

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND  
OPEN MINUTES  
MAY 22, 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	Present
Robert Fischer	Bayshore Regional SA	Absent

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

**FUND COMMISSIONERS AND ALTERNATES PRESENT:**

Bruce Miller, Raritan Township MUA  
Richard Brand, East Windsor MUA  
Bernard Rutkowski, Toms River MUA  
Robert Smith, Western Monmouth UA  
James Diaz, Jackson Township MUA  
Joseph Rizzuto, Mount Holly MUA  
Lisa Lau, Brick Township MUA

**ALSO PRESENT:**

Michael Avalone, Conner Strong & Buckelew  
Patti Fahy, NAIMC  
Charles Casagrande, Danskin Insurance Agency, Inc.  
Jeff Kurtz, Governmental Risk Management Association  
Mary Ann Constable, Rue Insurance  
Bradford Stokes, PERMA Risk Management  
Karen A. Read, PERMA Risk Management

**APPROVAL OF MINUTES:** April 24, 2013 Open & Closed Minutes.

**MOTION TO APPROVE APRIL 24, 2013 OPEN & CLOSED MINUTES  
AS AMENDED.**

Moved:	Commissioner Fetherman
Second:	Commissioner Dunn
Vote:	7 Ayes, 0 Nays

**CORRESPONDENCE:**

**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 million representing an increase of approximately \$200,000 since year end. Each Fund Year is in a positive position.

Executive Director said Risk Management agreements must be submitted in order for risk manager fees to be paid. In response to Chairman Johnson and Commissioner Gianforte, Executive Director said most members execute one-year terms with Risk Management Consultants although several members also execute three-year agreements. Executive Director said she would review the file to determine accuracy of agreement shown on list as four years. Member should review these terms with their attorney. Executive Director said we will ask our attorney to give his opinion on the term of Risk Management Agreements.

**AUDIT REPORT AND ACTUARY VALUATION REPORT AS OF DECEMBER 31, 2012** - The Audit Report as of December 31, 2012 was distributed to the Executive Committee. Mr. Bud Jones from Nisivoccia LLP was present at the meeting and reviewed the report with the Committee and noted the NJUA Fund is in very good financial shape as of the end of 2012. Mr. Jones further noted Management report did not include any recommendations and was very pleased with the records of the Fund and all of the assistance received from the professionals. Chairman Johnson thanked all of the professionals that assisted the auditor with the report. Also included in the agenda packet was the Actuary's Valuation Report and the Group Affidavit indicating that each member of the Board has read the General Comments Section of the Audit Report.

**MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION # 18-13 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT THE FUND COMMISSIONERS HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT**

Moved: Commissioner Pastena  
Second: Commissioner Dunn  
Vote: 7 Ayes, 0 Nays

**MEL MEMBERSHIP RENEWAL** – Executive Director said the Fund is scheduled to renew it's MEL membership effective 7/1/13. Resolution #19-13 renewing the Fund's membership in the Municipal Excess Liability Joint Insurance Fund for the period of July 1, 2013 through June 30, 2016 distributed to the Board. Executive Director noted the Executive Director's Report said that it runs through 2015 but it is actually 2016. The documents reads "three years" after the effective.

In response to Chairman Johnson, Executive Director said "Indemnity and Trust Agreement" has been modified to remove the primary coverage for Public Officials Employment Practices – since the NJUA JIF now purchase this coverage direct from XL Insurance. The NJUA fully participates in the MEL JIF for excess workers' compensation up to "statutory limits" excess of the JIF's self-insured retention of \$300,000. The MEL retains the layer of \$1,700,000 excess of the JIF SIR; Safety National provides limits in excess of \$2,000,000. For excess liability, the MEL provides \$700,000 excess of the JIF's \$300,000; the NJUA JIF purchases excess limits above \$1,000,000 from Munich Re. The MEL also provides \$950,000 excess of the JIFs retention of \$50,000 for crime bond.

**MOTION TO ADOPT RESOLUTION #19-13 RENEWING THE FUND'S MEMBERSHIP IN THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND FOR THE PERIOD OF JULY 1, 2013 THROUGH JUNE 30, 2016.**

Moved: Commissioner Bigler  
Second: Commissioner Dunn

Roll Call Vote: 7 Ayes, 0 Nays

**RESOLUTION AMENDING THE ESTABLISHED FISCAL MANAGEMENT PLAN –** Executive Director distributed Resolution #20-13 amending the Fund’s Fiscal Management Plan to incorporate the change in interest rate to be applied against late assessment payments, as approved at the April meeting. Executive Director said the only other change is on item number two designating the TPA signatories; there had been a sixth person no longer employed at Qual-Lynx.

