

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
SEPTEMBER 21, 2016
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 2016 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 Pestana	North Bergen MUA	Present
Bernie Rutkowski	Toms River MUA	Present
Justin Flancbaum	Lakewood MUA	Present

EXECUTIVE COMMITTEE ALTERNATES:

Thomas Horn, Alt #1	Lambertville MUA	Present
Richard Brand, Alt #2	East Windsor MUA	Absent
Jill Plesnarski, Alt #3	Readington-Lebanon SA	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 Kathy Kissane
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:

Ivy Robinson, Plainfield MUA
Earl F. Sutton, Jr., Little Egg Harbor MUA

ALSO PRESENT:

Art Caughlan, Nelson-Patterson Agency
Brian Monaghan, Insurance Agency Management
Dominic Cinelli, Brown & Brown
Mary Ann Costabile, Rue Insurance
Donna Waters, Sloan Insurance
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management
Rachel Chwastek, PERMA Risk Management

APPROVAL OF MINUTES: August 24, 2016 Open Minutes.

MOTION TO APPROVE AUGUST 24, 2016 OPEN MINUTES AS AMENDED

Moved:	Commissioner Pestana
Second:	Commissioner Rutkowski
Vote:	Unanimous

CORRESPONDENCE: Chairman Gianforte said the Fund received a note from one of our former Fund Commissioners Tammy Fetherman, who has been with the Fund for fourteen years. Ms. Fetherman was the Chairwoman from 2010 to 2011. Chairman Gianforte said we would like to take his opportunity to thank Tammy for the years of service she has provided to the NJUA JIF and the entities of the JIF, with advice on JIF and financial matters. Ms. Fetherman thanked the Fund and said it has been an honor to serve and she will truly miss everyone and said the recognition is very much appreciated. Ms. Fetherman said the JIF is a wonderful organization and she was proud to be a part of the Fund.

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 the Financial Fast Track through July 31st shows a statutory surplus of \$5 million. Executive Director said the Expected Loss Ration report indicates the Fund's paid and reserves are less than where the actuarial targets with the exception of 2016. Executive Director said the Lost Time Accident Frequency report thru July 31st shows the Fund's frequency is at 2.48 compared to this time last year - which was 2.31. Executive Director also highlighted the EPL Compliance report identifying each members EPL Compliance, deductible

and co-pay. Executive Director said in order to be in compliance and maintain deductible and copinsurance levels, members are required to submit their checklists confirming EPL program compliance.

Executive Director said many members have received a Cross Section report from the NJ Workers Comp Bureau and they ask that you complete the form. By law employers are required to carry coverage for workers' compensation. Carriers are required to report loss data and premiums to the Workers Comp Bureau – which confirms coverage. The Bureau issues follow ups with any employer that did not have any information submitted because that is there way to make sure you are in compliance with the law. Since self insurance pools are not required to report to the bureaus, members are periodically asked to complete a form concerning their coverage. Executive Director will contact the Bureau to see if the Fund can provide advance information so members don't receive these forms.

EXECUTIVE COMMITTEE VACANCY: Tammy Fetherman no longer serves as the Fund Commissioner of the Lacey MUA. As a result, there is a vacancy on the Executive Committee. Executive Director said the bylaws do allow this board to hold the election without it being advertised as a regular election just to fill a vacancy or you can think about it and the nominating committee can come up with a recommendation next month. Chairman Gianforte said he would like the nominating committee to give a recommendation next month. Executive Director said the first alternate will automatically move up to the Executive Committee and the nominating committee will meet next month. Chairman Gianforte congratulated Commission Flancbaum for moving up to the Executive Committee.

In response to Commissioner Bigler, Executive Director said she would notify who is on the Nominating Committee. Commissioner Flancbaum said if there is a need he would be available to sit on the Committee.

