

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
NOVEMBER 19, 2019
BALLYS, ATLANTIC CITY
2:30 PM**

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

PLEDGE OF ALLEGIANCE – Chairman Fischer led Commissioners in the Pledge of Allegiance and a Moment of Silence for our troops around the world.

ROLL CALL OF 2019 EXECUTIVE COMMITTEE:

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| Robert Fischer, Chairman | Bayshore Regional SA | Present |
| Frank Pestana, Secretary | North Bergen MUA | Present |
| Brian Bigler | Secaucus MUA | Present |
| Michael Gianforte | Two Rivers Water Reclamation Authority | Present |
| Bernard Rutkowski | Toms River MUA | Present |
| Justin Flancbaum | Lakewood MUA | Present |
| Thomas Horn | Lambertville MUA | Absent |

EXECUTIVE COMMITTEE ALTERNATES:

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|------------------------|-----------------------|---------|
| Richard Brand, Alt #1 | East Windsor MUA | Present |
| Jill Plesnarski, Alt#2 | Readington-Lebanon SA | Present |
| Gary Vaccaro, Alt #3 | Brick MUA | Present |
| Ivy Robinson, Alt #4 | Plainfield MUA | Present |

APPOINTED OFFICIALS PRESENT:

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| Executive Director/Admin | Perma Risk Management Cathleen Kiernan |
| Attorney | Berry, Sahradnik, Kotzas & Benson, P.C. Robert Budesa |
| Claims Service | Qual-Lynx Chris Roselli |
| Safety Director | JA Montgomery Risk Control Brian Maitland |
| Managed Care | QualCare Donna Setzer |
| Underwriting Managers | Capacity Coverage Jon Ziman |
| Treasurer | Stuart Neuhof |

FUND COMMISSIONERS AND ALTERNATES PRESENT:

Brad Rosenthal, Cape May County MUA

ALSO PRESENT:

Mike Avalone, Conner Strong & Buckelew

Charles Casagrande, Danskin Insurance

John Casagrande, Danskin Insurance

Alison Kelly, Danskin Insurance

Brian Monaghan, TC Irons Agency

George Crosby, BGIA

Lindsay Travali, Reliance Insurance

Amy Pieroni, Reliance Insurance

Dominic Cinelli, Brown & Brown

Bradford Stokes, Perma Risk Management

Karen A. Read, Perma Risk Management

APPROVAL OF MINUTES: October 23, 2019 Open and Closed Minutes.

MOTION TO APPROVE October 23, 2019 OPEN AND CLOSED MINUTES.

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| Moved: | Commissioner Gianforte |
| Second: | Commissioner Pestana |
| Vote: | Unanimous |

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

MOTION TO CLOSE MEETING:

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| Moved: | Commissioner Gianforte |
| Second: | Commissioner Flancbaum |
| Vote: | Unanimous |

Commissioner Gianforte recused himself from the claim discussion on Two Rivers Water Reclamation Authority.

MOTION TO RE-OPEN MEETING:

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| Moved: | Commissioner Gianforte |
| Second: | Commissioner Flancbaum |
| Vote: | Unanimous |

CORRESPONDENCE: NONE

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 as of September 30th reflects a statutory surplus at \$4.1 million, compared to \$3.9 million at year end all years are in a positive position with the exception of 2019 which is typical.

2020 Budget: Last month, the board introduced the 2020 budget. All members were mailed a notice of the proposed budget and the scheduling of the public hearing. In addition, the revised proposed budget was published in the Fund's designated newspaper. The proposed budget totaling \$11,390,194, representing a 2.05% increase, is enclosed. Executive Director said prior budget discussion recognized that the Underwriting Manager was still marketing the renewal. Underwriting Manager provided an update indicating the excess property will likely renew at a 12% or 13% increase. Although budget was based on a 10% rate increase, Executive Director said there is adequate contingency funds. Underwriting Manager added that excess liability and excess POLEPL is expected to renew at the budgeted rate increase of 3%. Jon Ziman highlighted a few items about the property renewal concerning dam coverage and suggested a Coverage Committee meeting be scheduled before year end.

In accordance with the Fund's assessment allocation methodology, enclosed assessments are capped at 4% over the average budget increase of standard members plus loss ratio surcharges.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2020 BUDGET

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| Moved: | Commissioner Gianforte |
| Second: | Commissioner Bigler |
| Vote: | 7 Ayes, 0 Nays |

DISSCUSSION: NONE

MOTION TO CLOSE THE PUBLIC HEARING

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| Moved: | Commissioner Gianforte |
| Second: | Commissioner Bigler |
| Vote: | Unanimous |

MOTION TO ADOPT THE BUDGET AND CERTIFY THE ASSESSMENTS

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

2019 Dividend – The Board voted at the October meeting to release a dividend in the amount of \$1,000,000 and the EJIF is issuing a dividend in the amount of \$78,761. Enclosed on **Page 6** is the distribution by member authority.

Cyber Security – Doug Brush and Kris Wasserman of Special Counsel/EQ have begun contacting members to perform an audit of member compliance with the MEL’s Minimum Standards for Cyber Risk Control. Executive Director said the Cyber coverage will also be discussed at the coverage meeting. We previously discussed the flat premium will be based on a \$25,000 deductible up from \$10,000.

2020 Membership Renewals: Attached on **Page 8** is a list of members scheduled to renew fund membership by January 1, 2020.