**MOTION TO ADOPT RESOLUTION #20-13 AMENDING THE FUND’S FISCAL MANAGEMENT PLAN**

Moved: Commissioner Burner  
Second: Commissioner Bigler  
Roll Call Vote: 7 Ayes, 0 Nays

**ELECTED OFFICIALS SEMINARS –** To supplement live presentations of this year’s Elected Officials seminar, the MEL placed an on-line version on NJMEL.ORG. To date, 68 NJUA officials have used this option. The deadline is May 31<sup>st</sup>. Instructions to access the training program are posted on the webpage – njmel.org. Executive Director said including the instructor led training 127 Utility Authority officials received the \$250 credit. Seminar attendance completed after the second installment billings were issued will appear on the 2014 bill.

**FINANCIAL DISCLOSURE FORM –** Executive Director submitted a copy of the Local Finance Notice issued in April outlining the new process to complete disclosure forms on-line, followed by a list of Fund Commissioners noted filings received to date. Executive Director said an updated list was distributed for information Every Friday the filings are updated on the state’s website; Executive Director encouraged members to visit the webpage and review. In June we will have to file a listing of the printed receipts we have received.

**RENEWAL APPLICATIONS –** Executive Director said renewal applications will be mailed to Fund Commissioners on or before June 1<sup>st</sup>. The applications are due back in the Fund Office by July 15, 2013. Since the budget process is dependent on timely receipt of renewal date, we ask for everyone’s cooperation in meeting this deadline. Executive Director said we may expand the information that we ask you to complete.

**PROPERTY APPRAISALS –** Executive Director said the Fund advertised Requests for Qualifications for a Property Appraiser with a deadline for responses set at June 7, 2013. A meeting of Finance and Coverage Committees will be scheduled to review responses.

**TREASURER:**

**RESOLUTION 21-13 VOUCHER PAYMENTS (BILL LIST)**

2012 \$ 2,999.86

2013 \$ 578,297.05

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

CLOSED	\$ .00
2009:	\$ 3,351.35
2010:	\$ 3,298.96
2011:	\$ 5,789.35
2012:	\$ 31,609.13
2013:	\$ 67,624.13
Total:	\$111,672.92

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

Moved:	Commissioner Gianforte
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 will be in Passaic Valley Water Commission on May 23<sup>rd</sup> – the topic will be “Application and Internet Tools Applicable to Safety and Risk Management”. We will go over online training and some devices for smart phones, including using your smart phone as a sound level meter. In June, the meeting will be hosted by the Cape May County MUA. The topic will be on modified duty and transitional duty.

Report Made Part of Minutes.

**CLAIMS:**

**MONTHLY REPORT:** Claims Manager report was for closed session.

**OLD BUSINESS:**

NONE

**NEW BUSINESS:**

**JIF POSITION BOND** - Memorandum from the MEL Underwriting Manager was distributed with regard to increasing the limit for the Fund's Position Bond coverage for the Executive Director, Treasurer and Third Party Administrator. Executive Director said that in addition to this bond the Third Party Administrator is still required to purchase a separate bond as per their contract terms. The current limit is \$250,000 at a cost of \$1,113. Executive Director said Underwriting Manager was asked to seek additional limits from other Joint Insurance Funds. The options to increase the limits were \$500,000 with a \$5,000 deductible with a cost of \$1,703 or \$1,000,000 with \$10,000 deductible with a cost of \$2,540.

In response to Commissioner Bigler, Executive Director said the premium amount of \$2,540 for Option #2 replaces the current premium of \$1,113. The additional premium would be charged to miscellaneous contingency and would not result in an additional assessment, In response to Commissioner Cevetello, Executive Director said this policy addresses the Executive Director, Treasurer and TPA of the NJUA JIF – not the member authorities. Member authorities are provided with \$1,000,000 in blanket bond coverage (\$50,000 JIF; \$950,000 excess of \$50,000 from the MEL). .

**MOTION TO APPROVE INCREASE IN COVERAGE LIMITS TO \$1,000,000 FOR THE NEW JERSEY UTILITY AUTHORITY JOINT INSURANCE FUND'S POSITION BOND COVERAGE**

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

**PUBLIC COMMENT:**

NONE

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

**MOTION TO CLOSE MEETING:**

Moved: Commissioner Cevetello  
Second: Commissioner Gianforte  
Vote: Unanimous

**MOTION TO RE-OPEN MEETING:**

Moved: Commissioner Gianforte  
Second: Commissioner Fetherman  
Vote: Unanimous

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS SUBMITTED:**

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

**MOTION TO ADJOURN**

Moved: Commissioner Bigler  
Second: Commissioner Gianforte  
Vote: Unanimous

**MEETING ADJOURNED: 11:17am**  
**NEXT REGULAR MEETING: June 26, 2013**

Karen A. Read, Assisting Secretary  
For

Brian Bigler, SECRETARY  
**Date Prepared: - June 17, 2013**