

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND  
OPEN MINUTES  
SEPTEMBER 24, 2014  
TOMS RIVER MUA  
10:30 AM**

Meeting of Executive Committee called to order by Brian Bigler, Chairman. Open Public Meetings notice read into record.

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

**ROLL CALL OF 2014 EXECUTIVE COMMITTEE:**

|                             |   |         |
|-----------------------------|---|---------|
| Brian Bigler, Chairman      | Secaucus MUA                              | Present |
| Jerome Cevetello, Secretary | Manasquan River Reg'l. Sewerage Authority | Present |
| Tammy Fetherman             | Lacey MUA                                 | Present |
| David Johnson               | Little Egg Harbor MUA                     | Present |
| Michael Gianforte           | Two Rivers Water Reclamation Authority    | Present |
| Robert Fischer              | Bayshore Regional SA                      | Absent  |
| Robert Burner               | Cape May County MUA                       | Present |

**EXECUTIVE COMMITTEE ALTERNATES:**

|                           |  |         |
|---------------------------|--|---------|
| Frank Pastena, Alt #1     | North Bergen MUA                         | Present |
| Reno Wilkins, Alt #2      | Plainfield Municipal Utilities Authority | Present |
| Bernard Rutkowski, Alt #3 | Toms River MUA                           | Present |

**APPOINTED OFFICIALS PRESENT:**

|                        |  |
|------------------------|--|
| Executive Director/Adm | Perma Risk Management<br><b>Cathleen Kiernan</b>                 |
| Attorney               | Berry, Sahradnik, Kotzas & Benson, P.C.<br><b>Robert Budesza</b> |
| Claims Service         | Qual-Lynx<br><b>Don Kellerman</b>                                |
| Safety Director        | JA Montgomery Risk Control<br><b>Lou Carey</b>                   |
| Managed Care           | QualCare<br><b>Donna Setzer</b>                                  |
| Underwriting Manager   | Capacity Coverage<br><b>Jon Ziman</b>                            |

Treasurer

**Stuart Neuhof**

**FUND COMMISSIONERS AND ALTERNATES PRESENT:**

Justin Flancbaum, Lakewood MUA  
Thomas Horn, Lambertville MUA  
Earl Sutton, Little Egg Harbor MUA  
Michael Pucilowski, Washington Township MUA  
Jim Diaz, Jackson Township MUA

**ALSO PRESENT:**

Michael Avalone, Conner Strong & Buckelew  
Mike McLaughlin, Marsh & McLennan  
Patti Fahy, NAIMC  
Amy Pieroni, Reliance Insurance Group  
Kathy Young, Alamo Insurance  
Mary Ann Costabile, Rue Insurance  
Dom Cinelli, Brown & Brown  
Jeff Kurtz, Governmental Risk Management  
Bradford Stokes, PERMA Risk Management  
Karen A. Read, PERMA Risk Management

**APPROVAL OF MINUTES:** August 27, 2014 Open & Closed Minutes.

**MOTION TO APPROVE AUGUST 27, 2014 OPEN & CLOSED MINUTES**

|         |   |
|---------|---|
| Moved:  | Commissioner Burner   |
| Second: | Commissioner Fetherman  |
| Vote:   | 5 Ayes, 0 Nays, 2 Abstain – Commissioners Johnson and Gianforte |

**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 July 30<sup>th</sup> stands at \$6.5 million - down from year-end; reflects increased claim activity resulting from December weather.. Executive Director reviewed the Claims Activity Report for worker's comp and said the Fund has 90 claims open through the month of August; this time last year it was at 54. Executive Director said the Lost Time Accident Frequency as of August 31<sup>st</sup> is 2.83, which is the highest in MEL affiliated JIFs - this time last year we were at 1.17.

**DAVID JOHNSON** – Executive Director said David Johnson announced his retirement, effective October 1<sup>st</sup>. Dave has served as Fund Commissioner since October of 1991 and served on the Executive Committee since January of 1998. Dave was the Chairman in 2002, 2003, 2013 and served as the MEL Fund Commissioner from 2004 through 2011.

The Nominating Committee will meet before the October Board meeting to consider Commissioners to fill the vacancies. Nominating Committee members are: Jerry Cevetello, Chair; Tammy Fetherman and Brian Bigler.

**2015 RENEWAL /BUDGET PROCESS** - Executive Director said the Online Underwriting Database will be locked for editing on September 20<sup>th</sup>. Perma will begin its review and distribute comparison reports to Fund Commissioners and Risk Management Consultants. Executive Director said there are still a few members updating their schedules. AssetWorks has almost completed property appraisals; once they are all received the information will be uploaded into the Exigis database, at which time all members will have a chance to review. Members will also receive a detailed report on each location from AssetWorks. Executive Director said she is still waiting on about 10 more reports. At this time, the total insured values are slightly less than what we have at this time, but there is a range of about 20% either up or down.

