

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
SEPTEMBER 27, 2017
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 2017 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	Present
Frank Pastena	North Bergen MUA	Present
Bernard Rutkowski	Toms River MUA	Present
Justin Flancbaum	Lakewood MUA	Absent

EXECUTIVE COMMITTEE ALTERNATES:

Thomas Horn, Alt#1	Lambertville MUA	Present
Richard Brand, Alt #2	East Windsor MUA	Present
Jill Plesnarski, Alt#3	Readington-Lebanon SA	Present
Gary Vaccaro, Alt #4	Brick MUA	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Adm	Perma Risk Management Bradford Stokes
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. Robert Budesa
Claims Service	Qual-Lynx Chris Roselli, Kim DeLaurentis
Safety Director	JA Montgomery Risk Control Brian Maitland
Managed Care	QualCare
Underwriting Manager	Capacity Coverage Jon Ziman
Treasurer	Stuart Neuhof

FUND COMMISSIONERS AND ALTERNATES PRESENT:

Ivy Robinson, Plainfield MUA

ALSO PRESENT:

Katie Osborne, Conner Strong & Buckelew
Brian Monaghan, TC Irons
Charles Casagrande, Danskin Insurance
John Casagrande, Danskin Insurance
Kathy Young, Alamo Insurance
Donna Reale-Waters, Sloan Insurance Agency
Tom Fitzpatrick, Fairview Insurance
Art Caughlan, Nelson Patterson Agency
Peter Soriero, Allied Risk Management
Michael McLaughlin, Marsh & McLennan
George Crosby, BGIA
Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: August 23, 2017 Open Minutes.

MOTION TO APPROVE AUGUST 23, 2017 OPEN MINUTES.

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

CORRESPONDENCE: Executive Director said enclosed in the agenda packet is correspondence from the MEL JIF with regard to responding to Hurricane Harvey – Self Deployment. If you respond to any of the three hurricanes it should be done through Emergency Management as a coordinated effort. Also, not mentioned in the letter if an employee goes on their own they would not be covered for workers’ compensation. The authority would have to authorize it since the JIF does not cover any self deployment.

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 Financial Fast Track Report as of July 31st shows our statutory surplus stands at \$4.9 million with only 2016 in a deficit position. The Loss Ratio Analysis Through July 31st the actuary has us targeted all of the years are at or below where the actuary targeted with the exception of 2016 which is 86% compared to 85% and 2017 is slightly higher which is not unusual for the current year. The Fund’s Lost Time Accident Frequency stands at 1.79 well below the average.

2018 RENEWAL ONLINE UNDERWRITING DATABASE – Members and Risk Managers received an email that the database is set up to begin the 2018 underwriting process. The deadline to submit schedules is August 15th. Executive Director said we are almost complete and we are following up with a few members that still need to complete their schedules.

RESIDUAL CLAIMS FUND (RCF) – The Residual Claims Fund met on September 6, 2017 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 2017 Budget and proposed 2018 Budget was introduced. The public hearing on the RCF budgets will be held on October 18, 2017 10:30 AM at the Forsgate Country Club. Commissioner Bigler reported the RCF amended 2017 budget to \$26,324,794. Executive Director said that amount represents the transfer of local JIFs’ Fund year 2013 open liabilities.

EJIF – The EJIF met on September 6, 2017 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 2018 Budget was introduced and will be adopted at the October 18, 2017 meeting. Commissioner Rutkowski mentioned the EJIF workshop on Keeping Up on Changing Regulations that the EJIF will be hosting.

MEL – The MEL also met on September 6, 2017 at 11:15 AM at the Forsgate Country Club in Jamesburg, NJ; enclosed is a copy of Commissioner Rutkowski’s report. The MEL’s 2018 Budget introduction is scheduled for October 18, 2017 at the Forsgate Country Club in Jamesburg NJ. Commissioner Rutkowski discussed the mobile application that will be rolled out which is an app available to download to your mobile device.

