

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND  
OPEN MINUTES  
AUGUST 23, 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	Absent
Frank Pastena	North Bergen MUA	Present
Bernard 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	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 <b>Bradford Stokes</b>
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. <b>Robert Budesa</b>
Claims Service	Qual-Lynx <b>Chris Roselli</b>
Safety Director	JA Montgomery Risk Control <b>Joanne Hall</b>
Managed Care	QualCare <b>Donna Setzer</b>
Underwriting Manager	Capacity Coverage <b>Jon Ziman</b>
Treasurer	<b>Stuart Neuhof</b>

**FUND COMMISSIONERS AND ALTERNATES PRESENT:**

Ivy Robinson, Plainfield MUA

**ALSO PRESENT:**

Mike Avalone, Conner Strong & Buckelew  
Brian Monaghan, TC Irons  
Charles Casagrande, Danskin Insurance  
John Casagrande, Danskin Insurance  
Tom Fitzpatrick, Fairview Insurance  
Peter Soriero, Allied Risk Management  
Michael McLaughlin, Marsh & McLennan  
Jeff Kurtz, Gov. Risk Management Assn.  
Dom Cinelli, Brown & Brown  
Sarah Dietz, Rue Insurance  
George Crosby, BGIA  
Karen A. Read, PERMA Risk Management

**APPROVAL OF MINUTES:** July 26, 2017 Open Minutes.

**MOTION TO APPROVE JULY 26, 2017 OPEN MINUTES.**

Moved:	Commissioner Pastena
Second:	Commissioner Rutkowski
Vote:	5 Ayes, 0 Nays, 2 Abstain (Commissioners Fischer and Bigler)

**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 Financial Fast Track Report as of June 30th shows our statutory surplus \$4.8 million with all years in the positive position except for 2016 which we know was a rough year for us. The Loss Ratio Analysis Through June 30<sup>th</sup> the actuary has us targeted at 18.50% and we are at 25.92% a little better than last year where we at 35.70%. The Fund's Lost Time Accident Frequency stands at 1.10 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. We have begun the process of following up with members. Executive Director said we have had a good response three quarters of our members

are over 75% complete and we have about 15 members that still need significant work on their schedules. We will be sending reminders to everyone within the next week.

**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. Executive Director said there are 35 members that are up for renewal. Documents were sent out to those entities last week.

**SAFETY EXPO** – The second of two NJUA Safety Expos will be held on September 29<sup>th</sup> 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 we only have 54 employees, representing 11 authorities and 3 towns have registered for the September Expo.

**CYBER TASK FORCE** – The MEL formed a task force to review various aspects of Cyber Risks. Presently, the task force is finalizing its efforts working on developing a minimum loss control recommendation and will present to the MEL Board of Fund Commissioners in September. Executive Director said we will be sending this information out to everyone once it is available.

**REQUESTS FOR QUALIFICATIONS** – Authorized in July, we have advertised and released RFQs, due in the Fund office on September 14<sup>th</sup>. Executive Director said will expect some action on the Managed Care side and the TPA as indications from other JIFs we received about four or five responses for these positions and expect to see it in this JIF as well. We will advise the Committee of all responses after September 14<sup>th</sup> deadline.

**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.

**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. We have emailed the Coverage Committee and expect to have a recommendation at the meeting. During last year's renewal, no member authority answered affirmatively to owning drones.

Underwriting Manager Jon Ziman said right now the MEL has offered coverage in its \$700,000 layer excess of \$300,000 for drones up to 50 lbs. So - we agree to add the coverage to our \$300,000 layer then we have coverage for \$1,000,000 over all up to 50 lbs. and we agree to provide the \$5,000,000 limit above that for the NJUA JIF only subject to a 10 lb. limit. In response to Commissioner Bigler, the liability with drones is it could knock someone over, it could fall out of the sky and generate a car accident. Commissioner Vaccaro said Brick Township MUA was the authority asking about coverage because we were getting a drone if it hit something or liability with recording and if something would occur would we be covered. Commissioner Vaccaro said they would be using the drone to fly over the water shed and maybe

a few other things for GIS. Underwriting Manager said there are requirements that the operator of a drone has to meet with the FAA. Risk Manager Michael Avalone said you may want to also consider adding non-owned drone coverage for contracting the use of a drone. In response to Commissioner Flancbaum, Michael Avalone said the NJUA JIF does not have coverage for non-owned drones. Executive Director said there would not be any additional cost here but the JIF would be accepting for the first \$300,000 in liability, so do we want to offer this to the membership and offer the coverage for it. We can bring it to the Coverage Committee and look into it a little more and come back to it next month. Underwriting Manager Jon Ziman recommend to wait another month and have it reviewed by the coverage committee.

**TREASURER:**

**VOUCHER PAYMENTS (BILL LIST)**

2016	\$ 46,300.62
2017	\$181,628.07

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

Closed:	\$ .00
2013:	\$ .00
2014:	\$ 6,110.96
2015:	\$ 60,563.88
2016:	\$ 19,948.06
2017	\$ 69,777.08
Total:	\$ 156,399.98

**MOTION TO APPROVE AUGUST BILLS LIST, CONFIRM CLAIMS' PAYMENTS /CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF JULY 2017 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: NONE**

**MANAGED CARE:**

**MONTHLY REPORT:** Report submitted and reviewed by Ms. Setzer of QualCare.

Report Made Part of the Minutes.

**SAFETY DIRECTOR:**

**MONTHLY REPORT:** Monthly report submitted and reviewed by JA Montgomery Risk Control Safety Director Joanne Hall. Ms. Hall the next event will be the Safety Expo in Camden County and we are very excited about the presentation on electrical safety by Myles O'Malley from Rutgers University. In October there will be a CDL workshop at Rockaway Valley SA. Ms. Hall said the MSI has celebrated its 15 years in existence and trained over 400,000 people in that time. The course schedule is in the agenda report and now is the time to put in your request if you would like to host a class. Ms. Hall said she was happy to announce that Bernie Rutkowski is the new Chair of the MEL Safety and Educations Committee. Ms. Hall distributed a flyer on a Security Seminar that is being offered by the American Water Works Association and asked permission to circulate to the members. Chairman Gianforte said it would be acceptable to circulate to member authorities.

Report Made Part of Minutes.

**CLAIMS:** Claims Manager Chris Roselli said there is no report for open session and will discuss ten PARs 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 Flancbaum
Second:	Commissioner Pastena
Vote:	Unanimous

**MOTION TO RE-OPEN MEETING:**

Moved:	Commissioner Bigler
Second:	Commissioner Flancbaum
Vote:	Unanimous

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

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

**MOTION TO ADJOURN:**

Moved:	Commissioner Bigler
Second:	Commissioner Flancbaum
Vote:	Unanimous

**MEETING ADJOURNED: 11:13 am**  
**NEXT REGULAR MEETING: September 27, 2017**  
Karen A. Read, Assisting Secretary

For  
Robert Fischer, SECRETARY  
**Date Prepared: - September 12, 2017**