

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND  
OPEN MINUTES  
MAY 28, 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:**

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	Present

**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	Absent

**APPOINTED OFFICIALS PRESENT:**

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

Treasurer

**Stuart Neuhof**

**FUND COMMISSIONERS AND ALTERNATES PRESENT:**

Joseph Rizzuto, Mount Holly MUA  
Justin Flancbaum, Lakewood MUA  
Jim Diaz, Jackson Township MUA  
Gary Vaccaro, Brick Township UA  
Thomas Horn, Lambertville MUA

**ALSO PRESENT:**

Valerie Dolan, Nisivoccia LLP  
Michael Avalone, Conner Strong & Buckelew  
Patti Fahy, NAIMC  
Charles Casagrande, Danskin Insurance Agency, Inc.  
Mary Ann Costabile, Rue Insurance  
Kathy Young, Alamo Insurance  
Dominic Cinelli, Brown & Brown  
Bradford Stokes, PERMA Risk Management  
Karen A. Read, PERMA Risk Management

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

**MOTION TO APPROVE APRIL 23, 2014 OPEN & CLOSED MINUTES  
AS AMENDED.**

Moved:	Commissioner Gianforte
Second:	Commissioner Cranmer
Vote:	7 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 through the end of March, the statutory surplus stands at \$6.4 million down about \$800,000 over the year end numbers the auditor just reported. Executive Director said the Expected Loss Ratio Analysis shows that the 2013 and 2014 Fund Year growth 2013 is less than where the actuary says it should be at this time so even though there has been deterioration it is still below actuarial targets. In 2014, 27% of our budget has been reserved or paid compared to last year's 12% - which is the impact from the winter.

Executive Director said the Claims Activity Report and Lost Time Accident Frequency Reports also reflects the increased claim activity resulting from the winter. As of March, the Lost Time Accident Frequency is at 3.46, this time last year it was 1.14.

**AUDIT REPORT AND ACTUARY VALUATION REPORT AS OF DECEMBER 31, 2013** – Executive Director said the Audit Report as of December 31, 2013 is complete and was mailed under separate cover. Valerie Dolan from Nisivoccia LLP was present at the meeting to review the report and noted the NJUA Fund is very strong and in great financial condition, the records are maintained well and the Treasurer does a great job and the Administrator of the Fund maintains all the records in accordance and we had no problems doing our audit procedures. Also included with your agenda packet is the Actuary’s Valuation Report. Resolution accepting report and Group Affidavit – including that each member of the Board has read the General Comments Section of the Audit Report – enclosed.

Executive Director reviewed the process regarding payments of Risk Management fees. There may be instances where the Fund has not received a copy of the Risk Management Consultant agreement between the authority and the agent or the Fund does not receive a voucher for payment. The Fund office issues period reminders to authority and risk manager. Ultimately, the fee may be returned to the authority with an note that they may owe a risk management consultant

**MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION NO. 17-14 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT THE FUND COMMISSIONERS HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT**

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

**COVERAGE COMMITTEE – Coverage Committee met prior to JIF meeting to review** the MEL Coverage Committee’s recommended changes to the JIF’s Crime Policies. The MEL worked with its MEL’s Technical Writer and Underwriting Manager over the last to years to review & revise the JIF and MEL Crime Policies. Attached in Appendix III is a copy of the Technical Writer’s memorandum summarizing the changes in the JIF Crime Policy along with the new policy. The Coverage Committee reviewed and recommended the Board adopt the JIF Crime Policy as submitted. Executive Director said changes are primarily cosmetic the changes. Changes that modified intent of policy were made at the outside of the review and were already implemented by the MEL and the local JIFs in prior year policies

Commissioner Cevetello said Joseph Hrubash is the Underwriter for the MEL and he reviewed the changes in detail with the Committee.

**MOTION TO APPROVE THE CHANGES TO CRIME POLICY**

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

**EMPLOYMENT PRACTICES PROGRAM** – Executive Director said there are a number of areas members must address to maintain Program Compliance. Please visit the MEL webpage for complete details. – [www.njmel.org](http://www.njmel.org)

Executive Director's office is in the process of following up with members that have not yet submitted their EPL checklists. Although the initial deadline was May 1<sup>st</sup>, XL Insurance, our POL/EPL carrier has indicated that checklists received throughout the month of May will be considered to have met the deadline. Please note that failure to update your program will result in increases to deductibles and co-insurance. Executive Director said the Fund is receiving checklists everyday noting 11 more received since the agenda was published **ELECTED OFFICIALS TRAINING SEMINARS** – Executive Director said as a reminder the MEL placed an on-line version on njmel.org to supplement live presentations of this year's Elected Officials seminar. To date, approximately 550 MEL member officials have already used this option including 70 officials from the NJUA. The updated deadline to access and complete this program is May 31<sup>st</sup>. Enclosed are the instructions to access the program.

