

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
JUNE 22, 2016
TOMS RIVER MUA
10:30 AM**

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

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

ROLL CALL OF 2016 EXECUTIVE COMMITTEE:

Michael Gianforte, Chairman	Two Rivers Water Reclamation Authority	Present
Robert Fischer, Secretary	Bayshore Regional SA	Present
Brian Bigler	Secaucus MUA	Present
Tammy Fetherman	Lacey MUA	Absent
Robert Burner	Cape May County MUA	Present
Frank Pestana	North Bergen MUA	Present
Bernie Rutkowski	Toms River MUA	Present

EXECUTIVE COMMITTEE ALTERNATES:

Justin Flancbaum, Alt #1	Lakewood MUA	Present
Thomas Horn, Alt #2	Lambertville MUA	Present
Richard Brand, Alt #3	East Windsor MUA	Absent
Jill Plesnarski, Alt #4	Readington-Lebanon SA	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Adm	Perma Risk Management Cathleen Kiernan
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. Robert Budesa
Auditor	Nisivoccia Jenna Bauer
Claims Service	Qual-Lynx Kathleen Kissane
Safety Director	JA Montgomery Risk Control Joanne Hall
Managed Care	QualCare Steve McNamara

Underwriting Manager

Capacity Coverage

Jon Ziman

Treasurer

Stuart Neuhof

FUND COMMISSIONERS AND ALTERNATES PRESENT:

Ivy Robinson, Plainfield MUA

Jim Diaz, Jackson Township MUA

ALSO PRESENT:

Michael Avalone, Conner Strong & Buckelew

Amy Pieroni, NAIMC

Ed Buecker, Fairview Insurance.

George Crosby, Business Governmental Insurance Agency

Jeffrey Kurtz, Governmental Risk Management Asso

Art Caughlan, Nelson-Patterson Agency

Mary Ann Costabile, Rue Insurance

Kathy Young, Alamo Insurance

Ed Cooney, Conner Strong & Buckelew

Bradford Stokes, PERMA Risk Management

Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: May 25, 2016 Open Minutes.

MOTION TO APPROVE MAY 25, 2016 OPEN MINUTES.

Moved:	Commissioner Rutkowski
Second:	Commissioner Pestana
Roll Call Vote:	7 Ayes, 0 Nays

CORRESPONDENCE: Executive Director said there are two pieces of correspondence. Regulations require that the Fund file its excess policies with the Department of Banking and the DCA every year. Copies of the JIF Underwriting Manager's correspondence and a copy of the MEL Underwriting Manager's correspondence filing these policies distributed for information.

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 the Financial Fast Track through April 30th shows a statutory surplus of \$5.1 million. All Fund Years are in a positive position with the exception of 2016. Executive

Director said the Lost Time Accident Frequency report thru May 31st shows the Fund's frequency is at 1.74 compared to this time last year which was 1.86. Executive Director also highlighted the EPL Compliance report identifying each members EPL Compliance, deductible and co-pay.

AUDIT REPORT AND ACTUARY VALUATION REPORT AS OF DECEMBER 31,

2015: The Auditor's Report as of December 31, 2015 was distributed to commissioners.

Jenna Bauer, Nisivoccia LLP, presented the report and reviewed the Statement of Net Position Ms. Bauer reviewed the audit and said the overall assets for the NJUA JIF was \$13.7 million this year representing an increase of \$275,000 increase over 2014. Overall, the Fund is in great financial position and there was only a \$392,000 in net position from 2014.

The Audit Management report contained no recommendations but included three suggestions: concerning investment income, the Residual Claims Fund and cyber liability.

Executive Director said the Fund has recently changed to Wilmington Trust for its Investments. In addition, the MEL and the NJUA JIF each adopted revisions to its Cash Management Plan to allow for longer term investing, including purchasing member municipal bonds.

Executive Director said the MEL has reordered its Internal Audit Universe to have a Claims Audit performed –with a focus on RCF's loss experience – in particular developments since 2013.

In response to Chairman Gianforte, we do not need to make a corrective action plan since the items were suggestions.

MOTION TO APPROVE YEAR END FINANCIALS, ADOPT RESOLUTION 19-16 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT THE FUND COMMISSIONERS HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT

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

The Fund office will file the financial reports with the state by the June 30th deadline

EMPLOYMENT PRACTICES PROGRAM: As a reminder changes to the 2017 POL/EPL Program are posted on the MEL's webpage – www.njmel.org which details changes to the MEL's Model Personnel Manual and information on training program requirements. Members have until October 1st to submit checklist to qualify and/or maintain deductible and co-pay incentives. Compliance includes updating Personnel Manuals, Training Managers & Supervisors and offering training to non-supervisory personnel.

Managers & Supervisor Trainings were scheduled in various authorities during April, May and June.

