

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
JUNE 26, 2013
TOMS RIVER MUA
10:30 AM**

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

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

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	Absent
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
William Dunn, Alt #4	Mount Holly MUA	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Adm	Perma Risk Management Cathleen Kiernan
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. Robert Budes
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:

Bruce Miller, Raritan Township MUA
Michele Nugent, Berkeley Township MUA
Bernard Rutkowski, Toms River MUA
James Diaz, Jackson Township MUA
Joseph Rizzuto, Mount Holly MUA

ALSO PRESENT:

Michael Avalone, Conner Strong & Buckelew
Patti Fahy, NAIMC
Charles Casagrande, Danskin Insurance Agency, Inc.
Mary Ann Constable, Rue Insurance
Dominic Cinelli, Brown & Brown
Jeff Stapleton Otterstedt Insurance Agency
William Merlin, Merlin Law Group
Craig Speck, Merlin Law Group
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: May 22, 2013 Open & Closed Minutes.

MOTION TO APPROVE MAY 22, 2013 OPEN & CLOSED MINUTES AS AMENDED.

Moved:	Commissioner Wilkins
Second:	Commissioner Pastena
Vote:	6 Ayes, 0 Nays, 1 Abstain – Robert Fischer

CORRESPONDENCE:

MEL Excess & Reinsurance Policies Filing – Executive Director said Joseph Hrubash who is the MEL Underwriting Manager filed the MEL’s excess policies with the State. Jon Ziman will file the NJUA excess policies when he receive the excess property policy. Executive Director noted that the Fund renewed in March which is why it is being issued later than usual.

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 said through March, the Fund’s statutory surplus stands at \$6.2 million representing an increase of approximately \$386,000 since year-end.

Commissioner Johnson said that the Lost Time Ratio is very good. When you look back within the last ten years and see what the average was across the country and what the Joint Insurance

Funds have been able to do to improve this number. Executive Director said when the JIFs first started to measure this number the average number was 5.0 which meant five lost time accidents for every 100 employees.

RCF REPORT – The RCF met on June 6, 2013 at the Forsgate Country Club. A copy of Commissioner Bigler’s report submitted for information.

The RCF Board voted to accept local member transfers of Fund year 2009 liabilities. Resolution 22-13 authorizing the transfer of the NJUA JIF’s Fund Year 2009 to the Residual Claims Fund submitted to the Executive Committee. Assessments to local JIF’s will be determined by the valuation as of June 30, 2013.

**MOTION TO ADOPT RESOLUTION # 22-13 AUTHORIZING THE
TRANSFER OF FUND YEAR 2009 LIABILITIES TO THE RESIDUAL
CLAIMS FUND**

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

EJIF REPORT – The EJIF met on June 6, 2013 at the Forsgate Country Club. A copy of Commissioner Cevetello’s report submitted for information.

MEL REPORT – The MEL met on June 6, 2013 at the Forsgate Country Club. A copy of Commissioner Cevetello’s report was distributed to the Executive Committee. Commissioner Cevetello said - as result of Sandy the MEL is having issues with the flood sublimit – noting the total flood losses of member towns and housing authorities may exceed the flood sub-limit. Executive Director said the NJUA does not participate in the MEL’s policy with Zurich, we have our own policy with CNA and we have our own coverage. NJUA has different coverage than the MEL. The MEL appointed a Super Sandy Sub-Committee to manage the payments of flood losses.

PROPERTY APPRAISALS – Requests for Qualifications for a Property Appraiser were due in the Fund office by June 7, 2013. Responses were received from AssetWorks and American Appraisal (enclosed in Appendix II). A combined conference call meeting of Finance and Coverage Committees was held on June 19th to review responses.

AssetWorks submitted a proposal of \$90 per building if done in one year (which included the cost of flood designation or \$110 per building if project is spread over three years. American Appraisal submitted a proposal of \$119 per building plus \$10 per building for flood designation.

Committees reviewed all of the items in both proposals and recommended AssetWorks, subject to a resolution on one of the terms and conditions on the indemnification clause. The Fund’s standard indemnification contract clause was included in the RFQ but Asset Works asked to modify the clause. Fund Attorney is working with Asset Works and will report back.

