

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
OCTOBER 23, 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	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 Cathleen Kiernan
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. Robert Budesa
Claims Service	Qual-Lynx Don Kellerman Amiee Guariglia
Safety Director	JA Montgomery Risk Control
Managed Care	QualCare Derrick Boyer
Underwriting Manager	Capacity Coverage Jon Ziman

Treasurer

Stuart Neuhof

FUND COMMISSIONERS AND ALTERNATES PRESENT:

Bruce Miller, Raritan Township MUA
Joseph Rizzuto, Mount Holly MUA
Bernard Rutkowski, Toms River MUA
Richard Brand, East Windsor MUA
Thomas Horn, Lambertville MUA
Justin Flancbaum, Lakewood MUA
Robert Smith, Western Monmouth UA
Mike Pucilowski, Washington Township MUA (Morris)

ALSO PRESENT:

Michael Avalone, Conner Strong & Buckelew
Patti Fahy, NAIMC
Charles Casagrande, Danskin Insurance Agency, Inc
Bob Newland, McPherson & Newland Insurance
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: September 25, 2013 Open & Closed Minutes.

MOTION TO APPROVE SEPTEMBER 25, 2013 OPEN & CLOSED MINUTES AS AMENDED.

Moved:	Commissioner Bigler
Second:	Commissioner Fetherman
Vote:	6 Ayes, 0 Nays, 1 Abstain

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 August 31st, the Fund's statutory surplus stands at \$6.7 million compared to \$5.8 at year-end.

Executive Director said we did receive a submission from Ewing-Lawrence Sewerage Authority seeking new membership.

Executive Director said several Joint Insurance Funds are revising their Risk Management Plans to allow for a "stranded costs" component to address the fact that the Fund continues to incur expenses when a member elects not to renew membership. NJUA Risk Management Plan will include this clause, for review at Reorganization.

2014 BUDGET – Executive Director said the main business of this month’s meeting is the introduction of the 2014 budget. The Finance Committee met on October 11th at the Two Rivers Water Reclamation Authority to review the draft budget which is enclosed in Appendix III along with the minutes of the meeting. Executive Director said the 2014 Budget totaling \$10,071,915 represents a 2% increase for Fund Year 2014.

In response to Commissioner Bigler, Executive Director said the section included in the budget message for dividends paid to “current members” is only meant to illustrate the amount of dividends that was issued to “current members”. Dissolved or non-renewing members, in accordance with regulations, continue to participate in dividends when it is issued from surplus generated by the years they were a member.

MOTION TO INTRODUCE THE 2014 BUDGET TOTALING \$10,071,915 AS PRESENTED AND TO SCHEDULE A PUBLIC HEARING ON NOVEMBER 19, 2013 AT 2:30 PM IN THE DIAMOND ROOM AT THE TAJ MAHAL, ATLANTIC CITY

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

DIVIDEND – Executive Director said the Finance Committee reviewed the Fund’s available dividend at its meeting. Enclosed with the budget is a copy of the available dividend calculations. Committee recommends a dividend in the amount of \$1,000,000. Revised resolution 29-13 is enclosed, amended to accurately reflect the lines of coverage by Fund year.

MOTION TO ADOPT RESOLUTION 29-13 AUTHORIZING THE RELEASE OF A DIVIDEND IN THE AMOUNT OF \$1,000,000.

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

RCF REPORT – Executive Director said the RCF met on October 16, 2013 and adopted the 2013 Amended Budget and the 2014 budget. A copy of Commissioner Bigler’s report submitted for information. Commissioner Bigler said the RCF introduces a budget for operating expenses and then amends its mid-year to accept the transfer from local JIFs of the “closing year”.

EJIF REPORT – Executive Director said the EJIF met on October 16, 2013 at the Forsgate Country Club and adopted the 2014 budget. A copy of Commissioner Cevetello’s report submitted for information. Commissioner Cevetello said the EJIF introduced the budget, reflecting a 2% increase; EJIF also declared a \$450,000 dividend. Commissioner Cevetello also said the EJIF awarded environmental engineer contracts to two firms and divided the service geographically. For continuity, the NJUA JIF was assigned to one firm. The NJUA JIF has been assigned to Rich Erickson of First Environment who came from Birdsall and was one of the principals on the original account. Executive Director said the contact information has been

emailed to all Fund Commissioners and is posted on the EJIF webpage. Commissioner Cevetello said all members should include this information on their emergency contact lists. This is a resource we get for being a member of the EJIF and we should take full advantage if needed. EJIF Underwriting Manager said we are approaching the deadline for coverage unregulated tanks. Effective January 1st 2013, the EJIF will not longer provide coverage for unregulated underground storage tanks 20 years old or more. Underwriting Manager also noted the EJIF's deadline to address the underground piping associated with Above Ground Storage Tanks – which was July 1st, 2013. The Fund had offered up to \$400 for testing on those underground pipes. You do not have coverage on the underground tanks so please have the testing completed and you will be reimbursed for the cost of the testing.

MEL REPORT – Executive Director said the MEL's 2014 budget was introduced on October 16, 2013 at 11:15 am in the Forsgate Country Club. The public hearing to adopt the 2014 budget will be held November 20, 2013 at 5:00 pm in the Atlantic City Convention Center, Room 305. Enclosed is a copy of Commissioner Cevetello's report. Commissioner Cevetello said the MEL introduced a budget, reflecting rate increases totaling 4%. Executive Director said the MEL did an RFQ for an online exposure database and received four responses. Interviews will be scheduled before the end of the year.

