

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
APRIL 20, 2017
TOMS RIVER MUA
10:30 AM**

Meeting of Executive Committee called to order by Robert Fischer, Secretary Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE – Commissioner Fischer led Commissioners in the Pledge of Allegiance

ROLL CALL OF 2017 EXECUTIVE COMMITTEE:

Michael Gianforte, Chairman	Two Rivers Water Reclamation Authority	Absent
Robert Fischer, Secretary	Bayshore Regional SA	Present
Brian Bigler	Secaucus MUA	Present
Robert Burner	Cape May County MUA	Present
Frank Pastena	North Bergen MUA	Present
Bernard Rutkowski	Toms River MUA	Absent
Justin Flancbaum	Lakewood MUA	Present

EXECUTIVE COMMITTEE ALTERNATES:

Thomas Horn, Alt#1	Lambertville MUA	Present
Richard Brand, Alt #2	East Windsor MUA	Absent
Jill Plesnarski, Alt#3	Readington-Lebanon SA	Present
Gary Vaccaro, Alt #4	Brick MUA	Present

APPOINTED OFFICIALS PRESENT:

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

FUND COMMISSIONERS AND ALTERNATES PRESENT:

ALSO PRESENT:

Katie Osborne, Conner Strong & Buckelew
Donna Reale Waters, Sloan Insurance Agency
Charles Casagrande, Danskin Insurance
Brian Monaghan, Insurance Agency Management
Kathy Young, Alamo Insurance
Amy Pieroni, Reliance Insurance
Charles Casagrande, Danskin Insurance Agency
Dom Cinelli, Brown & Brown
Mike McLaughlin, Marsh & McLennan
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: March 22, 2017 Open Minutes.

MOTION TO APPROVE MARCH 22, 2017 OPEN MINUTES.

Moved:	Commissioner Flancbaum
Second:	Commissioner Bigler
Vote:	Unanimous

CORRESPONDENCE: None

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. Executive Director said January Financial Fast Track Report is shown on page 10 and the February 28th Report shows our statutory surplus at \$4.4 million about the same as it was at year end all years show a positive balance except for the current year which is usually normal for the most current year to show a slight deficit. Executive Director said the Fund's Loss Ratio Report and each Fund Year is either at, or just near actuarial targets. Executive Director said on the Claims Activity Report it shows 36 new claims but out of those 36 ten are "report only"; we are working with Qual-Lynx to find a way that the report only claims do not show in the claim counts. Through January, the Fund's Lost Time Accident Frequency stands at .30 which is the lowest of all JIFs monitored on this report. This indicates the impact of a light winter.

Aggregate Loss Fund Contingency – Beginning with the 2016 Fund Year, the MEL implemented a Retrospective Rating Program. The MEL billed member JIFs only 85% of its expected claims fund and will bill balance to the JIFs what exceed that amount. Additional billing will be capped at 100%, 115% or 125% - which was determined based on the JIF’s claims experience. For 2016 & 2017, the NJUA JIF’s cap is 100% of the expected claims fund. The NJUA JIF funded this corridor in the budget. Resolution authorizes the creation of an aggregate loss fund contingency account and the transfer of the funding collected with the 2016 & 2017 assessment. Each year, the JIF will decide how much of this corridor to fund and transfer to this account. Executive Director said every year at budget time we will take a look at this account and we will look at our loss experience to decide how much to put into the Aggregate Loss Fund Contingency. In response to Commissioner Fischer, Executive Director said this is based on the last ten fund years and the resolution is confirming what we have already been doing. The auditor felt we should confirm the transfer every year by resolution.

MOTION TO ADOPT RESOLUTION 14-17 CREATING THE AGGREGATE LOSS FUND CONTINGENCY ACCOUNT

Moved:	Commissioner Burner
Second:	Commissioner Flancbaum
Vote:	Unanimous

ELECTED OFFICIALS TRAINING SEMINARS – As a reminder, to supplement live presentations of this year’s Elected Officials seminar, the MEL posted an online version on www.njmel.org. The deadline to complete the training is May 1, 2016. Enclosed is another copy of instructions to access the program.

A \$250 credit will be earned for local elected officials, the municipal manager/administrator, authority commissioners and authority executive directors that participate in an online or instructor led session. The maximum credit is 25% of a member’s liability claims fund assessment.

Beginning this year, the MEL has amended its process for issuing this credit. Credits will now only appear on the annual billing and will be applied as a payment credit rather than reducing the assessment.

