

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND  
OPEN MINUTES  
JUNE 28, 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	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 <b>Cathleen Kiernan</b>
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. <b>Robert Budesa</b>
Auditors	Nisivoccia <b>Bud Jones, Jenna Bauer</b>
Claims Service	Qual-Lynx <b>Kathy Kissane, Chris Roselli</b>
Safety Director	JA Montgomery Risk Control <b>Brian Maitland</b>
Managed Care	QualCare <b>Donna Setzer</b>
Underwriting Manager	Capacity Coverage <b>Jon Ziman</b>

Treasurer

**Stuart Neuhof**

**FUND COMMISSIONERS AND ALTERNATES PRESENT:**

Ivy Robinson, Plainfield MUA  
Jim Diaz, Jackson Township MUA

**ALSO PRESENT:**

Ilene Laursen, Conner Strong & Buckelew  
Brian Monaghan, TC Irons  
Amy Pieroni, Reliance Insurance  
Charles Casagrande, Danskin Insurance  
Kathy Young, Alamo Insurance  
Dom Cinelli, Brown & Brown  
George Crosby, BGIA  
Jeffrey Kurtz, Governmental Risk Management  
Ed Buecker, Fairview Insurance  
Michael McLaughlin, Marsh & McLennan  
Bradford Stokes, PERMA Risk Management  
Karen A. Read, PERMA Risk Management

**APPROVAL OF MINUTES:** May 24, 2017 Open Minutes.

**MOTION TO APPROVE MAY 24, 2017 OPEN MINUTES.**

Moved:	Commissioner Pastena
Second:	Commissioner Bigler
Vote:	Unanimous

**CORRESPONDENCE:** Executive Director said there are three pieces of correspondence today and the first two are regarding the required filings with the state to file all of our commercial policies, because this JIF has our own Underwriting Manager for our property and excess liability and POL and Jon Ziman did completed that filing. The other filing was from the MEL Underwriting Manager that files the excess workers' compensation and QBE POL Policies.

Executive Director said the third piece of correspondence is from Qual-Lynx providing and update on their transition to IVOS claims system.

**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 April 30th shows a statutory surplus of

\$4.4 million which is just about what it was at year end. Executive Director said the Fund's Loss Ratio Report for all years but 2016 are in a positive position. Through March, the Fund's Lost Time Accident Frequency stands at .75 compared to 1.55 this time last year. Executive Director said 2016 was a more difficult year for the JIF. Executive Director said if you look at the RMC Report you will see which members do not have a current RMC Agreement on file and if they do not submit the agreement they will be one of fees that will eventually show up in the Audit Report.

Executive Director said the Finance Committee had made a recommendation to issue Requests for Qualifications for three-year contracts rather than one year – with the exception of the Fund Attorney. RFQ format followed by the JIFs issuing for three years will be included in the July agenda. In response to Chairman Gianforte, Attorney Budesca said he would be in agreement with the three year contract with the exception of the attorney should be on a one year basis.

**AUDIT REPORT AND ACTUARY VALUATION REPORT AS OF DECEMBER 31, 2016** – Auditor is mailing the Auditor's Report as of December 31, 2016 directly to Executive Committee. Enclosed with your agenda booklet is the Actuary's Valuation Report. A representative from Nisivoccia LLP will be present at the meeting to review the final audit report. Following the presentation, the enclosed Resolution and Group Affidavit must be executed.

Executive Director said the Fund Auditors Bud Jones and Jenna Bauer are present today to review the audit. Mr. Jones reviewed the Audit and said the Fund earned about \$10.3 million in revenue and expenses, member dividend of \$1.2 million. There was a decrease in the Funds Net Position of \$397,138 which brought the final Net Position to \$5.7 million. Mr. Jones said the Fund is in excellent financial condition and the investment loss is a temporary loss due to relative position interest rates, as the Fund holds their investments to maturity the Fund will regain that unrealized loss.

Ms. Jenna Bauer presented the Management Report and said this year there were only two recommendations – one for the Third Party Administrator concerning a discrepancy in the summary of the claim expenses. Qual-Lynx transitioned to a new claims system in December of 2016. Initial report prepared for Auditor did not include legal costs in the expenses. Fund Auditor has been working with Qual Lynx and it appears that discrepancy is already in the process of being resolved. Ms. Bauer said the other recommendation is the remaining payables to Risk Management consultants either be paid or cancelled. A summary of these payables are on page 61 of the Audit Report. In response to Chairman Gianforte, Bud Jones said if we were to clarify the recommendations they would not be serious. In response to the Executive Director, Ms. Bauer said the Report does not reflect payables that were paid after December 31, 2016. Executive Director said she believes almost all of the \$23,000 in payables were paid after December 31, 2016 but fees can not be processed until a voucher is submitted and the Fund has a copy of the RMC agreement on file. In response to Commissioner Bigler, Executive Director said her office does identify these payable by RMC, authority and year. If the RMC is unable to produce an agreement, the Fund will work with the authority to return the fee and advice that authority may owe fee to its RMC.

