

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
AUGUST 27, 2014
TOMS RIVER MUA
10:30 AM**

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

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

ROLL CALL OF 2014 EXECUTIVE COMMITTEE:

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| Brian Bigler, Chairman | Secaucus MUA | Present |
| Jerome Cevetello, Secretary | Manasquan River Reg'l. Sewerage Authority | Present |
| Tammy Fetherman | Lacey MUA | Present |
| David Johnson | Little Egg Harbor MUA | Absent |
| Michael Gianforte | Two Rivers Water Reclamation Authority | Absent |
| Robert Fischer | Bayshore Regional SA | Absent |
| Robert Burner | Cape May County MUA | Present |

EXECUTIVE COMMITTEE ALTERNATES:

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| Frank Pastena, Alt #1 | North Bergen MUA | Present |
| Reno Wilkins, Alt #2 | Plainfield Municipal Utilities Authority | Absent |
| Bernard Rutkowski, Alt #3 | Toms River MUA | Present |

APPOINTED OFFICIALS PRESENT:

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| Executive Director/Adm | Perma Risk Management Cathleen Kiernan |
| Attorney | Berry, Sahradnik, Kotzas & Benson, P.C. Robert Budes |
| Claims Service | Qual-Lynx Don Kellerman |
| Safety Director | JA Montgomery Risk Control Joanne Hall |
| Managed Care | QualCare Donna Setzer |
| Underwriting Manager | Capacity Coverage Jon Ziman |

Treasurer

Stuart Neuhof

FUND COMMISSIONERS AND ALTERNATES PRESENT:

Thomas Horn, Lambertville MUA
Joseph Rizzuto, Mount Holly MUA

ALSO PRESENT:

Michael Avalone, Conner Strong & Buckelew
Patti Fahy, NAIMC
Charles Casagrande, Danskin Insurance Agency, Inc.
Mary Ann Costabile, Rue Insurance
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: July 23, 2014 Open & Closed Minutes.

MOTION TO APPROVE JULY 23, 2014 OPEN & CLOSED MINUTES

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| Moved: | Commissioner Burner |
| Second: | Commissioner Fetherman |
| Vote: | 6 Ayes, 0 Nays |

CORRESPONDENCE: NONE

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 statutory surplus as of June 30th stands at \$6.4 million down from 7.3 at year end. Executive Director said in looking at the Expected Loss Ratio Analysis in 2014 - 44% of our budget has been incurred either by paid or reserved this time last year it was 26.99% and these are factors of the winter. Lost Time Accident Frequency Reports reflects a frequency of 2.7, which is the second highest in the MEL affiliated JIFs - this time last year we were at 1.09.

2015 RENEWAL APPLICATIONS – ONLINE UNDERWRITING DATABASE –

The new on-line underwriting database was launched the first week of August. The system – “exigis risk works” issued logins to Fund Commissioners and Risk Management Consultants. In addition to training sessions conducted in July, there were 3 webinars held after the logins were issued.

Since the NJUA’s property appraisals are not yet complete, the program will not include the location schedule. Once complete and reviewed by the Finance Committee, the locations will be

migrated into the new database. Detail reports per location will also be distributed to each member authority.

Executive Director said all members should make sure they have received their logon, password and the link to log on the Exigis program as well as communicate with their the Risk Managers to discuss how much of the information they will be entering into the system. Payrolls will be entered electronically by the Payroll Auditor NEIS but you will have to enter the headcount. Executive Director said property locations have not been entered yet because we are still working with AssetWorks. At this time we have received about 50 reports from AssetWorks so we still waiting for the balance of the reports. Once all of the property reports are received the data will be entered into Exigis electronically and all members will be able to review. If you do not agree with the values determined by AssetWorks members will have an opportunity to discuss those values with AssetWorks.

In response to Commissioner Burner, Executive Director said the payroll information in Exigis right now is the prior year as a point of comparison. This information we used for 2014 was actually the 2012 payroll. If you are looking to match it up to your 2012 payroll you would have to factor out the overtime. We factored out Sandy overtime last year because we did not want to factor in overtime for something we are assuming will not happen again. NEIS is collecting the 2013 payrolls now and this is what we will use for 2015.