2017 RENEWAL ONLINE UNDERWRITING DATABASE: Members and Risk Managers will receive an email when the database is set up to begin the 2017 underwriting renewal – which is expected to begin on June 20, 2016. Executive Director said the email will be sent by Exigis either today or tomorrow. Please check your junk mail because sometime the email may be sent to your junk mail. Executive Director said Karen Read will send an email to all members as a reminder and to make sure they have received the information. The deadline will be August 15th so we will have the information in place for the budget process which we have to start the middle of September.

RESIDUAL CLAIMS FUND: The RCF met on June 1, 2016 at the Forsgate Country Club in Jamesburg, NJ. Commissioner Bigler’s report on the meeting is enclosed.

The RCF board adopted a Resolution accepting the transfer of member JIF’s Fund Year 2012. Enclosed you will find Resolution 20-16 authorizing the transfer of the NJUA JIF’s 2012 claim liabilities to the RCF – which is part of the consent agenda.

MOTION TO ADOPT RESOLUTION 20-16 AUTHORIZING THE TRANSFER OF FUND YEAR 2012 LIABILITIES TO THE RESIDUAL CLAIMS FUND

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

EJIF – The EJIF met on June 1, 2016 at the Forsgate in Jamesburg, NJ. Commissioner Rutkowski’s report on the meeting is enclosed. Executive Director said the EJIF accepted their Audit Report.

MEL – The MEL met on June 1, 2016 at the Forsgate in Jamesburg, NJ. Commissioner Rutkowski’s report on the meeting is enclosed. Commissioner Rutkowski said the Toms River MUA used one of the companies on the cleaning restoration list and it worked out well. Executive Director said there are probably eight or nine companies on that list and they responded to a request for qualifications. There is also a white paper on the MEL website which explains under what circumstances you can go out and hire somebody in an emergency without going through some of your other requirements.

SAFETY EXPO – The first of two NJUA Safety Expos has been schedule for June 24th at the Middlesex Fire Academy. Enclosed is a copy of the registration information that has been emailed to all member authorities. To date over 120 employees have registered for the June Expo. Executive Director said as of this week we have 136 registered and Karen Read has mailed everyone that registered their schedules.

TREASURER:

VOUCHER PAYMENTS (BILL LIST)

Closed	\$	0.00
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2014	\$ 2,447.88
2015	\$ 21,210.00
2016	\$ 132,007.68

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF MAY 2016:

Closed:	\$.00
2012:	\$ 3,493.74
2013:	\$ 42,298.25
2014:	\$ 4,863.06
2015:	\$454,625.88
2016	\$ 99,062.22
Total:	\$604,343.15

MOTION TO APPROVE JUNE BILLS LIST, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF MAY 2016 CLAIMS AND ACCEPT TREASURER'S REPORT:

Moved:	Commissioner Flancbaum
Second:	Commissioner Pestana
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 Mr. McNamara of Qual-Lynx.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: The Safety Director Joanne Hall reviewed report included in the agenda packet. Ms. Hall we are very busy with the Safety Expo which will be held this Friday at the Middlesex Fire Academy. Safety Director made note of the Safety Committee Meetings and a full line up for the rest of the year and we added a training for November with CNA at the Crown Plaza in Monroe Township on a presentation on changes in the regulations on boiler and machinery and then in the afternoon they want to do a presentation on property exposures. We are open to suggestion on anything you

would like to hear regarding the property part of the presentation. Please let us know if you have any suggestions.

Report Made Part of Minutes.

CLAIMS: Report in Executive Session.

MEETING DATES: Chairman Gianforte said there is a conflict with the September 28th meeting date. The WEFTEC 2016 Conference is being held that week. A discussion ensued and there was a conflict for some board members. The Board decided to change September meeting date to September 21, 2016. Executive Director said in December the meeting is scheduled for December 28, 2016 this week may be a conflict with the holiday. The Board decided to move the December meeting date as well to December 21, 2016. Executive Director said the meeting date changes will be advertised.

MEL UNDERWRITING MANAGER: Executive Director introduced Edward Cooney, the new MEL Underwriting Manager. The MEL Underwriting Manager is working with the JIF Underwriting Manager to present the Fund's request for excess liability coverage consideration when "hauling sludge" to the MEL Coverage Committee.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

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

MOTION TO CLOSE MEETING:

Moved:	Commissioner Flancbaum
Second:	Commissioner Bigler
Vote:	Unanimous

MOTION TO RE-OPEN MEETING:

Moved:	Commissioner Bigler
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Second: Commissioner Flancbaum
Vote: Unanimous

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS PRESENTED

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

MOTION TO ADJOURN:

Moved: Commissioner Bigler
Second: Commissioner Flancbaum
Vote: Unanimous

MEETING ADJOURNED: 11:30 am
NEXT REGULAR MEETING: July 27, 2016
Karen A. Read, Assisting Secretary

For
Robert Fischer, SECRETARY
Date Prepared: - July 20, 2016