

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
MAY 25, 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	Present
Robert Burner	Cape May County MUA	Absent
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	Present
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
Claims Service	Qual-Lynx Kathleen Tyler Schohl
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
Gary Vaccaro, Brick Township MUA
Robert Maybury, Mt. Holly MUA

ALSO PRESENT:

Michael Avalone, Conner Strong & Buckelew
Charles Casagrande, Danskin Insurance Agency
Amy Pieroni, NAIMC
Ed Buecker, Fairview Insurance.
George Crosby, Business Governmental Insurance Agency
Jeffrey Kurtz, Governmental Risk Management Asso
Danielle Matheson, Brown & Brown Metro
Art Caughlan, Nelson-Patterson Agency
Donna Reale-Waters, Riverside – Sloan Insurance Agency
Brian Monaghan, TC Irons Insurance
Dominic Cinelli, Brown & Brown
Lou Carey, JA Montgomery
Karen LaSala, JA Montgomery
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: April 27, 2016 Open Minutes.

MOTION TO APPROVE APRIL 27, 2016 OPEN MINUTES.

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

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 for March shows a statutory surplus of \$5.2 million which is down a little over year end. All Fund Years are in a positive position with the exception of 2016. Executive Director noted the favorable loss ratio for Fund year 2012 and said most of the MEL affiliated JIFs experienced similar results. Executive Director said the MEL's largest loss to date was damages from Super Storm Sandy, claims were covered by excess insurance. The Actuary recently did a comparison of claims experience to snowfall – which tracks closely. Most JIFs have seen higher claims experience resulting from the 2013/2014 and 2014/2015 winters; although much of 2015 losses were related to “ice”. Executive Director said

the Lost Time Accident Frequency report thru April shows the Fund's frequency is at 1.55 which is about the same as this time last year which was 1.59. Executive Director said the EPL Compliance report shows where everyone stands with EPL Compliance. In response to Commissioner Fischer, Executive Director said we will not start tracking the compliance for the new EPL/POL until we are nearer to the October deadline.

In response to Commissioner Bigler, Executive Director said the RMC agreement report does reflect some old expiration dates since the Fund only requires a copy of the agreement when the Fund makes the payment direct to the RMC.

Agenda included report on Fund Commissioner Local Government Ethics filing, noting two Fund Commissioners have not yet filed. In response to Commissioner Flancbaum, Executive Director said the JIF will not be penalized if a Fund Commissioner does not file their Financial Disclosure Statement.

Sludge Hauling: In response to questions raised regarding coverage for the hauling of sludge, Executive Director said the discussion is still ongoing with the Fund working to get the EJIF to consider covering this exposure. This JIF could decide to cover it under the auto policy by adding an endorsement that provide cover us for \$300,000. The MEL's Coverage Committee is still discussing the matter, so NJUA coverage would be limited to its retention of \$300,000. Munich Re, excess liability carrier, has pollution exclusion and said they would only consider with underwriting data and questions. In response to Chairman Gianforte, Underwriting Manager issued a survey and there are six other authorities with the same exposure. Executive Director said there might not be a need for an immediate assessment since there hasn't been any loss experience. Executive Director said once cornerstone to the Joint Insurance Fund is that members be homogeneous with the same basic operations, but within the basic operations you have members that have variations in operations; so when you decide to provide coverage it does not have to be an exposure that every member faces – and the pricing structure accounts for these variations. In response to Commissioner Fischer, Executive Director said at this time, the Fund is asking the EJIF to consider covering this exposure since it is a pollution.

Risk Manager Mike Avalone said beyond those that handle the exposure directly in house there are those members that outsource this operation and despite their best contractual risk transfer attempts you never know on a given day who the third party vendor has for their carrier and if the coverage is in force today.

MOTION TO EXTEND \$300,000 IN COVARAGE FOR THE RISK ASSOCIATED WITH HAULING SLUDGE AND WASTE IN TRANSIT

Moved:	Commissioner Flancbaum
Second:	Commissioner Fischer
Roll Call Vote:	7 Ayes, 0 Nays

Underwriting Manager added clarification and said the auto liability coverage is third party liability so if you are driving the truck and dump the load it is not going to pay for your clean- up unless a third party property damage can file suit against us. In response to Executive Director, Jon Ziman said with the motor carrier endorsement it would not pay the clean up. The motor carrier endorsement requires you by law to clean it up and then allows the carrier to pursue

recovery from the insured. Chairman Gianforte asked if any member had a Standard Operating Procedure for clean-up that we can make available to the members. Chuck Casagrande, E-JIF Undewriting Manager, said he will check with EJIF engineers to see if they have anything to give to members.

