

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
NOVEMBER 18, 2014
GOLDEN NUGGET, ATLANTIC CITY
2:30 PM**

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

PLEDGE OF ALLEGIANCE – Commissioner Cevetello led Commissioners in the Pledge of Allegiance

ROLL CALL OF 2014 EXECUTIVE COMMITTEE:

Brian Bigler, Chairman	Secaucus MUA	Absent
Jerome Cevetello, Secretary	Manasquan River Reg'l. Sewerage Authority	Present
Tammy Fetherman	Lacey MUA	Present
Michael Gianforte	Two Rivers Water Reclamation Authority	Present
Robert Fischer	Bayshore Regional SA	Present
Robert Burner	Cape May County MUA	Present
Frank Pastena	North Bergen MUA	Present

EXECUTIVE COMMITTEE ALTERNATES:

Reno Wilkins, Alt #1	Plainfield Municipal Utilities Authority	Present
Bernard Rutkowski, Alt #2	Toms River MUA	Present
Justin Flancbaum, Alt #3	Lakewood 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 Kathy Kissane
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:

Thomas Horn, Lambertville MUA

Gary Vaccaro, Brick Township MUA

Mary Burne, South Monmouth Regional Sewerage Authority

ALSO PRESENT:

Michael Avalone, Conner Strong & Buckelew

Frank Covelli, PIA

Cindy Lisa, Danskin Insurance Agency

Charles Casagrande, Danskin Insurance Agency

Bradford Stokes, PERMA Risk Management

Rachel Chwastek, PERMA Risk Management

APPROVAL OF MINUTES: OCTOBER 22, 2014 Open & Closed Minutes.

MOTION TO APPROVE OCTOBER 22, 2014 OPEN & CLOSED MINUTES

Moved:

Commissioner Gianforte

Second:

Commissioner Burner

Vote:

6 Ayes, 0 Nays, 1 Abstain – Commissioner Fischer

CORRESPONDENCE: NONE

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 statutory surplus as of September 30th stands at \$6.2 million – down from \$7.3 million. Executive Director reviewed the Claims Expected Loss Ratio Report and said in every year except for the current year, the paid and reserves amounts are less than Actuary projects. Executive Director said the Fund's Lost Time Accident Frequency is 2.64, compared to 2.25 this time last year.

Executive Director said we may have a new member to consider in December.

2015 BUDGET – Executive Director said the Board introduced the 2015 proposed budget at the October meeting. All members were mailed a notice of the public hearing. In addition, the proposed budget was published in the Fund's designated newspaper. The revised proposed budget totaling \$10,077,955, representing a 1.48% increase, is enclosed in the agenda on page 3. Executive Director said the Fund has now received all of the property appraisals, resulting in a

decrease in the property premium line since introduction. The largest budget line item increase is the EPL/POL premium at a 22% percent increase. After four years with XL at a flat rate they have started to see some developments and this JIF will have a 22% increase which is the average increase based on this JIF's experience. The decrease we see in line 14 which is what we pay to MunichRE for excess polepl is a budget rating issue not a change in premium and is offset by increase in the MunichRe line item for excess liability.

Commissioner Gianforte chair of the Finance Committee said the Committee unanimously recommends the approval of the budget as presented. Executive Director said the 2015 assessments were included on pages 4 and 5 of the agenda packet. There were two members where assessments were allowed to increase over equalization capping formula reflecting substantial increase in property values, resulting from appraisals. (process will be repeated in 2016 & 2017). The balance of members had property value increases or decreases within a normal range.

Executive Director said there are still one or two members who have reviewed there property appraisals and feel the appraisal should be higher than what was reported.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2015 BUDGET

Moved:	Commissioner Gianforte
Second:	Commissioner Fetherman
Vote:	Unanimous

DISCUSSION: None

MOTION TO CLOSE THE PUBLIC HEARING

Moved:	Commissioner Gianforte
Second:	Commissioner Fetherman
Vote:	Unanimous

MOTION TO ADOPT THE BUDGET AND CERTIFY THE ASSESSMENTS

Moved:	Commissioner Gianforte
Second:	Commissioner Wilkins
Vote:	7 Ayes, 0 Nays

2014 DIVIDEND - Executive Director said the Board voted at the October meeting to release a dividend in the amount of \$1,100,000. Enclosed is the distribution by member authority. Executive Director said the dividend release is subject to the State's approval. Commissioner Gianforte said the Finance Committee recommend and approved a dividend of \$1.1 million.

2015 FUND PROFESSIONALS – Executive Director said Requests for Qualifications were released following the September meeting and were due in the Fund office on October 16th.

Enclosed in the agenda is a summary of the responses received. Multiple responses were received for Claims Administrator, Managed Care Provider, Fund Attorney and Fund Auditor. Under separate email were copies of submissions. The Fund also advertised a second time for Defense Panel Firms due November 13th. Executive Director said we use the simple form and we do not ask for a quote some responses did include a quote. Executive Director said the JIF could put together a sub committee to review the responses. Commissioner Cevetello asked members for volunteers to sit on a committee to review the RFQ responses. Commissioner Cevetello nominated Justin Flancbaum to chair the sub committee and Robert Burner, Tammy Fetherman and Michael Gianforte volunteered to serve on the committee to review the Requests for Qualification and make a recommendation to the Board.