Risk Management Plan Amendment: Attached in **Appendix II** is a memorandum regarding a proposed change to the Fund’s Risk Management Plan. The changes are concerning the long term nature of the exposure from S-477 relating to sexual molestation. Specifically, this amendment minimizes the risk that the JIF may have to assess a former member years or decades after the member has left the JIF by holding in escrow the former member’s share of dividends until the statute of limitations has tolled. In response to Chairman Fischer, Executive Director said this would be for any former members. In response to Commissioner Bigler, Executive Director said we are not sure if it will be technically held in escrow but they will still be earning interest on the funds.

MOTION TO APPROVE RESOLUTION 29-19 AMENDING THE 2019 PLAN OF RISK MANAGEMENT AS PRESENTED

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

MEL: The MEL met on October 16th at the Forsgate Country Club to introduce the 2020 budget. The Public Hearing on the 2020 budget is scheduled for Wednesday, November 20, 2019 at 12:30 pm in the Steel Pier Room in the Sheraton Hotel, Atlantic City, NJ. (Note, new time and location.)

The fund should elect its representative to the MEL for the 2020 Fund Year. Commissioner Bigler nominated Bernard Rutkowski

Motion to elect Bernard Rutkowski as the New Jersey Utility Authorities Joint Insurance Fund's 2020 representative to the Municipal Excess Liability Joint Insurance Fund and alternate representative Brian Bigler.

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

Residual Claims Fund (RCF): The public hearing on the RCF 2020 budget was held on October 16, 2019 as a public hearing at the Forsgate Country Club and adopted the 2020 budget. The next meeting of the RCF is the 2020 Reorganization scheduled for Thursday, January 2, 2020 at 10:30 AM at the Forsgate CC, Jamesburg, NJ.

The fund should elect its representative to the RCF for the 2020 Fund Year. Commissioner Rutkowski nominated Brian Bigler.

Motion to elect Brian Bigler as the New Jersey Utility Authorities Joint Insurance Fund's 2020 representative to the Residual Claims Fund Joint Insurance Fund and alternate representative Bernard Rutkowski.

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

Environmental JIF: The EJIF met on October 16, 2019 as a public hearing at the Forsgate Country Club and adopted the 2020 budget. The next meeting of the EJIF is scheduled for Wednesday, November 20, 2019 at 12:00 PM in the Sheraton Hotel, Atlantic City, NJ.

The fund should elect its representative to the EJIF for the 2020 Fund Year. Commissioner Bigler nominated Bernard Rutkowski.

Motion to elect Bernard Rutkowski as the New Jersey Utility Authorities Joint Insurance Fund's 2020 representative to the Environmental Joint Insurance Fund and alternate representative Brian Bigler.

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

MEL EPL Helpline: Enclosed on **Page 9** is a copy of the bulletin issued earlier in the year concerning the Fund's EPL Hotline. We encourage members to contact any of the three firms when they need guidance. The MEL worked with QBE to restructure the helpline so that assistance is now provided by New Jersey law firms with municipal and JIF experience.

Elected Officials Training: This year's elected officials training program will focus on "Employment Practices for Governmental Officials". Two sessions are scheduled as part the League of Municipalities Conference on Tuesday, November 19, 2019 at 3:45PM in Bally's (Bally's Room) and Wednesday, November 20, 2019 at 3:45PM at the Atlantic City Convention Center Room (Room 302); enclosed is the notice on **Pages 10 & 11** that was distributed to members.

For 2020, the MEL will reduce each member's assessment by \$250 for each municipal elected official and/or authority commissioner who completes the Elected Official course by May 1, 2020. The maximum credit is 5% of the member's assessment. The credit is also extended to the member's CEO (i.e. municipal manager/administrator or authority executive director).

Coverage Committee: The MEL Coverage Committee worked with the Technical Writer to redraft the JIF's Crime Policy. We will schedule a meeting of the Coverage Committee to review the policy that the MEL has recommended local JIFs adopt.

New Membership: We have received submissions from Linden Roselle Sewerage Authority and Wrightstown MUA and expect to distribute reviews in Executive Session.

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS PRESENTED

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

MOTION TO ACCEPT THE NEW MEMBERSHIP OF LINDEN ROSELLE SEWERAGE AUTHORITY AND WRIGHTSTOWN MUA

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

TREASURER:

VOUCHER PAYMENTS (BILL LIST)

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| 2019 | \$ 99,365.21 |
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CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF OCTOBER 2019:

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| Closed: | \$ 0.00 |
| 2015: | \$ 9,593.55 |
| 2016: | \$ 63,466.21 |
| 2017: | \$ 71,436.56 |
| 2018 | \$ 16,662.46 |
| 2019 | \$ 82,778.79 |
| Total: | \$ 243,937.57 |

MOTION TO APPROVE NOVEMBER BILLS LIST AND CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF OCTOBER 2019 CLAIMS AND ACCEPT TREASURER'S REPORT:

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

Treasurer's Report Attached & Made Part of Minutes.

ATTORNEY: None

MANAGED CARE:

MONTHLY REPORT: Donna Setzer of QualCare reviewed the Managed Care Reports for the month of October 2019 with a percentage of savings at 92%.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Monthly report submitted and reviewed by JA Montgomery Safety Director Brian Maitland and reviewed the upcoming training schedule for the Indoor Air Quality Designated Person and CDL Clearinghouse open for registrations and CPR/AED First Aid Training.

Report Made Part of Minutes.

CLAIMS: Report in Executive Session.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT: None

MOTION TO ADJOURN:

Moved: Commissioner Gianforte
Second: Commissioner Rutkowski
Vote: Unanimous

MEETING ADJOURNED: 3:12 pm
NEXT REGULAR MEETING: December 18, 2019 at 10:30 am
Karen A. Read, Assisting Secretary

For
Frank Pestana, SECRETARY
Date Prepared: - December 3, 2019