LOU CAREY – Lou Carey will be retiring from JA Montgomery on June 3rd. Since joining JA Montgomery, Lou Carey has been part of the staff that has serviced the NJUA JIF. Attached in the agenda was Resolution 17-16 recognizing Lou’s contribution to the Fund. Chairman Gianforte presented the Resolution to Mr. Lou Carey. Lou Carey said just so everyone knows he has 9 days, 5 hours, 6 minutes, 33, 32, 31....seconds left until retirement. Mr. Carey said it has been very enjoyable working with the Fund and I learned a lot from everyone and hoped he was able to help everyone out a little bit. Mr. Carey thanked the Fund.

MOTION TO ADOPT RESOLUTION 17-16 HONORING LOU CAREY

Moved:	Commissioner Bigler
Second:	Commissioner Fetherman
Vote:	Unanimous

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. We are in the process of scheduling 2 additional classes. Executive Director said there is one training session scheduled for June 14th at the Two Rivers Water Reclamation Authority. The requirement for all the updates is October 1, 2016.

MEL MEMBERSHIP RENEWAL: The Fund is scheduled to renew their MEL membership effective July 1, 2016. Enclosed is Resolution 16-16 renewing the Fund’s membership in the Municipal Excess Liability Joint Insurance Fund for the period of July 1, 2016 through June 30, 2019.

MOTION TO ADOPT RESOLUTION 16-16 RENEWING THE FUND’S MEMBERSHIP IN THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2019

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

AUDITOR & ACTUARY YEAR-END REPORTS: The financial audit for the period ending December 31, 2015 will be ready for review and approval at the June meeting and will be filed with the Departments of Insurance and Community Affairs by June 30th deadline. Executive Director said we will also have the actuarial valuation at that time.

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 or near June 1, 2016. The deadline to make your updates in Exigis will probably be some time around August 1, 2016.

2016 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 filing deadline was April 30th and all but one Fund Commissioner completed this filing.

SAFETY EXPO – The Expo Committee is in the final stages of setting the schedule for the Safety Expos, scheduled for June 24th and September 30th. Registration packets will be emailed to all MEL members by May 27th.

TREASURER: Treasurer Neuhoof reported there is a correction on the bills list. There was a check added at the last minute – check #1076 for Secaucus MUA RMC fee in the amount of \$3,810.76 – the total bills list should be \$537,489.72

VOUCHER PAYMENTS (BILL LIST)

2015	\$ 9,255.04
2016	\$ 528,234.68

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

Closed:	\$.00
2012:	\$ 2,386.38
2013:	\$ 49,317.43
2014:	\$ 10,341.30
2015:	\$131,838.47
2016	\$ 57,969.01
Total:	\$251,852.59

MOTION TO APPROVE MAY BILLS LIST, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF APRIL 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. In response to Commissioner Fischer, Mr. McNamara said with those particular specialties especially DME we do not usually see a big gap between the charges and the savings on those we typically see a lower percentage on that along with ambulance and transportation as well. Those specialties are usually lower. Executive Director said they are out of your network as well.

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 right now. Joe Aldigieri for Passaic Valley Water Commission and Maria Brush of Rockaway Valley Regional Sewerage Authority are the chairpersons this year and they have a great line up of classes and we are looking forward to that in June. We have the Safety Committee Meetings and training lined up and that schedule can be found on page 47. Manasquan River has lined up a presentation on call before you dig with the NJ Natural Gas they opened it up to other JIF members. We sent out a notice and 28 people are going in addition to their own staff. If anyone would like more information on that we can give you the details

Report Made Part of Minutes.

CLAIMS: Report in Executive Session.

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 Fetherman
Vote: Unanimous

MOTION TO RE-OPEN MEETING:

Moved: Commissioner Fetherman
Second: Commissioner Flancbaum
Vote: Unanimous

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

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

MOTION TO ADJOURN:

Moved: Commissioner Bigler
Second: Commissioner Fetherman
Vote: Unanimous

MEETING ADJOURNED: 11:34 am
NEXT REGULAR MEETING: June 22, 2016
Karen A. Read, Assisting Secretary

For
Robert Fischer, SECRETARY
Date Prepared: - June 8, 2016