

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
JULY 26, 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	Absent
Brian Bigler	Secaucus MUA	Absent
Robert Burner	Cape May County MUA	Present
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	Absent
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 Cathleen Kiernan
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. Robert Budesa
Claims Service	Qual-Lynx Chris Roselli
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:

Jim Diaz, Jackson Township MUA

ALSO PRESENT:

Mike Avalone, Conner Strong & Buckelew
Brian Monaghan, TC Irons
Amy Pieroni, Reliance Insurance
Charles Casagrande, Danskin Insurance
John Casagrande, Danskin Insurance
Alison Kelly, Danskin Insurance
Art Caughlan, Nelson-Patterson Agency
Ed Buecker, Fairview Insurance
Peter Soriero, Allied Risk Management
Michael McLaughlin, Marsh & McLennan
Donna Reale-Waters, Sloan Insurance Agency
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: June 28, 2017 Open Minutes.

MOTION TO APPROVE JUNE 28, 2017 OPEN MINUTES.

Moved:	Commissioner Pastena
Second:	Commissioner Burner
Vote:	6 Ayes, 0 Nays, 1 Abstain (Commissioner Flanckbaum)

CORRESPONDENCE: Executive Director said correspondence from Qual-Lynx was included in the agenda. At last month's meeting Kathy Kissane gave a report verbally that Ann Nobel is leaving Qual Lynx and Alice Lihou will be assuming her role. They have also made some promotions as well. Executive Director said all of the people they have promoted have been working along with PERMA for as long as they have been involved, so we are comfortable with the change.

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 May 31st shows our statutory surplus is up approximately \$400,000 but it is not coming from 2016 which is right now showing at \$400,000 deficit. Through May 31st, the Fund's Lost Time Accident Frequency stands at .84 compared to 1.74 this time last year. Executive Director said 2016 there were 29 claims with a

reserve amount greater than \$25,000 and of them, one is at \$300,000 and two or three others are greater than \$150,000. Executive Director said when the actuary does loss projections he will probably hit the mark 8 out of 10 times but the two times he does not hit the mark is what the Fund budgets for. We are not funding to worst case scenario every year, but are close to it.

REGULATORY AFFAIRS – The 2016 Audit Report, Actuarial Certification & Statement of Actuarial Opinion has been filed with the State. They Synopsis of the Audit has been advertised in the Fund’s newspaper.

2018 RFQ FAIR & OPEN PROCESS – Draft Request for Qualification forms for each Fund Professional are included in the Appendix II. Executive Director said last year we started talking last year about changing our RFQ process and going on a three year term. In Appendix II you will find the format we are using in all other JIFs that issue RFQs every three years. There are a number of differences and in this form we do ask for a fee proposal. When we issue the RFQ we issue a copy of the expiring contract but we do reserve the right to make a change. Executive Director explained the evaluation criteria. Attorney Budesa said the only change to this three year process is that the Attorney and Defense Panel will not be a three year terms they will be a one year term. Executive Director said if the committee would like to authorize PERMA will advertise the RFQ and release them.

MOTION TO ADVERTISE AND ISSUE THE REQUEST FOR QUALIFICATIONS FOR FUND PROFESSIONALS

Moved:	Commissioner Flancbaum
Second:	Commissioner Burner
Vote:	Unanimous

2018 RENEWAL ONLINE UNDERWRITING DATABASE – Members and Risk Managers received an email that the database is set up to begin the 2018 underwriting renewal – the completion deadline is August 15, 2017. Executive Director said everyone should be working on their schedules. We have many meetings through the Origami process the data has been transferred to them. Origami is going to develop a risk management system that will start in 2018 and once the underwriting part is in place they will start working on a program that will combine all the claims data from the various TPAs that are affiliated with the MEL.

