

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
MARCH 26, 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 2013 EXECUTIVE COMMITTEE:

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	Present
Richard Cranmer	Readington-Lebanon Sewerage Authority	Present
Michael Gianforte	Two Rivers Water Reclamation Authority	Present
Robert Fischer	Bayshore Regional SA	Absent

EXECUTIVE COMMITTEE ALTERNATES:

Robert Burner, Alt #1	Cape May County MUA	Present
Frank Pastena, Alt #2	North Bergen MUA	Present
Reno Wilkins, Alt #3	Plainfield Municipal Utilities Authority	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Adm	Perma Risk Management Cathleen Kiernan
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. Mary Jane Lidaka
Claims Service	Qual-Lynx Kathy Kissane
Safety Director	JA Montgomery Risk Control
Managed Care	QualCare Donna Setzer, Diane Belanger, Christina Williams

Underwriting Manager

Capacity Coverage

Jon Ziman

Treasurer

Stuart Neuhof

FUND COMMISSIONERS AND ALTERNATES PRESENT:

Joseph Rizzuto, Mount Holly MUA
Justin Flancbaum, Lakewood MUA
Robert Smith, Western Monmouth UA
Richard Brand, East Windsor MUA
Jim Benson, Musconetcong SA
Michael Pucilowski, Washington Twp. MUA (Morris County)

ALSO PRESENT:

William Dunn
Michael Avalone, Conner Strong & Buckelew
Jeff Stapleton, Otterstedt Insurance Agency
Patti Fahy, NAIMC
Charles Casagrande, Danskin Insurance Agency, Inc.
Cynthia Lisa, Danskin Insurance Agency, Inc.
Dominick Cinelli, Brown & Brown of NJ
Jeff Kurtz, Governmental Risk Management Associates
Kathy Young, Alamo Insurance
Larry Graham, Fairview Insurance
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: February 26, 2014 Open & Closed Minutes.

MOTION TO APPROVE FEBRUARY 26, 2014 OPEN & CLOSED MINUTES.

Moved:	Commissioner Gianforte
Second:	Commissioner Cranmer
Vote:	6 Ayes, 0 Nays, 1 Abstain – David Johnson

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 for the month of January we do not have Financial Fast Track due to the fact that our account department is closing out the year and preparing for the annual audit. Executive Director said the January Financial Fast Track was not included this month to allow

the financial staff to close out the year. The Loss Ratio report shows each year except for the current year our losses are set for less than where the actuary thinks they should be at this time which is a positive. Each of the years' resulting has over \$1,000,000 surplus. The NJUA JIF's Lost Time Accident Frequency stands at 2.52 compared to .58 at this time last year. Reports show the impact of the 2014 winter on claims activity.

EXECUTIVE COMMITTEE VACANCY – Executive Director said Mount Holly MUA did not reappoint William Dunn as its Fund Commissioner – leaving the Executive Committee Alternative #4 position vacant. Executive Director said the nominating committee will meet to review the matter.

RCF MEETING – The RCF met on Wednesday, March 5, 2014 at 10:30 am at the Crowne Plaza. Enclosed is Chairman Bigler's report. Chairman Bigler called everyone's attention to the RCF's decision to participate in a pooled investment program with the MEL, RCF, EJIF and other local Joint Insurance Funds.

EJIF MEETING – The EJIF also met on Wednesday, March 5, 2014 at the Crowne Plaza. Commissioner Cevetello's report submitted for information. Commissioner Cevetello asked Mr. Casagrande, the EJIF Underwriting Manager, to review EJIF bulletin concerning unregulated tanks 20 years or older. Mr. Casagrande said for the past four years EJIF has been issuing bulletins from the regarding the change in coverage on unregulated tanks over 20 years of age. Typically these types of tanks are oil tanks used for the service of a burner. There may be commercial insurance available for these types of tanks if you find yourself in this situation however, you will need to have a tank tightness test. As of January 1 unregulated tanks over 20 years old will no longer be covered. In response to Commissioner Cranmer, Mr. Casagrande said the distinction for unregulated tanks is that they are typically fuel oil tanks, 2000 gallons or less for the service of premises.

MEL MEETING - The MEL met on Wednesday, March 5, 2014 at the Crowne Plaza. Commissioner Cevetello's report submitted for information. Commissioner Cevetello said the invitation to the MEL & MRHIF Seminar on April 11th is usually very well done and you will receive TCHs for the seminar and is very well worth attending.

In response to Commissioner Cevetello, Executive Director reviewed the research project Marc Pfeiffer is conducting with Rutgers which will result in Best Practices on how to manager your various internet, cyber liability exposures. Mr. Pfeiffer will start off with an advisory committee so anyone that would like to volunteer or have your IT person volunteer may do so. There will be a survey sent to every member and each member will be asked to complete the survey, and from those responses they can decide on their next steps. This is a shared project with Rutgers. Fund Commissioners will be receiving emails and hard copy mailings to make sure you go online to do the survey.

Executive Director said the MEL also awarded a contract to Exigis to develop an "online underwriting database" which will replace the paper copies of renewal applications. Members will now be able to complete renewal applications online and will be able to view underwriting data at any time. Risk manager or the fund commissioner will go online to do the renewal. It will always be available for you to look at and you can download information and export

information into Excel. Members will be able to assign personnel to complete the application or various sections within the application. Three of the JIFs in South Jersey are currently using it and provided positive feedback. The MEL will be scheduling training sessions to introduce the program.