2017 RENEWAL ONLINE UNDERWRITING DATABASE: Members were asked to update their underwriting data in the online underwriting database for the 2017 budget. The deadline to complete, review and submit schedules was August 15, 2016; the fund office is following up with members to complete the process. Executive Director said the MEL is at the end of a three year contract with Exigis. The MEL authorized the issuance of an RFQ and the deadline for receipt is sometime in October. At that time they will decide if they will stay with Exigis or move on to another vendor.

RESIDUAL CLAIMS FUND (RCF)(PAGES 4-5): The Residual Claims Fund met on September 7, 2016 at 10:30 AM at the Forsgate Country Club in Jamesburg, NJ; enclosed is a copy of Commissioner Bigler's report on the meeting. The Residual Claims Fund amended 2016 Budget and the proposed 2017 Budget was introduced. The public hearing on the RCF budgets will be held on October 19, 2016 10:30 AM at the Forsgate Country Club. Commissioner Bigler said the RCF approved the 2016 budget and it was amended from \$500,000 to over \$23 million which is typical and there was a slight increase for the 2017 budget less than 2%. Executive Director said as soon as we amend the budget we declare a dividend from the administrative side to create a 2017 Budget to operate the JIF until we take the next year's transfer and that budget was slightly up. The hearing for both budgets will be October 19, 2016.

EJIF (PAGES 6-9): The EJIF met on September 7, 2016 at 10:50 am at the Forsgate Country Club in Jamesburg, NJ; enclosed is a copy of Commissioner Rutkowski's report on the meeting. The attached 2017 Budget was introduced and will be adopted at the October 19, 2016 meeting. Commissioner Rutkowski said they have included the Environmental Alert on property acquisitions. Executive Director said the EJIF does provide a service if you are about to acquire a property from a foreclosure or purchase, they will do an overview – it is not a phase I or phase II testing, but it might reveal potential liabilities. If you acquire a polluted location there is not going to be any EJIF coverage for it, but they do provide the opportunity for you have a quick look to see if it is something you really want to consider.

MEL(PAGES 10-12): The MEL met on September 7, 2016 at 11:15 am at the Forsgate Country Club in Jamesburg, NJ; enclosed is a copy of Commissioner Rutkowski's report on the meeting. The attached 2017 Budget was introduced and will be adopted at the October 19, 2016 meeting. Executive Director said the MEL handed out a budget showing the difference in their rating structure and it was a .6% increase and that is before we add experience and exposure so the budget will be slightly higher but that is the starting point. Executive Director said representative of the MEL met with the Senate Majority office to discuss legislative initiatives that would expand the MEL's investment opportunities. Executive Director said a task force was formed to address issues arising out of the POL/EPL policy language.

EMPLOYMENT PRACTICES PROGRAM: As a reminder changes to the 2017 POL/EPL Program are posted on the MEL's webpage – www.njmel.org which details changes to the MEL's Model Personnel Manual and information on training program requirements. Members have until October 1st to submit checklist to qualify and/or maintain deductible and co-pay incentives. Compliance includes updating Personnel Manuals, Training Managers & Supervisors and offering training to non-supervisory personnel. Attached is list showing status. Executive Director said we set the deadline a little early in October so we can follow up.

2017 MEMBERSHIP RENEWALS: Attached is a list of members scheduled to renew Fund membership by January 1, 2017. Membership renewal documents have been mailed to members. Renewals are due back in the fund office by October 1, 2016. Executive Director said any member that has not committed to renew their membership at that time we will keep out of our equalization process. We can not depend on anyone when developing the budget if we do not know they are going to renew. This is the reason for the October 1, deadline.

SAFETY EXPO – The 2nd of two NJUA Safety Expos is schedule for September 30th at the Camden County Emergency Services Training Center. Enclosed is another copy of the registration information that has been emailed to all member authorities. To date 130 employees representing 16 authorities, 7 towns and 1 housing authority have registered for the September Expo.