Executive Director said the reason for the delay in the final Audit Report was the result of adjustments made by the Municipal Excess Liability JIF and the Residual Claims Fund in posting excess workers' compensation receivables. Schedules in the Audit Report show the Fund's share of these Joint Ventures. The MEL and RCF have been working with Qual-Lynx and Genesis to resolve the receivables. At this time, the majority of the receivable has been either processed or confirmed as due the MEL.

In response to Chairman Gianforte, Bud Jones said the investment loss was a paper loss and if we hold to maturity it will be fine. In all of your investment and in your investment manual plan that is your policy to hold your investments to maturity. Treasurer said he had a conversation with the auditor and wanted to have the unrealized loss broken out on page 18 but they said they could not do it, not sure if that is because of an accounting presentation rule but the comparable number to last year 2015 versus 2016 our actual interest earnings \$114,282 vs last year of \$75,989 so that is an increase of \$38,000 and a lot of it has to do with changing asset manager to Wilmington Trust and the banking to Investors Bank. With Investors Bank for the banking, the Fund received a minimum of 65 basis points and is likely to increase to 1% in July.

**MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION #18-17 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT THE FUND COMMISSIONERS HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT**

Moved:	Commissioner Pastena
Second:	Commissioner Burner
Vote:	Unanimous

The Fund Office will file the financial reports with the state by the June 30<sup>th</sup> deadline. Executive Director said we also sent the Actuary Valuation as of 12/31/2016. The Actuary report is reflected in the Audit report and we ask him to review the Audit report to confirm that everything is accurately reflected so we can file this with the State.

**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 if you are using Google Chrome or you do not update or refresh your connection it could look like you are updating the system and when you take the final step to submit it does not work so be sure to update the settings as outlined the instructions sent to everyone.

**RESIDUAL CLAIMS FUND** - The RCF met on June 1, 2017 at the Forsgate Country Club in Jamesburg, NJ. Commissioner Bigler's report on the meeting is enclosed. Commissioner Bigler said Dave Grubb gave a presentation and that was acknowledged by Executive Director regarding receivables for 59 claims being approximately \$6.9 million. Executive Director said, as mentioned previously, that is why it took the RCF some time to make sure they were going to get that money back so they could reflect that in their report. While looking at the data for transferring the system over to Origami, PERMA noted multiple claims that exceeded the MEL's workers' compensation retention had amounts outstanding. Executive Director added that data provided to Perma on a monthly basis from its new claims system, IVOS, contains data not previously included. That information allowed Perma to confirm expected receivables.

The RCF Board adopted a Resolution accepting the transfer of member JIF's Fund Year 2013. Enclosed you will find Resolution 19-17 authorizing the transfer of the NJUA JIF's 2013 claims liabilities to the RCF.

**MOTION TO ADOPT RESOLUTION #19-17 AUTHORIZING THE TRANSFER OF FUND YEAR 2013 LIABILITIES TO THE RESIDUAL CLAIMS FUND**

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

**EJIF** - The EJIF met on June 1, 2017 at the Forsgate Country Club in Jamesburg, NJ. Commissioner Rutkowski's report on the meeting is enclosed.

**MEL JIF** - The MEL met on June 1, 2017 at the Forsgate Country Club in Jamesburg, NJ. Commissioner Rutkowski's report on the meeting is enclosed.

**2017 SAFETY EXPO** – The first of two NJUA Safety Expos will be held on June 23<sup>rd</sup> at the Middlesex Fire Academy. To date we have 106 employees registered for the June Expo.

**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 is still reviewing. Once complete, the Fund should schedule a coverage committee to review and consider whether to participate in the deductible for members that are in compliance with minimum standards.

**TREASURER:**

**VOUCHER PAYMENTS (BILL LIST)**

2017 \$ 544,757.10

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

Closed:	\$ .00
2013:	\$ 2,394.13
2014:	\$ 6,042.14
2015:	\$ 22,223.22
2016:	\$ 41,341.92
2017	\$ 68,830.42
Total:	\$ 141,831.83

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

Moved: Commissioner Bigler  
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 Consultant Brian Maitland. Last Friday we had a successful Safety Expo with a good turn out and positive feedback from all the classes and we look forward to doing it again in September.

Report Made Part of Minutes.

**CLAIMS:** Claims Manager said as the correspondence in the agenda indicated that Qual-Lynx now has direct dial numbers; a email with that information will be distributed to members shortly. In the meantime, old extensions will remain function for 90 days.

Qual-Lynx contacted Perma last week to announce Anne Noble's resignation – President/CEO of Qual-Lynx. Ann is looking forward to looking to moving into different interests. Her last full day will be July 8, 2017 but she will remain on part time until October for transition items. Alice Lihou has assumed Anne's role. Kathy Kissane has been promoted to Assistant Vice President in Account Management, Chris Roselli will be taking over the primary account manager responsibility for the NJUA.

**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 Pastena  
Second: Commissioner Bigler  
Vote: Unanimous

**MOTION TO RE-OPEN MEETING:**

Moved: Commissioner Brand  
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: 11:13 am**  
**NEXT REGULAR MEETING: July 26, 2017**  
Karen A. Read, Assisting Secretary

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