUND RECORDS PROGRAM: Resolution presented establishing a formal records retention program for Fund year 2013.

RESOLUTION 7-13 EXECUTIVE COMMITTEE COMPENSATION: Resolution authorizing compensation to Executive Committee and alternates at \$150 per meeting attended.

RESOLUTION 8-13: EXCESS LIABILITY, AUTO-PHYSICAL DAMAGE, PROPERTY AND EXCESS POL/EPL LIABILITY: Resolution ratifying the purchase of Excess Liability, Excess Auto-physical Damage and Property and Excess Public Officials/Employment Practices Liability by the Munich Re American and Continental Casualty.

RESOLUTION 9-13: ESTABLISHING A RISK MANAGEMENT PLAN: An updated Risk Management Plan for 2013 was included in the agenda, with changes highlighted. Executive Director said Risk Management Plan reflects changes to the Fund's self-insured retention from \$250,000 to \$200,000 for auto/general liability and workers' compensation

MOTION TO ADOPT RESOLUTIONS 4-13 THROUGH 9-13:

Moved:	Commissioner Gianforte
Second:	Commissioner Fischer
Roll Call Vote:	7 Ayes - 0 Nays

COMMITTEE APPOINTMENTS - The Fund has four standing committees. Below is a list of the committees and a brief description of their charges.

- Coverage - This committee is charged with evaluating potential exposures and determining whether coverage or policy decision be made by the Fund. Commissioner Pastena has been added to the Committee
- Finance Committee - This committee is charged with meeting at least once a year, with a mandatory meeting to review professional services and make recommendations on fees, providers and the budget. Commissioner Gianforte was named Chairperson of this Committee and Frank Pastena has been added to the Committee.
- Safety Committee - This committee is charged with coordinating the activities of the Safety Director and the relationship of same with member authorities; evaluating, analyzing, and reviewing the Fund's safety programs and making the recommendations to the Fund; and monitoring the Fund's Safety Incentive Program. Safety Director noted Andy Bisesi from Passaic Valley Water Commissioner – noted as Safety Committee Secretary has been promoted and has stepped off the Safety Committee. In addition, Commissioner Wilkins will be the north Executive Committee representative to the Safety Committee
- Nominating - (Fund Commissioners Only) This committee is charged with meeting at least once a year, usually in December, to propose an Executive Committee slate for the following Fund year.

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. As of December 31, 2012, the NJUA JIF has the fourth lowest Lost Time Accident Frequency rate. Financial Fast Track shows a Statutory Surplus of \$6.5 million increasing about \$300,000 from the year before– the dividend that was released will be reflected in next month's report.

ASSESSMENTS - First installment payments were due by January 15th. The Fund has a grace period to February 1st. Any authority assessment received after that date will have an interest penalty imposed from the January 15th due date.

PROPERTY RENEWAL – In response to marketing demands for excess property coverage, the Fund Requested quotes for a vendor to contact all members to collect GPS coordinates data where available and to assist the Fund in developing the information where not already available. The Fund received one quote – which just approached the bid threshold and did not address the full scope of the project. Given the time constraints, we moved forward by emailing all members their locations and asking them to provide this information. Executive Director said we have received the GPS information from members and we will follow up with those that have not returned the information. Information as soon as possible since the Fund's 2012 property policy has been extended for 60 days to allow for the gathering of this information.

MEMBERSHIP – Executive Director said the Raritan Township MUA has submitted an application to the Fund for membership – effective March 1, 2013. Attached under separate cover is a New Member Review which will be reviewed in Executive Session.

MEL - The MEL held its 2013 re-organizational meeting on Wednesday, January 2, 2013 at 11:15 am at the Forsgate Country Club located in Jamesburg, NJ. A copy of Commissioner Cevetello's report was distributed for information.

RCF- The Residual Claims Fund held its 2013 re-organizational meeting on Wednesday, January 2, 2013 at 10:30 am at the Forsgate Country Club located in Jamesburg, NJ. A copy of Commissioner Bigler's report was distributed for information.