MEMBERSHIP RENEWALS – Executive Director said 25 members are scheduled to renew fund membership by January 1, 2014. Attached is a list of members and the documents received to date. The only member that wrote to us by October 1, 2013 to say they were considering their options was Cumberland County MUA the rest are in the process of mailing it to us or it is on their next agenda.

2014 FUND PROFESSIONALS - The Executive said Requests for Qualifications were released following the September meeting and are due in the Fund office on October 17th. Copies of all responses were distributed to the Executive Committee for review; further discussion will be scheduled for November. Executive Director said multiple responses were received for Fund Attorney and Claims Administrator.

ELECTED OFFICIALS TRAINING – Executive Director said this year's elected/appointed officials training program will focus on Risk Management for Local Officials. Sessions have been scheduled for the Taj Mahal – Diamond Room - on Tuesday, November 19th at 3:45 pm and at the Convention Center on Wednesday, November 20th at 3:45 pm. Enclosed is a copy of the notice being mailed to Fund Commissioners. Executive Director said if you could register for the Training at the Taj Mahal it will be helpful because there is a limit of the number of people we can hold in the room. Executive Director said there will also be courses throughout the year that will be posted on the MEL webpage www.njmel.org.

EMPLOYMENT PRACTICES LIABILITY 2013/2014 PROGRAM – Executive Director said every two years, the MEL updates it's Employment Practices Compliance Program, including the Model Personnel Manual and training programs. XL Insurance asked the MEL to continue this program noting its value in loss control. A notice on the 2013/2014 program will be distributed to members in the coming few weeks. Enclosed you will find an announcement regarding the MEL Education Sessions at the 2013 League Conference. The 2013/2014 EPL cycle also including training requirements for Managers/Supervisor and non-supervisory

personnel. Executive Director said there are some mandatory changes where you will have to make a policy for domestic abuse leave and we have updated the FMLA since there are been some changes in the regulations for FMLA. There will be some optional changes for computer contact, vehicle use, time sheets and a few others similar to that. We will send an email to everyone when the documents are posted. In response to Commissioner Cevetello, Executive Director said the boiler plate will be posted where you can copy and paste the information. Executive Director said sometime in January or February the attorney's office will schedule ten training seminars throughout the state for your managers and supervisors and we have the same DVDs on the webpage for your non-supervisory employees.

SAFETY EXPO – The 21st NJUA Safety Expo has been scheduled for September 20th at the Camden County Emergency Services Training Center and November 8th at the Middlesex County Fire Academy. Registration packets were mailed to members in August, were included in our September agenda and can be found on the Fund's webpage – njuajif.org. Executive Director said registrations are on going, so far we have about 120 registered. Perma will be doing some more follow up on registrations.

EJIF Environmental Engineer – Executive Director said as follow up to the EJIF September report reviewed at our last meeting, the EJIF Board appointed two firms, T&M Associates and First Environment, to serve as Environmental Engineer, each of which will service members by geographic location. The NJUA JIF will be serviced by First Environment; the contact information is:

Mr. Rich Erickson
First Environment
91 Fulton Street
Boonton, NJ 07005
(973) 334-0003 / Work
(908) 303-3218 / Mobile
(908) 703-1437 / Pager

Executive Director distributed another copy of the bulletins issued by the E-JIF concerning the underground piping associated with some Above Ground Storage Tanks and the discontinuation of coverage for unregulated tanks that exceed the 20 year age limit by January 1, 2014.

TREASURER:

RESOLUTION 30-13 VOUCHER PAYMENTS (BILL LIST)

2013 \$ 78,455.29

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

CLOSED \$.00

2009:	\$ 3,540.85
2010:	\$ 4,522.75
2011:	\$ 62,516.34
2012:	\$ 12,394.11
2013:	\$233,259.70
Total:	\$316,233.75

MOTION TO APPROVE OCTOBER BILLS LISTS, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF SEPTEMBER 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.

TD Bank Contract. Executive Director said TD Bank has mailed a large contract to the Treasurer to execute. The Fund has a contract for Asset Manager but has not had one for banking services. Fund Attorney has reviewed it and said it long but it is in order. Executive Director will email a copy of the contract to the Executive Committee for review. Resolution authorizing its execution will be on the November agenda.

ATTORNEY: None

MANAGED CARE:

MONTHLY REPORT: Report submitted and reviewed by QualCare.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Executive Director said the Safety Director's monthly report submitted and was included in the agenda.

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 Cevetello
Second: Commissioner Bigler
Vote: Unanimous

MOTION TO RE-OPEN MEETING:

Moved: Commissioner Cevetello
Second: Commissioner Fetherman
Vote: Unanimous

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

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

MOTION TO ADJOURN

Moved:	Commissioner Pestana
Second:	Commissioner Bigler
Vote:	Unanimous

MEETING ADJOURNED: 11:43am
NEXT REGULAR MEETING: November 19, 2013

Karen A. Read, Assisting Secretary
For

Brian Bigler, SECRETARY
Date Prepared: - November 5, 2013