2017 MEL & MR HIF EDUCATIONAL SEMINAR: The 7th annual seminar is scheduled for Friday, April 21st beginning at 9:00 am at the National Conference Center in East Windsor, NJ. The seminar qualified for an extensive list of Continuing Educational Credits including CFO/CMFO, Public Works, Clerks, Insurance Producers and Purchasing Agents. There is no fee for employees and insurance producers associated with MEL and MR HIF members as well as personnel who work for service companies that are engaged by MEL member JIFs and MR HIF and member HIFs. Attached is the enrollment form.

MEL RISK MANAGEMENT CONSULTANT EDUCATIONAL PROGRAM - The MEL is instituting a program to recognize the MEL’s numerous experienced RMCs and train new staff. Producers who complete this program may use the designation “MEL Accredited Risk Management

Consultant”. To achieve accreditation, a RMC must complete the four all day sessions that will be conducted over a six month period.

Each session will be held twice – once in Jamesburg at the Forsgate Country Club (Exit 8A) and once at the Conner Strong and Buckelew Headquarters facility in Marlton (Exit 4). The program is also eligible for producer continuing education credits. The fee is a nominal \$500 payable to the Municipal Excess Liability Joint Insurance Fund.

2017 FINANCIAL DISCLOSURE FORMS - The Fund Office has provided all Fund Commissioners and Professionals with the login information they need to complete their Financial Disclosure filing for the NJUA JIF. The email included links to the instructions and the DLGS webpage to file your disclosure; filing deadline is April 30th. However, the state has not yet opened the filing process. We will send another email when Fund Commissioners can complete the process. Executive Director said the due date has not changed from April 30th, but the enforcement will not take place until after May 31st if you have not filed by that date.

CYBER LIABILITY – The JIF purchases its primary cyber liability coverage from XL Catlin. XL Catlin has put together a two-part insurance webinar series. Enclosed is a copy of the announcement, including registration information – that is also being emailed to all Fund Commissioners and Risk Managers. Executive Director said some MEL towns have been hit with Ransomware where their data is locked and they get an email demanding a ransom to unlock the data. The first one started with a ransom of about \$1,000 the last one was something like \$35,000. These webinars will be also available on the MEL website for viewing.

TREASURER:

VOUCHER PAYMENTS (BILL LIST)

2015	\$	3,610.52
2016	\$	3,702.09
2017	\$	610,671.99

CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF FEBRUARY 2017:

Closed:	\$.00
2013:	\$	9,449.78
2014:	\$	35,794.03
2015:	\$	54,321.75
2016:	\$	119,902.11
2017	\$	37,418.32
Total:	\$	256,885.99

MOTION TO APPROVE APRIL BILLS LIST, CONFIRM CLAIMS' PAYMENTS /CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF MARCH 2017 CLAIMS AND ACCEPT TREASURER'S REPORT:

Moved:

Commissioner Flancbaum

Second: Commissioner Burner
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 Ms. Gallo of QualCare.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Monthly report submitted and reviewed by JA Montgomery Risk Control. Safety Director Joanne Hall said today or members are at Rockaway Valley listening to a presentation on "Everything You Need to Know about an AED". We are sponsoring a few CPR and First Aid Safety Day in the Northern and Southern parts of the State. In May there will be a presentation on Lab Safety which will be held in Jackson. We are also planning a plant tour that will be held at Lakewood MUA in July and our first Safety Expo will be held on June 23rd at the Middlesex Fire Academy.

Report Made Part of Minutes.

CLAIMS: Report in Executive Session.

OLD BUSINESS: NONE

NEW BUSINESS: Commissioner Vaccaro asked what the opinion of the JIF in regard to "stand up desks with a treadmill that employees bring in and pay for on there own. Executive Director said you can flat out say no and that your authority does not allow it. Attorney Lidaka said you can definitely tell them they can not bring in their own equipment otherwise if an injury arises out of and during the course of employment it is going to fall within the workers compensation act. Executive Director said it would be the authority's decision if they would want to allow it and that it would probably be a small risk compared to some of the other activities performed at the authority. Commissioner Flancbaum said he thought it was a risk you do not have to take and would definitely not allow it.

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 Flancbaum
Vote: Unanimous

MOTION TO RE-OPEN MEETING:

Moved: Commissioner Flancbaum
Second: Commissioner Bigler
Vote: Unanimous

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS
PRESENTED**

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

MOTION TO ADJOURN:

Moved: Commissioner Bigler
Second: Commissioner Flancbaum
Vote: Unanimous

MEETING ADJOURNED: 11:33 am
NEXT REGULAR MEETING: May 24, 2017
Karen A. Read, Assisting Secretary

For
Robert Fischer, SECRETARY
Date Prepared: - May 16, 2017