**NEW E-JIF EMERGENCY REPORTING POSTERS** – Executive Director said attached is a copy of the new E-JIF Emergency Reporting poster to be placed in every member municipality. T&M Associates and First Environment will be distributing these posters to the membership. To request posters, you may contact First Environment as the Fund's designated Environmental Engineer. A notice was sent regarding training seminars that will be held in June. Copies of that notice were available to members at the meeting.

**FINANCIAL DISCLOSURE FORM** – The DCA released the enclosed Local Finance Notice 2014-6 and 2014-7 which states they have contracted with a different vendor to develop a new online filing procedure. The Fund office set up a roster of commissioners and distributed a unique PIN in order to login and file their forms for the fund. The DCA has indicated the filing deadline will be extended to June 13, 2014. Executive Director said Rachel from our office has sent an email to all members with their individual PIN. We will follow up with everyone that has not yet filed.

**2015 RENEWAL APPLICATIONS – ONLINE UNDERWRITING DATABASE** – Executive Director said as previously reported, the MEL contracted with Exigis to develop an online underwriting database for members and/or their risk managers to add/amend schedules online thereby eliminating the annual paper Renewal Application process. Currently the MEL's underwriting data is being uploaded to the online database and will be reviewed for accuracy. This process will begin some time in mid June and you will have most of the summer to complete it since our offices will not be entering the data. We will check and review but will not need the time to enter the data.

**TREASURER:**

**RESOLUTION 18-14 VOUCHER PAYMENTS (BILL LIST)**

2014                      \$ 189,293.50

**RESOLUTION 19-14 VOUCHER PAYMENTS (BILL LIST)**

2014                    \$ 544,960.05

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

CLOSED	\$ .00
2010:	\$ 3,317.20
2011:	\$ 4,281.58
2012:	\$ 14,805.32
2013:	\$157,608.82
2014:	\$ 98,840.28
Total:	\$278,853.20

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

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

Treasurer's Report Attached & Made Part of Minutes.

Executive Director said the MEL Investment Committee has scheduled a meeting next week; committee is comprised of all MEL affiliated Treasurers. The MEL changes its Asset Manager to Wells Fargo in 2013. Wells Fargo would like to present a program that will attempt to mirror the benefits of a Unitized Trust.

**ATTORNEY:** Attorney Budesa said he will have a report in closed session regarding one the PARs.

**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. Safety Director said there is a summary of participation in the online training broken down by JIF for 2013 and 2014. This JIF has started to use the online training but NJUA members attend more

classroom training compared to other JIFs that she is not concerned with their lower usage of “on-line training” but did highlight the benefits of “on-line” training particularly for office personnel. Safety Director’s office will be distributing a Notice on Attention and Distracted Drivers - which is an online training program that can be done in small groups or individually and it is being provided by Safety National to all the JIFs.

Executive Director said the Safety Committee’s Expo sub-committee meeting will be held this Friday by conference call. Bernie Rutkowski is the Expo Chair this year so far the courses look very interesting this year that we are lining up. An Executive Safety Committee meeting will be held on June 19<sup>th</sup> - the topic is yet undetermined and it will be held in Toms River.

Executive Director said the Executive Committee has a training sub committee that puts together the topics. Committee met yesterday and asked if the JIF would consider scheduling a Rutgers School of Public Health training program, paid for through a grant from the Department of Labor. The only cost the JIF would be expected to bear would be approximately \$300 in refreshments. Executive Committee agreed to the cost. The topic would be I2P2.

Report Made Part of Minutes.

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

**OLD BUSINESS:** NONE

**NEW BUSINESS:**

Nominating Committee: Commissioner Cevetello said there is an opening for the Fourth Alternate on the Executive Committee presently. The Nominating Committee met to discuss filling that opening unanimously recommended appointing Bernie Rutkowski, Toms River MUA, to fill the vacancy as Executive Committee alternate #4. Vacancies created during the calendar year can be filled by vote of the Executive Committee.

**MOTION TO APPOINT BERNIE RUTKOWSKI AS EXECUTIVE COMMITTEE ALTERNATE #4 OF THE NEW JERSE UTILITY AUTHOIRTY JOINT INSURANCE FUND EXECUTIVE BOARD**

Moved:	Commissioner Gianforte
Second:	Commissioner Fetherman
Vote:	Unanimous

Executive Director said that this vacancy was created by William Dunn. Rick Cranmer said his last meeting will likely be in June.

**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 Cevetello  
Vote: Unanimous

**MOTION TO RE-OPEN MEETING:**

Moved: Commissioner Cevetello  
Second: Commissioner Johnson  
Vote: Unanimous

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS, AS  
AMENDED: :**

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

**MOTION TO ADJOURN:**

Moved: Commissioner Cevetello  
Second: Commissioner Gianforte  
Vote: Unanimous

**MEETING ADJOURNED: 11:27am**  
**NEXT REGULAR MEETING: June 25, 2014**

Karen A. Read, Assisting Secretary  
For

Jerome Cevetello, SECRETARY  
**Date Prepared: - June 16, 2014**