Executive Director said the MEL, EJIF and RCF adopted resolutions to participate in a pooled investment program. It is a program that is intended to mirror the unitized trust concept. It is going into the market with the volume but it is also allowing for some shared liquidity amongst the members. At this time, the NJUA's Asset Manager is still TD Wealth Advisors.

EMPLOYMENT PRACTICES LIABILITY 2014/2015 PROGRAM – There are a number of areas members must address to maintain Program Compliance. Please visit the MEL webpage for complete details – www.njmel.org and work with your municipal attorney to complete the Attorney Certification form by the deadline of May 1, 2013. Fund Attorney has already conducted seven classes throughout the state. A class to be held in Rockaway Valley Regional Sewerage Authority is scheduled for April 8th. Perma is working on rescheduling one of the classes that had to be cancelled.

Personnel Manuals - Please visit the MEL webpage – njmel.org – for the updates to personnel policies & procedures manuals. Executive Director said just a reminder every two years you will have to update various programs. A copy of the Employment Practices Compliance Report submitted for information; checklist are beginning to be submitted by members to the Fund office in compliance with the May 1st deadline. Members that fail to complete your updates and return your checklist your deductible will go up to \$100,000 and co-insurance will not be capped at \$250,000. Various Managers and Supervisors trainings were completed and we still have one scheduled for April 8th and another to reschedule at Plainfield MUA.

2013/2014 PUBLIC OFFICIALS/ELECTED ONLINE TRAINING SEMINARS – Executive Director said as a reminder to supplement live presentations of this year's Elected Officials seminar, the MEL placed an on-line version on NJMEL.ORG. To date, almost 200 MEL member officials have already used this option. The deadline is May 1st. Instructions to access the program distributed for information and can also be found on the website.

2014 MEL & MR HIF EDUCATIONAL SEMINAR – Executive Director said the 4th annual seminar is scheduled for Friday, April 11th, beginning at 9:00 at the Crowne Plaza, 390 Forsgate Drive, Monroe, NJ 08831, Turnpike Exit 8A. The seminar qualified for an extensive list of Continuing Educational Credits. There is no fee for employees and insurance producers associated with MEL and MR HIF members as well as personnel who work for service companies that are engaged by MEL member JIFs and MR HIF and member HIFs. Attached is the enrollment form. Executive Director said we already have 150 members registered.

PROPERTY APPRAISALS – Executive Director said AssetWorks has just about completed its field work and will now concentrate its efforts on generating reports. A meeting of the Finance Committee will be scheduled once the reports are completed.

FINANCIAL DISCLOSURE STATEMENTS – Executive Director distributed a copy of the statement released by the Department of Community Affairs regarding the filing of the 2014 Financial Disclosure Form. The state is revising its on-line filing procedure again in 2014 Financial Disclosure Form and is expected to extend the filing deadline. There will be a demonstration at the Municipal Clerk’s Association of NJ Conference, scheduled March 26, 2014.

TREASURER:

RESOLUTION 14-14 VOUCHER PAYMENTS (BILL LIST)

2013	\$ 37,119.13
2014	\$ 562,792.89

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

CLOSED	\$.00
2010:	\$ 16,608.06
2011:	\$ 19,948.92
2012:	\$ 2,585.44
2013:	\$148,228.29
2014:	\$ 15,726.68
Total:	\$200,097.39

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

Moved:	Commissioner Johnson
Second:	Commissioner Gianforte
Roll Call Vote:	7 Ayes, 0 Nays, 1 Abstain – Commissioner Bigler for payment for Secaucus MUA

TD Bank Contract: TD Bank has submitted contract renewal documents to be executed. Fund Attorney had reviewed the documents in 2013 and said that it was consistent with what banks are requiring. A copy of the contract will be distributed with the April agenda.

Treasurer’s Report Attached & Made Part of Minutes.

MANAGED CARE:

MONTHLY REPORT: Report submitted and reviewed by QualCare.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Monthly report submitted and reviewed. The 2014 Safety Incentive Program was emailed to members on February 28th and has been posted to the fund website. Mr. Stokes reminded everyone to please read the guidelines since there have been a few logistical changes. The next Executive Safety Committee meeting will be held at Passaic Valley Water Commission at 10:30 am on April 17, 2014. Everyone will need to be registered and submit their driver's license for security reasons by April 15th if you plan to attend.

Report Made Part of Minutes.

CLAIMS: The claims report was for closed session.

OLD BUSINESS:

PROPERTY APPRAISALS: In response to Commissioner Cranmer, Executive Director said property appraisal reports are distributed to members, the authority will be given the opportunity to review and challenge.

PRIMA CONFERENCE: Executive Director said we have materials on the PRIMA Conference if anyone is interested you can pick up a copy after the meeting. You will make you own reservations and there is March 31st deadline for the discounted pricing.

NEW BUSINESS:

NONE

PUBLIC COMMENT:

Charles Casagrande said he was holding a double session of Managers & Supervisors training at the Wall Township Municipal Building at 10:00 am and 1:30 pm which is open to all authorities.

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

MOTION TO CLOSE MEETING:

Moved: Commissioner Gianforte
Second: Commissioner Cranmer
Vote: Unanimous

MOTION TO RE-OPEN MEETING:

Moved: Commissioner Gianforte
Second: Commissioner Cranmer
Vote: Unanimous

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS SUBMITTED:

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

MOTION TO ADJOURN:

Moved: Commissioner Gianforte
Second: Commissioner Fetherman
Vote: Unanimous

MEETING ADJOURNED: 11:06am
NEXT REGULAR MEETING: April 23, 2014

Karen A. Read, Assisting Secretary
For

Jerome Cevetello, SECRETARY
Date Prepared: - April 15, 2014