

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND  
OPEN MINUTES  
DECEMBER 17, 2014  
TOMS RIVER MUA  
10:30 AM**

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

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

**ROLL CALL OF 2014 EXECUTIVE COMMITTEE:**

Brian Bigler, Chairman	Secaucus MUA	Present
Tammy Fetherman	Lacey MUA	Present
Michael Gianforte	Two Rivers Water Reclamation Authority	Present
Robert Fischer	Bayshore Regional SA	Present
Robert Burner	Cape May County MUA	Absent
Frank Pastena	North Bergen MUA	Present
Reno Wilkins	Plainfield Municipal Utilities Authority	Present

**EXECUTIVE COMMITTEE ALTERNATES:**

Bernard Rutkowski, Alt #1	Toms River MUA	Present
Justin Flancbaum, Alt #2	Lakewood MUA	Absent

**APPOINTED OFFICIALS PRESENT:**

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

**FUND COMMISSIONERS AND ALTERNATES PRESENT:**

Thomas Horn, Lambertville MUA  
Richard Brand, East Windsor MUA  
Jill Plesnarski, Readington Lebanon Sewerage Authority  
Michele Nugent, Berkeley Township MUA

**ALSO PRESENT:**

Charles Casagrande, Danskin Insurance Agency  
Michael McLaughlin, Marsh & McLennan  
Kathy Young, Alamo Insurance  
Dom Cinelli, Brown & Brown  
Amy Pieroni, North American Insurance Management  
Bradford Stokes, PERMA Risk Management  
Karen Read, PERMA Risk Management

**APPROVAL OF MINUTES:** NOVEMBER 18, 2014 Open & Closed Minutes.

**MOTION TO APPROVE NOVEMBER 18, 2014 OPEN & CLOSED MINUTES**

Moved:	Commissioner Gianforte
Second:	Commissioner Fetherman
Vote:	6 Ayes, 0 Nays, 1 Abstain Commissioner Bigler

**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 October 31st stands at \$6.3 million – down about \$970,000 since year-end – reflecting the impact of the harsh winter. Executive Director more than half of the MEL affiliated joint insurance funds experienced an increase in claims during 2014. Executive Director reviewed the Claims Expected Loss Ratio Report and said in every year except for the current year, the Fund's incurred is less than where the Actuary projects. Executive Director said the Fund's Lost Time Accident Frequency is 2.57, which is higher than normal, compared to 1.39 this time last year and we only had 26 lost time claims and this year we have 45 lost time claims.

**COVERAGE COMMITTEE** – Executive Director said the Coverage Committee held a Conference Call meeting on Thursday, December 11<sup>th</sup> at 3pm to review additional limits for earthquake and extra expense. Underwriting Manager said the Fund’s property policy provides a \$50 million sublimit and annual aggregate for earthquake coverage and a extra expense sublimit of \$10 million per occurrence limit. Underwriting Manager said, following the Fund’s property appraisals, Mr. Charles Casagrande, Risk Manager, suggested the Fund consider purchasing increased limits. Coverage Committee Conference reviewed quotes submitted by Underwriting Manager and recommended the Fund purchase an increase in the earthquake limits to \$100 million from \$50 million with \$15,000 additional premium and increase the extra expense to \$20 million from with \$10,000 additional premium. Executive Director said there is adequate funds in the miscellaneous contingency line of the budget.

In response to Commissioner Gianforte regarding coverage for underground piping due to earthquake, Underwriting Manager said this coverage would not change the sublimit for underground piping which is a \$5 million dollar sublimit with a \$100,000 deductible which would not change in the event of an earthquake.

**2015 EXCESS COVERAGE-** Executive Director said enclosed are resolutions authorizing the placement of excess coverages, as recommended by the Underwriting Manager.

**MOTION TO ADOPT RESOLUTIONS 28-14, 29-14 AS AMENDED & 30-14**

Moved:	Commissioner Gianforte
Second:	Commissioner Pastena
Vote:	7 Ayes, 0 Nays

**RCF** - The Residual Claims Fund scheduled its 2015 Reorganization meeting for Wednesday, January 7, 2015 at 10:30 am in the Forsgate Country Club located in Jamesburg, NJ.

