

NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
MAY 24, 2017
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 2017 EXECUTIVE COMMITTEE:

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

EXECUTIVE COMMITTEE ALTERNATES:

Thomas Horn, Alt#1	Lambertville MUA	Present
Richard Brand, Alt #2	East Windsor MUA	Present
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. Robert Budesa
Claims Service	Qual-Lynx Chris Roselli
Safety Director	JA Montgomery Risk Control Brian Maitland
Managed Care	QualCare Donna Setzer
Underwriting Manager	Capacity Coverage Jon Ziman
Treasurer	Stuart Neuhof

FUND COMMISSIONERS AND ALTERNATES PRESENT:

ALSO PRESENT:

Mike Avalone, Conner Strong & Buckelew
Art Caughlan, Nelson Patterson
Brian Monaghan, TC Irons
Kathy Young, Alamo Insurance
Peter Soriero, Allied Risk Management
Dom Cinelli, Brown & Brown
George Crosby, BGIA
Tom Fitzpatrick, Fairview Insurance
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: April 20, 2017 Open Minutes.

MOTION TO APPROVE APRIL 20, 2017 OPEN MINUTES.

Moved:	Commissioner Pastena
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 Financial Fast Track Report as of March 31st shows a statutory surplus of \$4.4 million which is just about what it was at year end. Executive Director said the Fund's Loss Ratio Report and most of the years are below where the actuary would expect it to be at this time with the exception of 2016 and 2017 which is typical that the current year would fall that way. Through March, the Fund's Lost Time Accident Frequency stands at .60 compared to 1.45 this time last year.

Executive Director said if we have not received your RMC Agreement please submit that paperwork this is one item the auditor usually picks up on of RMC fees have not been paid, but we need your agreement in order to pay the fees.

In response to Chairman Gianforte, Executive Director said there has not been any movement in the legislature on the JIF's ability to purchase municipal bonds as investments. The bill in the Senate passed but it has not been posted for a vote in the Assembly. We understand resolutions the sponsor received in support have encouraged him to continue to include it on his agenda.

NATIONAL FLOOD PROGRAM – Most utility authorities and municipalities in the MEL have properties in flood zones. Therefore, it is critical that Congress acts to continue the National Flood Insurance Program. The MEL recommends that each JIF adopt the attached resolution and pass it on to the members for their actions as well.

MOTION TO ADOPT RESOLUTION 16-17

Moved:	Commissioner Fischer
Second:	Commissioner Horn
Vote:	Unanimous

AUDITOR & ACTUARY YEAR-END REPORTS – The financial audit for the period ending December 31, 2016 will be ready for review and approval at the June meeting and will be filed with the Departments of Insurance and Community Affairs by the June 30th deadline.

2017 COVERAGE DOCUMENTS - The Fund Office has started to distribute the 2017 coverage documents to all Fund Commissioners and Risk Managers via email. Executive Director said the JIF did decide to purchase higher limits on Cyber Liability and once those policies are issued we will forward them as well.

JERSEY CITY MUA – When the NJUA JIF offered membership to the Jersey City MUA it was with the understanding that AssetWorks would perform a property appraisal and the MUA would be issued an additional assessment if values were greater than had been scheduled. Property appraised resulted in an increase of values totaling \$21,759,730.

In response to Chairman Gianforte, Executive Director said some JIFs do property appraisals every three years. Executive Director said the NJUA JIFs locations do not really change that much so if this JIF decided to do it every five years that would be something we can look into. Executive Director said she would look into the cost associated with property appraisals report back. Commissioner Bigler said his Bond issuer requires an assessment is completed every five years. Executive Director said that is probably more of an asset management rather than a replacement cost which is different than the appraisals.

Underwriting Manager Jon Ziman said the most important thing to remember is a bigger concern is to make sure all of the property locations you want covered are recorded. The values are important but the locations are a little more important.

MOTION TO CERTIFY ADDITIONAL ASSESSMENT OF \$24,709 TO THE JERSEY CITY MUA FOR INCREASED PROPERTY VALUES

Moved:	Commissioner Pastena
Second:	Commissioner Fischer
Vote:	Unanimous

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. Executive Director said Fund Commissioners are welcome to attend and there would be no charge to Fund Commissioners since the charge associated with it is for the CE credits.

2017 FINANCIAL DISCLOSURE FORMS – Commissioners are required to complete the online filing of Financial Disclosure forms as JIF Commissioner, as well as, any municipal related positions that require filing. While the LFB has no statutory authority to extend the filing deadline, due to the delay in opening the 2017 FDS system for filers, the LFB is expected to delay enforcement of the statutory deadline until May 30, 2017. We have followed up with the four Fund Commissioners that have yet to complete the filing.

2018 RENEWAL ONLINE UNDERWRITING DATABASE – Members and Risk Managers will receive an email when the database is set up to begin the 2018 underwriting renewal – which is expected to begin on June 1, 2017. The MEL awarded a contract to Origami for the on-line underwriting – but that system will not be functional until 2018. This year's renewal will still be conducted in the Exigis system.

2017 SAFETY EXPO – Attached is a copy of the 2017 Safety Expo Registration packet, emailed to Fund Commissioners and Safety Delegates. Expos will be held on June 23rd at the Middlesex Fire Academy and September 29th at the Camden County Emergency Training Center. Registration packets were also emailed to all MEL members. Executive Director said the MEL has a program called the Power of Collaboration which is like an advertisement that is in the League Magazine and the next version will focus on the 25 years of Safety Expo training.

TREASURER:

VOUCHER PAYMENTS (BILL LIST)

2016	\$ 21,702.09
2017	\$ 617,908.34

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

Closed:	\$.00
2013:	\$ (24,645.41)
2014:	\$ 22,893.03
2015:	\$ 20,504.62

2016:	\$ 187,256.22
2017	\$ 50,013.05
Total:	\$ 256,021.51

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

Moved:	Commissioner Pastena
Second:	Commissioner Rutkowski
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. Setzer of QualCare.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Monthly report submitted and reviewed by JA Montgomery Risk Control Safety Consultant Brian Maitland. Last week we held the first CPR and First Aid Safety Day at Two Rivers Water Reclamation and another training is scheduled at Passaic Valley Water Commission on November 16th.

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**

MOTION TO CLOSE MEETING:

Moved: Commissioner Bigler
Second: Commissioner Brand
Vote: Unanimous

MOTION TO RE-OPEN MEETING:

Moved: Commissioner Pastena
Second: Commissioner Fischer
Vote: Unanimous

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

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

MOTION TO ADJOURN:

Moved: Commissioner Bigler
Second: Commissioner Pastena
Vote: Unanimous

MEETING ADJOURNED: 11:14 am
NEXT REGULAR MEETING: June 28, 2017
Karen A. Read, Assisting Secretary

For
Robert Fischer, SECRETARY
Date Prepared: - June 7, 2017