Executive Director said last year, QBE (Public Officials/Employment Practices carrier) changed the policy on land use and put in a sub-limit of \$150,000 on land use claims. Prior language had a \$100,000 sub-limit but language was challenged. At the same time, QBE was asked to consider offering members to buy an option over \$150,000. Members were sent an email where they are going to individually underwrite it and they are going to ask you to complete an application. QBE will review member’s loss experience in addition to questionnaire & will individually price this option.

Executive Director said “land use” is defined in the policy as land use claims resulting from planning or zoning board decisions. Member authorities do not have planning or zoning boards – so this is not really an exposure. Executive Director will ask MEL Underwriting Manager to attend a JIF meeting to review.

MEL CYBER TASK FORCE– The MEL Cyber Task Force – The MEL’s Cyber Task Force made recommendations to the MEL at the September 6th meeting.

The Cyber Task Force developed minimum risk control standards. The JIFs’ policies with XL Caitlin carriers at \$10,000 deductible. To encourage members to implement risk control, the MEL Board of Fund Commissioners voted to participate in the deductible based on a member’s level of minimum standards approved by the MEL. The MEL Underwriting Manager will be preparing material to distribute to members shortly.

The MEL Board also agreed to enter into a contract with Palindrome Technologies to conduct a study evaluating one member per JIF's computer network for possible cyber threats and vulnerabilities at a cost of \$17,100. At the end of the study, Palindrome will provide a report to each participant as well as a summary report for the MEL that will provide insight to members' cyber security readiness. Executive Director recommended one of the JIFs larger members that does water participate in the study. Commissioner Gary Vaccaro said he would like to volunteer Brick Township MUA to participate in the study.

Committee met again and is now focusing on identifying training vendors and may be able to add additional on-line training to the MEL Safety Institute.

2018 MEMBERSHIP RENEWALS – Attached is a list of members scheduled to renew fund membership by January 1, 2018. Membership renewal documents have been mailed to members. Renewals are due back in the fund office by October 1, 2017.

SAFETY EXPO – The second of two NJUA Safety Expos will be held on September 29th at the Camden County Regional Emergency Training Center. Enclosed is another copy of the registration information that has been emailed to all member authorities. To date, 91 employees, representing 21 authorities and 8 towns have registered for the September Expo. Schedules will be emailed to members next week.

FINANCE COMMITTEE – A meeting of the Finance Committee needs to be scheduled for mid-October to review the 2018 Budget. Finance Committee members are: Michael Gianforte, Chair: Frank Pastena, Bob Fischer and Brian Bigler.

CAPE MAY COUNTY MUA – The MUA added an \$8,500,000 building to its schedule effective September 1. The pro-rated additional assessment is \$3,980.68

MOTION TO CERTIFY AN ADDITIONAL ASSESSMENT IN THE AMOUNT OF \$3,980.68

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

REQUESTS FOR QUALIFICATIONS – Authorized in July, we have advertised and released RFQs, due in the Fund office on September 14th. Enclosed is a summary of responses received. A list of responders with fee requests was distributed to members. Executive Director said we will look at these requests at the Finance Committee meeting they are all pretty much within three percent of last years numbers. Robyn Walcoff at Perma will be doing a market basket asking vendors to reprice bills and make sure they are competitively priced we will also ask Qual Care to participate in that. Executive Director said Payroll Auditor NEIS asked for an extension and we told them we can not provide an extension, since we have received no responses for Payroll Auditor we would need to advertise the RFQ again. Executive Director recommended a motion to authorize a second advertisement for Payroll Auditor and Defense Panel to be sure we have all the defense firms necessary to handle the workload.

MOTION TO AUTHORIZE ADVERTISEMENT OF RFQ FOR PAYROLL AUDITOR AND DEFENSE PANEL

Moved: Commissioner Burner
Second: Commissioner Pastena
Vote: Unanimous

OWNED DRONES – A member authority is considering purchasing a drone. The municipal JIFs recently endorsed this coverage; attached is a copy of their endorsement. The NJUA JIF has a different excess casualty carrier than the municipal JIFs. In response to Jon Ziman, Munich Re agreed to provide a \$5,000,000 sub-limit but limited to drones less than 10 lbs. The MEL limits coverage to drones less than 50 lbs. The MEL confirmed that it will provide this coverage in its layer of \$700,000 excess of the JIF’s \$300,000.