Executive Director said we will need to schedule a Finance Committee in October to start the budget process. In response to Commissioner Bigler, Executive Director said a public notice will be advertised for the meeting which is generally held where the Finance Committee Chairperson is located - which is Commissioner Gianforte at Two Rivers Water Reclamation. Executive Director said an indication from the actuary is that the loss funds look good but our excess is unknown right now.

2014 POLICY MEMBER MANUALS - Executive Director said the Fund distributed the 2014 Policy Member Manuals to all Fund Commissioners and Risk Managers via email during the month of July. Executive Director said the Member Manuals consisted of JIF policies, Cyber Liability, XL policies and Excess policies.

MEMBERSHIP RENEWALS - Executive Director said attached is a list of the 34 members scheduled to renew fund membership by January 1, 2015. Membership documents are in the process of being distributed. Executive Director said members should let us know by October 1 if they are not committed to the membership and those members will be outside of the equalization process.

FINANCIAL DISCLOSURE FORM – Executive Director said the Division of Local Government Services has contacted the Fund office and asked us to follow up with any commissioner that had not yet completed their filing to advise them that the state will begin issuing finds to commissioners that do not complete their filing by August 29th. Only one Fund Commissioner for the NJUA has not filed yet; we are following up. Executive Director said the state has indicated they will be fining \$100 for each filing not completed every month.

SAFETY EXPO - The 22nd NJUA Safety Expo has been scheduled for September 26th at the Camden County Emergency Services Training Center and November 7th at the Middlesex County Fire Academy. Registration information has been emailed to all member authorities. The registration packet is also enclosed in the agenda.

TREASURER:

RESOLUTION 24-14 VOUCHER PAYMENTS (BILL LIST)

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| 2013 | \$ 15,930.82 |
| 2014 | \$ 89,550.16 |

CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF JULY 2014:

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|--------|--------------|
| CLOSED | \$.00 |
| 2010: | \$ 46,096.43 |
| 2011: | \$ 63,122.62 |
| 2012: | \$ 32,049.77 |
| 2013: | \$ 54,131.59 |
| 2014: | \$ 92,469.92 |
| Total: | \$287,870.33 |

MOTION TO APPROVE AUGUST BILLS LISTS, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF JULY 2014 CLAIMS AND ACCEPT TREASURER'S REPORT:

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| Moved: | Commissioner Fetherman |
| Second: | Commissioner Burner |
| Roll Call Vote: | 6 Ayes, 0 Nays |

Treasurer's Report Attached & Made Part of Minutes.

ATTORNEY: NONE

MANAGED CARE:

MONTHLY REPORT: Report submitted and reviewed by Donna Setzer of QualCare.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Monthly report submitted and reviewed. Safety Director said the Safety Expo is progressing nicely with Commissioner Rutkowski as the Chair. The announcements have been sent out and the confirmations have been sent to all trainers. Last week we held a Safety Committee meeting at Rockaway Valley with 31 in attendance and the topic was Indoor Air Quality. Safety Director said there was a change in the Steering Committee of the Safety Committee - the Recording Secretary Richard Godlewski will be retiring and has stepped down. Maria Brush has stepped up to fill the vacancy until the end of the year.

Safety Director said last week we had a few bazar incidents where municipalities were using front end loaders to dump ice on the heads of life guards, children and public works employees and challenging other municipalities to do the same. The Safety Director's office sent out a notice to everyone to let them know this is not a good idea. Please be aware that people tend to take things too far and there was an actual case where a fire department in New York state contacted electrical wires.

Report Made Part of Minutes.

CLAIMS: The claims 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:

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| Moved: | Commissioner Pastena |
| Second: | Commissioner Fetherman |
| Vote: | Unanimous |

MOTION TO RE-OPEN MEETING:

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| Moved: | Commissioner Gianforte |
| Second: | Commissioner Fetherman |
| Vote: | Unanimous |

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS

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| Moved: | Commissioner Cevetello |
| Second: | Commissioner Fetherman |
| Roll Call Vote: | 6 Ayes, 0 Nays |

MOTION TO ADJOURN:

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| Moved: | Commissioner Cevetello |
| Second: | Commissioner Fetherman |
| Vote: | Unanimous |

MEETING ADJOURNED: 11:07am
NEXT REGULAR MEETING: September 24, 2014

Karen A. Read, Assisting Secretary
For

Jerome Cevetello, SECRETARY
Date Prepared: - September 3, 2014