The Fund should elect its representative to the Residual Claims Fund for the 2015 Fund Year.

**MOTION TO ELECT BRIAN BIGLER AS THE NEW JERSEY  
UTILITY AUTHORITIES JOINT INSURANCE FUND’S 2015  
REPRESENTATIVE TO THE RESIDUAL CLAIMS JOINT INSURANCE  
FUND**

Moved:	Commissioner Gianforte
Second:	Commissioner Fischer
Vote:	Unanimous

**EJIF** - The EJIF Board of Fund Commissioners met on November 19<sup>th</sup> at the Sheraton Hotel in Atlantic City.

The EJIF’s 2015 Reorganization meeting is scheduled for Wednesday, January 7, 2015 at 10:50 am in the Forsgate Country Club located in Jamesburg, NJ.

The Fund should elect its representative to the Environmental Joint Insurance Fund for the 2015 Fund Year.

**MOTION TO ELECT TAMMY FETHERMAN AS THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND'S 2015 REPRESENTATIVE TO THE ENVIRONMENTAL JOINT INSURANCE FUND**

Moved:	Commissioner Gianforte
Second:	Commissioner Pastena
Vote:	Unanimous

**MEL** - The MEL Board of Fund Commissioners conducted its public hearing on the 2015 budget on November 19<sup>th</sup> in the Atlantic City Convention Center. Enclosed is a copy of Commissioner Cevetello's report on the meeting – with adopted budget attached.

The MEL's 2015 Reorganization meeting for the MEL is scheduled for Wednesday, January 7, 2015 at 11:15 am in the Forsgate Country Club located in Jamesburg, NJ.

The Fund should elect its representative to the Municipal Excess Liability Joint Insurance Fund for the 2015 Fund Year.

**MOTION TO ELECT RENO WILKENS AS THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND'S 2015 REPRESENTATIVE TO THE MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**

Moved:	Commissioner Gianforte
Second:	Commissioner Pastena
Vote:	Unanimous

**2015 BUDGET** – Executive Director said in accordance with the regulations, the budget adopted by the Fund has been advertised in the Fund's official newspaper. In addition, PERMA mailed the budget to member authorities and is in the process of filing with the state.

**2015 BILLINGS** - Executive Director said in accordance with the Fund's bylaws, bills have been mailed to member authorities and are due and payable by January 15, 2015. Any payments not received by February 1 will be subject to late penalty retroactive to the due date.

**2015 FUND PROFESSIONALS** – Executive Director said following the distribution of responses to the Fund's Requests for Qualifications an Ad-hoc committee was appointed to review. The Committee comprised of Commissioner Flancbaum (Chair), Commissioners Burner, Fetherman and Gianforte met to review the responses. Based on performance and fee structure, Committee recommends reappointing current Fund Professionals at Reorganization at fees increased recommended by the Finance Committee in October.

**MEMBERSHIP** – Executive Director said we received a membership inquiry from Jersey City MUA. An underwriting review was distributed for review in Executive Session.

**NOMINATING COMMITTEE** - Executive Director said The Nominating Committee will report on its recommended slate for a 2015 slate. Chairman Bigler said they will need a few more members on the Nominating Committee and asked for any volunteers. Commissioner Gianforte, Commissioner Fischer and Commissioner Rutkowski volunteered to be on the Committee. Chairman Bigler asked the Nominating Committee to meet after the meeting to discuss and review the 2015 slate. Executive Director said once the 2015 slate has been determined, a ballot will be sent to all members in case we do not have a quorum at the January meeting. The quorum for the NJUA JIF is 26 Fund Commissioners present.

**2015 FUND REORGANIZATION** – The Fund’s Reorganization Meeting has been scheduled for January 28, 2015 at 10:30 am in the Toms River MUA.

**TREASURER:**

**RESOLUTION 31-14 VOUCHER PAYMENTS (BILL LIST)**

2014	\$391,943.25
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**RESOLUTION 32-14 VOUCHER PAYMENTS (BILL LIST)**

2014	\$435,036.06
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**CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF NOVEMBER 2014:**

CLOSED	\$ .00
2010:	\$ .00
2011:	\$ 5,747.77
2012:	\$ 1,898.08
2013:	\$ 1,159.00
2014:	\$152,011.05
Total:	\$160,815.90

**MOTION TO APPROVE DECEMBER BILLS LISTS, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF NOVEMBER 2014 CLAIMS AND ACCEPT TREASURER’S REPORT:**

Moved:	Commissioner Gianforte
Second:	Commissioner Fetherman
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 Lisa Gallo of QualCare. Ms. Gallo thanked the Committee for re-appointing QualCare as the Managed Care Provider.