Coverage Committee met via conference call on September 25th to review the matter. During last year’s renewal, no member authority answered affirmatively to owning drones. Commissioner Burner said the Committee agreed to recommend the JIF provide coverage limited to a 10 lb restriction, consistent with our excess carrier. Commissioner Vaccaro of Brick MUA said the drone they were going to purchase is under the 10 lb limit. Limit can be revisited if determined to be inadequate. In response to Attorney Budesca, Underwriting Manager Jon Ziman said if you hit another aircraft and you are higher than the regulations allow you would not have coverage.

MOTION TO APPROVE COVERAGE FOR DRONES WITHIN THE 10 LB LIMIT

Moved: Commissioner Burner
Second: Commissioner Pastena
Vote: Unanimous

EJIF REGULATORY COMPLIANCE TRAINING – The EJIF would like to extend an invitation to you and members of your municipality and utility authority to an upcoming workshop – **“Keeping Up with Changing Regulations”** to discuss staying in compliance with new, changing problematic rules.

NOVEMBER JIF MEETING – The JIF Meeting is scheduled for November 14, 2017 at 2:30 pm in Atlantic City at Caesars. In order to maintain the meeting room at Caesars, we would need to push back the time to 3:00 pm; to be followed by the Elected Officials seminar at 3:45 pm.

In addition, the Committee may want to consider rescheduling the December meeting – which is currently scheduled for December 27, 2017.

MOTION TO CHANGE THE NOVEMBER MEETING TIME TO 3:00 PM AT CAESARS IN ATLANTIC CITY AND THE CHANGE THE DECEMBER MEETING FROM DECEMBER 27, 2017 TO DECEMBER 20, 2017

Moved: Commissioner Burner
Second: Commissioner Pastena
Vote: Unanimous

TREASURER:

VOUCHER PAYMENTS (BILL LIST)

2016	\$ 2,541.85
2017	\$131,706.04

CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF AUGUST 2017:

Closed:	\$.00
2013:	\$.00
2014:	\$ 7,389.56
2015:	\$ 18,355.58
2016:	\$ 62,175.52
2017	\$ 264,470.53
Total:	\$ 352,391.19

MOTION TO APPROVE SEPTEMBER BILLS LIST, CONFIRM CLAIMS' PAYMENTS /CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF AUGUST 2017 CLAIMS AND ACCEPT TREASURER'S REPORT:

Moved:	Commissioner Fischer
Second:	Commissioner Pastena
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 Chris Roselli of Qual Lynx.

Report Made Part of the Minutes.

UNDERWRITING MANAGER : Executive Director reported the MEL Underwriting Manager distributed the MEL POL Optional Excess Land Use Coverage Bulleting which is also included in the agenda on page 73 along with the application that would be required as well.

SAFETY DIRECTOR:

MONTHLY REPORT: Monthly report submitted and reviewed by JA Montgomery Loss Control Consultant Brian Maitland. Mr. Maitland reviewed the upcoming Safety Meeting Schedule and Safety Bulletins included in the monthly report.

Report Made Part of Minutes.

CLAIMS: Claims Manager Chris Roselli reviewed the updated account service team list. Mr. Roselli introduced Kimberly DeLaurnetis who will be the new WC Team Supervisor replacing Tracy Loreaux that has transition to another position with Qual Lynx. Mr. Roselli said there are 8 claims to discuss in 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:

Moved: Commissioner Bigler
Second: Commissioner Pastena
Vote: Unanimous

MOTION TO RE-OPEN MEETING:

Moved: Commissioner Pastena
Second: Commissioner Bigler
Vote: Unanimous

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

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

MOTION TO ADJOURN:

Moved: Commissioner Bigler
Second: Commissioner Pastena
Vote: Unanimous

MEETING ADJOURNED: 11:30 am
NEXT REGULAR MEETING: October 25, 2017
Karen A. Read, Assisting Secretary

For
Robert Fischer, SECRETARY
Date Prepared: - October 18, 2017