**FINANCE COMMITTEE** - Executive Director said a meeting of the Finance Committee needs to be scheduled for mid-October to review the 2015 budget. Finance Committee members are: Michael Gianforte, Chair; Frank Pastena, Bob Fischer, Brian Bigler, and Reno Wilkins. We expect to have a report on the results of the property appraisals available at that time. Once the Finance Committee reviews the results, detailed reports will be distributed to members.

Executive Director said it looks as though it will be necessary to move the location of the November budget meeting. Tentatively, it looks as though the AEA convention will be moving to the Golden Nugget and once that is finalized, Perma will make arrangements to move the JIF meeting to that location as well. Commissioner Cevetello said the AEA is in the process of signing the contract with the Golden Nugget at this time. Executive Director said the budget meeting will be on November 18<sup>th</sup> at 2:30 pm with the Elected Officials seminar to follow after the JIF meeting.

**RCF REPORT** - Executive Director said the RCF met on September 3, 2014 at the Forsgate Country Club. Enclosed in the agenda was a copy of Chairman Bigler's report. The Residual Claims Fund amended the 2014 Budget (copy attached) and the proposed 2015 Budget (copy attached) was introduced on September 3, 2014. The public hearing on the RCF budget will be held on October 15, 2014 at 10:30 AM in the Forsgate Country Club.

Chairman Bigler said the 2014 budget is \$470,000; revised budget now totals \$26,936,483 – reflecting the transfer of local JIFs' Fund year 2010 open claims. Executive Director said the RCF then declares a dividend to fund the administrative costs for 2015 until the JIFs close out the next fund year.

**EJIF REPORT** - Executive Director said the EJIF met on September 3, 2014 at the Forsgate Country Club. The attached 2015 Budget was introduced and is scheduled to be adopted during the public hearing of October 15, 2014 in Jamesburg. A copy of Commissioner Cevetello's report on the meeting was enclosed in the agenda. Commissioner Cevetello said the EJIF declared a \$475,000 dividend. The budget was also introduced and there will be a 1.8% increase.

**MEL REPORT** - Executive Director said the MEL met on September 3, 2014 at the Forsgate Country Club. Enclosed in the agenda was a copy of Commissioner Cevetello's report on the meeting. The MEL's 2015 Budget introduction is scheduled for October 15, 2014 at the Forsgate Country Club in Jamesburg NJ. Commissioner Cevetello said the MEL introduced the budget and there will be 1.6% increase. Executive Director said the MEL's increase is at 1.6% before exposure are updated.

**2015 FUND PROFESSIONALS** - Executive Director said the Executive Committee should begin considerations on the process of awarding contracts for 2015 using either "fair & open" or "non-fair & open". Enclosed in Appendix II was a modified version of the form put in place last year. Executive Director recommended the Board to review the forms and authorize PERMA to advertise and distribute them with a due date of October 14, 2014.

Executive Director said Property Appraiser was included in the RFQ - not to do the property appraisals again but to have a contract in place if the Fund membership increases.

**MOTION TO ADOPT THE "FAIR AND OPEN PROCESS" IN ACCORDANCE WITH N.J.S.A 19:44a-20.4 et. SEQ AND AUTHORIZE THE FUND OFFICE TO ADVERTISE THE "SHORT FORM" REQUEST FOR QUALIFICATIONS ADVERTISEMENT SEEKING FUND PROFESSIONALS WITH A DUE DATE OF OCTOBER 14, 2014**

|         |                        |
|---------|------------------------|
| Moved:  | Commissioner Cevetello |
| Second: | Commissioner Fetherman |
| Vote:   | Unanimous              |

**MEMBERSHIP RENEWALS** - Executive Director said 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 the membership renewals are being returned fast and furious and at this time there has not been any indication that any of these members do not expect to renew.

**FINANCIAL DISCLOSURES** – Executive Director said the Division of Local Government Services has contacted the Fund office and asked us to follow up with any commissioner that had not yet completed their filing to advise them that the state will begin issuing fines to

commissioners that do not complete their filing by August 29<sup>th</sup>. Executive Director said all Fund Commissioners of the NJUA have completed their on-line ethics filing. Executive Director said we do not expect to see any fines. The State said they have the ability now and they will assess a \$100 fine if you did not file.

**SAFETY EXPO** - The 22<sup>nd</sup> NJUA Safety Expo has been scheduled for September 26<sup>th</sup> at the Camden County Emergency Services Training Center and November 7<sup>th</sup> at the Middlesex County Fire Academy. Registration information has been emailed to all member authorities. To date 105 employees have registered for the September 26<sup>th</sup> Expo and approximately 70 for the November 7<sup>th</sup> Expo. Executive Director said schedules are being mailed to all registrants today.