In response to Commissioner Fischer, Executive Director said Committee's recommendation is to select option one to have everything completed by the end of 2014. In response to Commissioner Dunn, Executive Director said this project is for insurance purposes not for asset management but they do provide that service and they will offer a discount on that service for any member that wanted to use them for that as well. The individual authority should contact AssetWorks for that service if they wish.

Executive Director said getting property appraisals for all members provides a benefit for the entire JIF – which is why the NJUA JIF would enter into the contract and pay for the services. Since we want every member in NJUA to do this the JIF will be paying for the appraisal process. The project will be limited to locations with a current combined building & content scheduled value over \$150,000 and they will inspect those locations.

Executive Director said the JIF will be paying for this process by transferring \$75,000 from Fund Year 2012 Loss Fund Contingency account and \$75,000 from Fund Year 2012 General and Administrative Account.

Once the appointment is confirmed, Perma will contact members for a contact person to work with Asset Works.

**MOTION TO ADOPT RESOLUTION # 23-13 APPOINTING
ASSEWORKS AS PROPERTY APPRAISER SUBJECT TO THE
RESOLUTION OF THE INDEMNIFICATION CLAUSE**

Moved: Commissioner Cranmer
Second: Commissioner Fischer
Vote: 7 Ayes, 0 Nays

**MOTION TO APPROVE RESOLUTION #24-13 TRANSFERING FUNDS
\$75,000 FROM FUND YEAR 2013 LOSS FUND CONTINGENCY AND
\$75,000 FROM FUND YEAR 2012 GENERAL AND ADMINISTRATIVE
ACCOUNT**

Moved: Commissioner Cranmer
Second: Commissioner Fischer
Vote: 7 Ayes, 0 Nays

2014 RENEWAL APPLICATIONS – Executive Director said renewal applications have been electronically mailed to Fund Commissioners with a copy to Risk Management Consultants and are due back in the Fund Office by July 15, 2013.

FINANCIAL DISCLOSURE FORM – Attached is a listing of Fund Commissioners that have submitted printed receipt of their Financial Disclosure Filing. Although the deadline for filing is May 31st, the state has indicated the form is still posted on the website and Commissioners that haven't filed will still be able to complete the process. The JIF will have to file the Fund Commissioner Roster list with receipt numbers by June 28th. Executive Director said we received three or four more since the agenda was mailed out. Since the process is now electronic

the form is still up on the State website, so even if you missed the deadline of June 28th and you file after the deadline we will continue to file with the State.

TREASURER:

RESOLUTION 25-13 VOUCHER PAYMENTS (BILL LIST)

2011	\$	2,490.11
2012	\$	0.00
2013	\$	598,837.66

CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF MAY 2013:

CLOSED	\$.00
2009:	\$	43,135.30
2010:	\$	5,505.60
2011:	\$	13,503.44
2012:	\$	63,736.36
2013:	\$	89,418.18
Total:		\$215,298.88

MOTION TO APPROVE JUNE BILLS LISTS, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF MAY 2013 CLAIMS AND ACCEPT TREASURER'S REPORT:

Moved:	Commissioner Bigler
Second:	Commissioner Fetherman
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 QualCare.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Monthly report submitted and reviewed by JA Montgomery Risk Control. Joanne Hall reported that the Safety Committee met in Cape May County MUA in June. The topic was modified duty and transitional duty. Announcement for 2014 training requests will be sent to member shortly. If you would like to host training at your location please let us know.

Report Made Part of Minutes.

CLAIMS:

MONTHLY REPORT: Claims Manager 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 Bigler
Second:	Commissioner Cranmer
Vote:	Unanimous

MOTION TO RE-OPEN MEETING:

Moved:	Commissioner Cevetello
Second:	Commissioner Bigler
Vote:	Unanimous

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS
SUBMITTED WITH THE CORRECTION TO PAR FOR LITTLE EGG HARBOR:**

Moved:	Commissioner Cevetello
Second:	Commissioner Fischer
Roll Call Vote:	7 Ayes, 0 Nays, (Chairman Johnson Abstained for Little Egg Harbor PAR)

MOTION TO ADJOURN

Moved:	Commissioner Cevetello
Second:	Commissioner Bigler
Vote:	Unanimous

MEETING ADJOURNED: 11:02am
NEXT REGULAR MEETING: July 24, 2013

Karen A. Read, Assisting Secretary
For

Brian Bigler, SECRETARY
Date Prepared: - July 17, 2013