2018 MEMBERSHIP RENEWALS – Attached is a list of members scheduled to renew fund membership by January 1, 2018. Membership renewal documents will be mailed to members following the meeting. There may be a new sentence in the letter that will state although we are asking the members to renew we do have a primary carrier with our POL EPL that does reserve the right to underwrite. So there is no guarantee that they will renew you at your terms or even renew you. There is no one in this JIF that is at risk but there may be a one or two towns in the whole system based on their loss experience where it may come down to some further negotiations.

2017 SAFETY EXPO – The second of two NJUA Safety Expos will be held on September 29th at the Camden County Regional Emergency Training Center. To date we have 37 employees registered from 10 authorities.

CYBER TASK FORCE – The MEL formed a task force to review various aspects of Cyber Risks. Presently, the task force is working on developing a minimum loss control recommendation. Executive Director said the Task Force has almost completed the process of developing minimum standards - which will not be that difficult to achieve. If the MEL accepts these standards, we would come back to each JIF to consider – including whether to contribute to the deductible (\$10,000) if the member has implemented the minimum standards at the time of a claim. In response to Commissioner Gianforte, Executive Director said the two recent cyber seminars have been posted on the MEL webpage www.njmel.org. We also have the Cyber Incident Roadmap that is posted to the NJUA JIF website www.njuajif.org which explains how to file a cyber claim. Executive Director said when we update our Model Personnel Manual every two years, the one item that has always been updated is the Social Media or Communications Policy – since technology changes so rapidly. Commissioner Pastena said Mark Pfeiffer will be providing a Cyber Security Training at the Technology Transfer Seminar on September 11th in Eatontown with the AWA. Executive Director said the Safety Committee is looking to host cyber training at their November Safety Committee meeting.

MEL 30TH ANNIVERSARY ARTICLE – A recent edition of the New Jersey League of Municipalities magazine highlighted the 30th Anniversary of the MEL. The article pointed out the long history of the Fund and how much member municipalities have saved over the years.

TREASURER:

VOUCHER PAYMENTS (BILL LIST)

2016	\$ 1,939.36
2017	\$148,965.28

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

Closed:	\$.00
2013:	\$ 82,896.00
2014:	\$ 25,749.96
2015:	\$ 15,195.70
2016:	\$ 38,436.15
2017	\$ 90,332.79
Total:	\$ 262,610.60

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

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

Treasurer's Report Attached & Made Part of Minutes.

ATTORNEY: Attorney Budesca said there is not formal report but will discuss two items in Executive Session.

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 she would like to make a correction to the number of hours provided of service to 550 hours so far this year. Ms. Hall thanked Lakewood MUA for the wonderful tour of their facility. There were 30 people that attended and were very impressed and there was a lot of positive feed back. Commissioner Flancbaum said they were happy to host the tour. Executive Director said the Safety Expo was really the precursor to the MSI. To see how well organized shared safety training was is what really led to putting together the MSI.

Report Made Part of Minutes.

CLAIMS: Claims Manager Chris Roselli said there is no report for open session and will discuss eight PARs in closed session.

OLD BUSINESS: NONE

NEW BUSINESS: Charles Casagrande said the Governor signed last week S-3027 which is known as the Food Waste Bill. The DEP has a year to come up with regulations. The goal is by 2030 we recycle 50% of our food waste. This could affect authorities if they take this waste. The EJIF will follow this closely and we will let you know as we hear as far as proposed regulations.

PUBLIC COMMENT: NONE

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

MOTION TO CLOSE MEETING:

Moved:	Commissioner Burner
Second:	Commissioner Rutkowski
Vote:	Unanimous

MOTION TO RE-OPEN MEETING:

Moved: Commissioner Pastena
Second: Commissioner Flancbaum
Vote: Unanimous

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS PRESENTED

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

MOTION TO ADJOURN:

Moved: Commissioner Pastena
Second: Commissioner Flancbaum
Vote: Unanimous

MEETING ADJOURNED: 11:33 am
NEXT REGULAR MEETING: August 23, 2017
Karen A. Read, Assisting Secretary

For
Robert Fischer, SECRETARY
Date Prepared: - August 14, 2017