**TREASURER:**

**RESOLUTION 25-14 VOUCHER PAYMENTS (BILL LIST)**

2014                      \$ 91,692.81

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

|        |              |
|--------|--------------|
| CLOSED | \$ .00       |
| 2010:  | \$ 3,260.20  |
| 2011:  | \$ 9,898.94  |
| 2012:  | \$ 38,251.55 |
| 2013:  | \$ 23,610.95 |
| 2014:  | \$333,680.13 |
| Total: | \$408,701.77 |

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

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

Treasurer's Report Attached & Made Part of Minutes.

**2015 REQUEST FOR QUALIFICATIONS** - Executive Director said Mr. Stokes has brought it to our attention that October 13<sup>th</sup> is a holiday; as such, the Fund can not accept RFQ the day

after a holiday. Commissioner Cevetello said he would amend his motion to change RFQ due date to October 16, 2014.

**MOTION TO AMEND REQUEST FOR QUALIFICATION DUE DATE TO OCTOBER 16, 2014**

|         |                        |
|---------|------------------------|
| Moved:  | Commissioner Cevetello |
| Second: | Commissioner Fetherman |
| Vote:   | Unanimous              |

**ATTORNEY:** NONE

**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 Lou Carey.

Safety Director said some municipalities were using front-end loaders to dump ice on the heads of life guards, children and public works employees. Safety Director's office issued an alert to instruct people to do the "ice bucket challenge" properly. Mr. Carey reported September 30<sup>th</sup> would be the deadline to request and book new MSI classes for 2015.

In response to Commissioner Gianforte, Commissioner Rutkowski said in regard to PEOSHA you have an exemption for Bloodborne Pathogens training unless employees are required to have first aid or you have a known facility that deals with discharges abroad you are exempt.

In response to Commissioner Gianforte, Executive Director said she would check with Joanne Hall of JA Montgomery to see if all safety training classes held for the NJUA JIF can be reported directly to the state not just with the classes in the Safety Expo. Executive Director said she knows that the Safety Director has requested all members to enter in any license numbers on the MSI website to assist with the reporting of license credits.

Report Made Part of Minutes.

**CLAIMS:** The claims report was for closed session.

**OLD BUSINESS:** Chairman Bigler said as everyone is aware that Commissioner David Johnson is retiring and said he has served on the board with Dave for a couple of decades. In commemorating of that - the NJUA JIF would like to present Dave with a clock inscribed with Fund Commissioner 1991 – 2014; Executive Committee from 1998 -2014; Chairman 2002 – 2004 and 2013 with great appreciation the New Jersey Utility Authorities Joint Insurance Fund.

Commissioner Johnson said he has seen this JIF come a long way since its inception. In terms of safety, the NJUA JIF is the best informed and the most equipped to do safety. The Fund has been able to give dividends back every year. Commissioner Johnson thanked all of the Fund Professionals for there input over the years. Mr. Johnson also thanked the Board Members and said we always did what we thought, was best for all of the member JIF authorities and he thanked everyone for their support and hoped they felt he put a little “flavor” into the JIF at times. Commissioner Johnson introduced his replacement Earl Sutton, Jr. who will also be the Executive Director of the Little Egg Harbor MUA effective October 1, 2014.

**NEW BUSINESS:** Commissioner Cevetello asked if the Nominating Committee can stay after this meeting to discuss new nominations. Commissioner Cevetello said if any members would like to volunteer to join the Committee they are more than welcome to join in.

**PUBLIC COMMENT:**

**2015 Renewal** - Jim Diaz of Jackson Township MUA asked if members would be getting the property appraisals soon. He added that changes in value could impact the local authority budget and noted some members need a budget by October 31<sup>st</sup> . Executive Director said property values are only one component of the budget process – but noted that property appraisals are within a close range of what members had reported. Executive Director said she would contact Mr. Diaz this afternoon with some more information. Executive Director said we already have the actuary information and that came in essentially flat so we do not expect the loss funds to go up much and may possibly decrease. Executive Director said the Fund can expect an increase from XL Insurance for POLEPL premiums.

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

**MOTION TO CLOSE MEETING:**

|         |                        |
|---------|------------------------|
| Moved:  | Commissioner Cevetello |
| Second: | Commissioner Fetherman |
| Vote:   | Unanimous              |

**MOTION TO RE-OPEN MEETING:**

|         |                        |
|---------|------------------------|
| Moved:  | Commissioner Cevetello |
| Second: | Commissioner Johnson   |
| Vote:   | Unanimous              |

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS**

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

**MOTION TO ADJOURN:**

|         |                        |
|---------|------------------------|
| Moved:  | Commissioner Cevetello |
| Second: | Commissioner Fetherman |
| Vote:   | Unanimous              |

**MEETING ADJOURNED: 11:35am**  
**NEXT REGULAR MEETING: October 22, 2014**

Karen A. Read, Assisting Secretary  
For

Jerome Cevetello, SECRETARY  
**Date Prepared: - October 9, 2014**