FINANCE COMMITTEE – A meeting of the Finance Committee needs to be scheduled for mid-October to review the 2017 budget. Finance Committee members are: Michael Gianforte, Chair: Frank Pastena, Bob Fischer and Brian Bigler. Executive Director said we would like to meet sometime around October 14th so we can have the budget information for the next agenda. Executive Director said she will confirm a date and send a notice to the Finance Committee.

2017 FUND PROFESSIONALS – The Executive Committee should begin considerations on the process to award contracts for 2017 using either “fair & open” or “non-fair & open”. Enclosed in Appendix II the is modified version of the form used by the Fund. Executive Director said we will have the result for the October meeting.

MOTION TO APPROVE ADVERTISING REQUEST FOR QUALIFICATIONS FOR 2017 FUND PROFESSIONALS

Moved:	Commissioner Pestana
Second:	Commissioner Bigler
Vote:	Unanimous

TREASURER:

VOUCHER PAYMENTS (BILL LIST)

2015	\$ 387,532.24
2016	\$ 92,199.89

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF AUGUST 2016:

Closed:	\$.00
2012:	\$ 25,635.31
2013:	\$ 3,678.48
2014:	\$ 24,993.97
2015:	\$ 67,646.68
2016	\$ 426,085.96
Total:	\$ 548,040.40

MOTION TO APPRROVE AUGUST BILLS LIST, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF AUGUST 2016 CLAIMS AND ACCEPT TREASURER'S REPORT:

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

Treasurer's Report Attached & Made Part of Minutes.

ATTORNEY: No formal report.

MANAGED CARE:

MONTHLY REPORT: Report submitted and reviewed by Ms. Setzer of Qual-Lynx.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: The Safety Director Joanne Hall reviewed report included in the agenda packet. Safety Director said the NJUA Safety Expo will be held on September 30th at the Camden County Regional Emergency Training Center, Ethics Training will be held at Merchantville Pennsauken in October and a presentation by CNA on Boiler and Machinery Regulations and lightening protection in November at the Crown Plaza.

Ms. Hall said on page 59 there is a list of members that have sent in their mid Safety Incentive Program Update Report. Ms. Hall said 45 of the 72 members have submitted their report. Ms. Hall said the Safety Director's office will take a look at the members with a higher LTAF to see if there are any correlation with those that are not participating in training and are not participating in the Safety Incentive Program and to see if there is anything the Safety Director's office may need to do to help this process.

Report Made Part of Minutes.

CLAIMS: Claims Manager reviewed the Emergency Claim Reporting Procedures on page 69 of the agenda and pointed out the update phone number for workers' compenstation claims number which is 877-822-9368 and the Emergency Property Claims number 609-402-5218. In response to Commissioner Flancbaum the notice will be emailed out to all members. The balance of the claims report will be in Executive Session.

In response to Chairman Gianforte, Commissioner Rutkowski said all our gasoline and deisle are inspected

OLD BUSINESS:

NONE

NEW BUSINESS:

Chairman Gianforte had a question if all members have all of their vehicles inspected by the Division of Motor Vehichles. Commissioner Rutkowski said they have a service come out to inspect all their gasoline and diesel vehicles. Commissioner Gianforte said all vehicles are inspected whether it is done by a private company or by Division of Motor Vehicles.

PUBLIC COMMENT:

NONE

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

MOTION TO CLOSE MEETING:

Moved: Commissioner Pastena
Second: Commissioner Flancbaum
Vote: Unanimous

MOTION TO RE-OPEN MEETING:

Moved: Commissioner Flancbaum
Second: Commissioner Rutkowski
Vote: Unanimous

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

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

MOTION TO ADJOURN:

Moved: Commissioner Rutkowski
Second: Commissioner Pastena
Vote: Unanimous

MEETING ADJOURNED: 11:04 am
NEXT REGULAR MEETING: October 26, 2016
Karen A. Read, Assisting Secretary

For
Robert Fischer, SECRETARY
Date Prepared: - October 12, 2016