Report Made Part of the Minutes.

**SAFETY DIRECTOR:**

**MONTHLY REPORT:** Monthly report submitted and reviewed by Joanne Hall.

Safety Director introduced Don Ruprecht, Associate Director of Safety Training and Communication for JA Montgomery. In response to request made at November JIF meeting, Mr. Ruprecht distributed pricing for First Aid and CPR/AED training based on class size is up to 40 students; pricing is \$65 per person and the certification is good for two years. Executive Director said this training could be split into three sessions one in the North, South and Central regions which would cost approximately \$2,600 per class. In response to Commissioner Rutkowski, Mr. Ruprecht said there no longer is a re-certification the card is good for two years.

Executive Director said the Fund can issue Requests for Proposals to get additional pricing. The Board agreed the JIF should go out for RFQ for this training Executive Director will work with the Safety Director's office for wording on the RFP.

Ms. Hall said the Executive Safety Committee meeting will be held tomorrow at Evesham. The Safety Committee would also like to move the 2015 Safety Expo in Middlesex to June 5<sup>th</sup> and the Camden Expo would be held in September. The annual Safety Breakfast will be held on February 25, 2015.

Report Made Part of Minutes.

**CLAIMS:** The claims report was for closed session.

**OLD BUSINESS:** None

**NEW BUSINESS:** Executive Director the Fund’s policy requires members to participate in all lines of coverage. But when the Fund was formed in 1991, an exception was made for Stony Brook Regional Sewerage Authority in order to achieve the necessary “critical mass” to form. At that time, Stony Brook Regional Sewerage Authority had a very competitively priced property policy for their locations. Effective January 1, 2015, Stony Brook Regional Sewerage Authority elected to include its buildings in the JIF program. Based on \$80 million in building values and \$29 million in content values (locations were appraised by AssetWorks) – Executive Director recommended an additional assessment of \$118,000.

**MOTION TO CERTIFY STONY BROOK REGIONAL SEWERAGE AUTHORITY ADDITIONAL ASSESSMENT OF \$118,000 FOR BUILDING AND CONTENT VALUES**

Moved:	Commissioner Gianforte
Second:	Commissioner Fetherman
Vote:	7 Ayes, 0 Nays

**DEPARTMENT OF LABOR:** Chairman Bigler said the DOL is having their annual awards if anyone is interested you can go on the website. Anything with zero time lost is always good public relations.

**PUBLIC COMMENT:** None

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

**MOTION TO CLOSE MEETING:**

Moved:	Commissioner Gianforte
Second:	Commissioner Pastena
Vote:	Unanimous

**MOTION TO RE-OPEN MEETING:**

Moved:	Commissioner Gianforte
Second:	Commissioner Fetherman
Vote:	Unanimous

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS  
CONTINGENT UPON ONE CLAIM PAYMENT BEING REVIEWED BY  
RENO WILKINS**

Moved: Commissioner Gianforte  
Second: Commissioner Pastena  
Roll Call Vote: 7 Ayes, 0 Nays

**MOTION TO AUTHORIZE APPROVE MEMBERSHIP FOR THE  
JERSEY CITY MUA, SUBJECT TO SATISFACTORY LOSS CONTROL  
AND APPROVAL OF XL INSURANCE.**

Moved: Commissioner Gianforte  
Second: Commissioner Pastena  
Vote: Unanimous

**MOTION TO ADJOURN:**

Moved: Commissioner Gianforte  
Second: Commissioner Pastena  
Vote: Unanimous

**MEETING ADJOURNED: 11:24 am**  
**NEXT REGULAR MEETING: January 28, 2015**

Karen A. Read, Assisting Secretary  
For

**NEW JERSEY UTILITY AUTHORITIES JIF**  
**Date Prepared: - January 13, 2015**