MEL MEETING - The MEL Board of Fund Commissioners will hold its public hearing on the 2015 budget on November 19, 2014 at 5:00 pm in Room 305 in the Atlantic City Convention Center.

MEMBERSHIP RENEWALS – Attached is a list of the 34 members scheduled to renew fund membership by January 1, 2015. Membership documents were distributed to members in August. Executive Director said we are following up with those members that have not returned their documents but none of those members indicated they would not be renewing their membership.

NOMINATING COMMITTEE - Executive Director said The Nominating Committee will need to meet to develop their recommendation for a 2015 slate at the December meeting. In accordance with the bylaws, the Executive Committee is comprised of seven Executive Committee members and four alternates. The Nominating Committee is: Jerome Cevetello, Chair – Manasquan River Regional Sewerage Authority, Brian Bigler, Secaucus MUA and Tammy Fetherman, Lacey MUA. Commissioner Cevetello asked if the Nominating Committee could meet after the JIF meeting.

Executive Director said Underwriting Manager had been asked to approach the market for pricing in increase two of the sub-limits in the property program. Coverage Committee will need to meet prior to December meeting. Executive Director will ask the Fund Chairman to appoint a successor to Commissioner Cevetello as the Coverage Committee Chairman.

SAFETY EXPO - The second of two NJUA Safety Expos was held on November 7, 2014 in the Middlesex County Fire Academy with 175 attendees. Executive Director said an Elected Officials training session will be held today at 3:45 pm and tomorrow at 3:45 pm in the Convention Center. This training will eventually be available online and additional sessions will be scheduled the beginning of 2015.

Commissioner Cevetello said he did attend the Middlesex Safety Expo and said it was very well run and phenomenal as always. Commissioner Cevetello thanked the Executive Safety Committee, Joanne Hall and the JA Montgomery group and Karen Read for a job well done.

STATE EXAMINATION – The Department of Banking & Insurance will be examining the Joint Insurance Funds administered by Perma. Examiners are expected to begin the process in January of 2015.

TREASURER:

RESOLUTION 27-14 VOUCHER PAYMENTS (BILL LIST)

2014 \$150,984.52

CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF OCTOBER 2014:

CLOSED	\$.00
2010:	\$.00
2011:	\$	52,153.13
2012:	\$	57,761.53
2013:	\$	11,983.63
2014:	\$	177,864.17
Total:	\$	299,762.46

MOTION TO APPROVE NOVEMBER BILLS LISTS, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF OCTOBER 2014 CLAIMS AND ACCEPT TREASURER'S REPORT:

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

Treasurer's Report Attached & Made Part of Minutes.

MANAGED CARE:

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

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Monthly report submitted and reviewed by Joanne Hall.

Safety Director reviewed the upcoming training scheduled and asked members to share them with their safety coordinators. Safety Director said now the Safety Expos are behind us we are in the process of planning for 2015 and we are putting together the training calendar. There is one more meeting scheduled for December 18th at Evesham Township MUA and we will do a recap of losses for the year. Safety Director said this is

the time of year if you have any recommendations for the safety excellence awards you can send in your nominations. On page 65 of the agenda there is an outline of how you can submit your nominations.

Commissioner Wilkins said last month there was a discussion regarding first aid training. Safety Director said it has been the position of the MEL Safety Institute to not teach first aid. She recognized it is a good course to offer but we do not offer it through the MSI. At this point in time, the MSI does not plan to expand the offering. Commissioner Cevetello asked if this is something the JIF could budget for in the future. Commissioner Gianforte said of all the training they do it is one of the most critical trainings. Safety Director said will work with the Safety Committee and develop options for review.

Report Made Part of Minutes.

CLAIMS: The claims report was for 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 Burner
Second:	Commissioner Pestana
Vote:	Unanimous

MOTION TO RE-OPEN MEETING:

Moved:	Commissioner Gianforte
Second:	Commissioner Fetherman
Vote:	Unanimous

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS

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

JERRY CEVETELLO - CLOCK PRESENTAION – Commissioner Fetherman presented a clock to Commissioner Cevetello and thanked him for his service on the New Jersey Utility Authorities JIF as Fund Commissioner from September 1991 to November 2014, Executive Committee from April 1994 through November 2014, on the EJIF Board from October 2000 to November 2014, and the MEL Board from January 2013 to November 2014 with great appreciation for your years of dedicated service. Commissioner Fetherman said the Board will miss Jerry and wished him good luck in all his future endeavors. Commissioner Cevetello said – with his retirement - out of all of things he will miss, the most is this wonderful group of people that have made it a pleasure to serve on this Board. Commissioner Cevetello thanked everyone he has served with for 25 plus years the Fund Professionals, Fund Commissioner and the Executive Director’s office.

MOTION TO ADJOURN:

Moved:	Commissioner Gianforte
Second:	Commissioner Burner
Vote:	Unanimous

MEETING ADJOURNED: 3:01pm
NEXT REGULAR MEETING: December 17, 2014

Karen A. Read, Assisting Secretary
For

Jerome Cevetello, SECRETARY
Date Prepared: - December 9, 2014