EJIF – The EJIF held its 2013 re-organizational meeting on Wednesday, January 2, 2013 at 10:50 am at the Forsgate Country Club located in Jamesburg, NJ. A copy of Commissioner Cevetello report was distributed for information. Commissioner Cevetello said there are guidelines on the requirements on underground storage tanks. Charles Cassagrande also reported this is the last year for coverage on underground unregulated tanks older than 20 years. In response to Chairman Johnson, Mr. Casagrande said the tanks are usually fuel oil tank for heating.

ELECTED OFFICIALS SEMINAR – Executive Director said the MEL has developed an online version of the Elected Officials Seminar for 2013 to make up for the cancelled sessions

scheduled for November. Attached in the agenda are the instructions for elected officials to access the program through the MEL's Learning Management System.

FINANCIAL DISCLOSURE STATEMENTS – Executive Director said Perma will be mailing Financial Disclosure forms for each Fund Commissioner. Executive Director encouraged all Fund Commissioners to complete these forms and provide two copies with original signatures to the Fund office on or before ***April 1, 2013***. In accordance with State regulations, the Fund must file these disclosures with the Department of Community Affairs

INCLEMENT WEATHER PROCEDURE - As a reminder, Perma has instituted a procedure for Commissioners to confirm whether or not a meeting has been canceled. The Executive director will discuss with the Fund Chairperson if the meeting should be canceled. In the event of an early morning or evening meetings, Perma will provide a recorded message indicating the status of the meeting. The recorded message can be obtained by calling the Fund's main number (201) 881-7632 at any time of the day or night. For meetings that occur during the course of normal business hours, meeting status can be obtained by utilizing the same number.

TREASURER:

VOUCHER PAYMENTS (BILL LIST)

2011	\$ 30,665.43
2012	\$ 9,666.43
2013	\$1,126,470.64

CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF DECEMBER 2012:

2008:	\$.00
2009:	\$ 5,967.72
2010:	(\$ 1,687.35)
2011:	\$ 5,495.37
2012:	\$ 80,401.18
Total:	\$ 90,176.92

MOTION TO APPROVE JANUARY BILLS LIST, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF DECEMBER 2012 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: Fund Attorney distributed the 2013 Defense Panel. The Fund issued Requests for Qualifications in September and November. List reflects firms responding to RFQs. Attorney Budesza thanked the Committee for the reappointment.

MANAGED CARE:

MONTHLY REPORT: Report submitted and reviewed by QualCare. Ms. Setzer thanked the Committee for the reappointment.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Monthly report submitted and reviewed by JA Montgomery Risk Control. Joanne Hall reported the Safety Breakfast will be held at the Clarion Hotel on February 27, 2013.

Report Made Part of Minutes.

CLAIMS: Kathy Kissane thanked the Committee for their reappointment. The balance of her report was for closed session.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

**RESOLUTION - EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES:
PERSONNEL - SAFETY & PROPERTY OF PUBLIC LITIGATION**

MOTION TO CLOSE MEETING:

Moved:	Commissioner Gianforte
Second:	Commissioner Cevetello
Vote:	Unanimous

MOTION TO RE-OPEN MEETING:

Moved: Commissioner Gianforte
Second: Commissioner Cevetello
Vote: Unanimous

RARITAN TOWNSHIP MUA: New Member Review distributed and reviewed in Executive Session.

MOTION TO ACCEPT RARITAN TOWNSHIP MUA SUBJECT TO SATISFACTORY LOSS CONTROL INSPECTION

Moved: Commissioner Cevetello
Second: Commissioner Bigler
Vote: Unanimous

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS SUBMITTED:

Moved: Commissioner Cevetello
Second: Commissioner Fetherman
Roll Call Vote: 7 Ayes, 0 Nays

MOTION TO ADJOURN:

Moved: Commissioner Bigler
Second: Commissioner Gianforte
Vote: Unanimous

MEETING ADJOURNED: 11:33am
NEXT REGULAR MEETING: February 27, 2013

Karen A. Read, Assisting Secretary
For

David Johnson, SECRETARY
Date Prepared: - February 15, 2012