

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
NOVEMBER 15, 2016
CAESARS – PALLADIUM C, ATLANTIC CITY
2:30 PM**

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 2016 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	Present
Frank Pestana	North Bergen MUA	Present
Bernie 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	Absent
Gary Vaccaro, Alt #4	Brick Township MUA	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Adm	Perma Risk Management Cathleen Kiernan
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. Robert Budes
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:

Michael Pucilowski, Washington MUA (Morris)

ALSO PRESENT:

Brian Monaghan, Insurance Agency Management
Mike Avalone, Conner Strong & Buckelew
Charles Cassagrande, Danskin Insurance Agency
John C. Cassagrande, Danskin Insurance Agency
Alison Kelly, Danskin Insurance Agency
Amy Pieroni, Reliance Insurance Group
George Crosby, BGIA
Frank Covelli, PIA
Dom Cinelli, Brown & Brown
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management
Robyn Walcoff, PERMA Risk Management
James Visioli, Town of Dover
Anita VanHesswyk, Borough of Cape May Point

APPROVAL OF MINUTES: October 26, 2016 Open Minutes.

MOTION TO APPROVE OCTOBER 26, 2016 OPEN MINUTES

Moved:	Commissioner Rutkowski
Second:	Commissioner Pestana
Vote:	Unanimous

CORRESPONDENCE: NONE

NOMINATING COMMITTEE: Commissioner Bigler reported the Nominating Committee met after last month's meeting and recommended the nomination of Gary Vaccaro of Brick Township MUA. Mr. Vaccaro was present at the meeting and called up to take a seat at with Board members of the Fund. Chairman Gianforte said he would accept a motion from the Committee to nominate Gary Vaccaro.

MOTION TO ELECT GARY VACCARO AS ALTERNATE FUND COMMISSIONER #4 OF THE NEW JERSEY UTILITY AUTHORITIES JIF

Moved:	Commissioner Fischer
Second:	Commissioner Burner
Vote:	Unanimous

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 the Financial Fast Track through September 30th shows a statutory surplus of \$4.8 million which is down slightly from year end. Executive Director said the Expected Loss Ratio report indicates the Fund's total all lines are below the actuarial target and the Lost Time Accident Frequency report thru October 31st shows the Fund's frequency is at 2.30 which is slightly higher than this time last year. Executive Director also highlighted the EPL Compliance report identifying each member's EPL Compliance, deductible and co-pay. Executive Director said in order to be in compliance and maintain deductible and co-insurance levels, members are required to submit their checklists confirming EPL program compliance.

2017 BUDGET: Last month, the board introduced the 2017 proposed budget. All members were mailed a notice of the public hearing. In addition, the proposed budget was published in the Fund's designated newspaper. The proposed budget totaling \$10,380,505 representing a .34% increase, is enclosed.

Executive Director said the 2017 Budget is slightly down from what was introduced due to finalization of property values which brought down the budget a little more.

In accordance with the Fund's assessment allocation methodology, assessments are copped at 4% over the average budget increase of standard members plus loss ratio surcharges. Executive Director said any member that has a large loss ratio greater than 108% in three, four or five years out of the five year period is surcharged; that surcharge then gets distributed to the rest of the members. So it does not increase the budget it just shifts the money.

Executive Director said the Fund contracted for property appraisals three years ago. Two of the members had a significant change in their values so the Board agreed to put those increases over a three year period. This is the third year - so Rockaway Valley and Hackettstown have a slightly higher increase as well due to the values being adjusted.

MOTION TO OPEN THE PUBLIC HEARING ON THE 2017 BUDGET

Moved:	Commissioner Bigler
Second:	Commissioner Burner
Vote:	Unanimous

DISCUSSION: None

MOTION TO CLOSE THE PUBLIC HEARING

Moved:	Commissioner Fischer
Second:	Commissioner Rutkowski

Vote:

Unanimous

**MOTION TO ADOPT THE 2017 BUDGET TOTALING \$10,393,346
AND CERTIFY THE ASSESSMENTS**

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

2016 DIVIDEND: The Board voted at the October meeting to release a dividend in the amount of \$1,200,000. Enclosed is the distribution by member authority. Executive Director said the Dividend was filed with the state and we did send a notice to members with the option of taking it as a credit or receiving a check. The figures are slightly different than what is listed on page 4 because Washington Township MUA (Gloucester County) joined in 2012 and part of this dividend comes from the 2012 Fund Year, so they will be participating which means everyone else's amount went down slightly. The figures in the notice that was mailed out were correct.

MEL REPORT: The MEL Board of Fund Commissioners will hold its public hearing on the 2017 budget on November 16, 2016 at 5:00 pm in Room 305 in the Atlantic City Convention Center. Enclosed is a copy of the proposed budget. Executive Director said the MEL will meet tomorrow afternoon and they will be adopting their budget.

ELECTED OFFICIALS TRAINING: This year's elected officials training program will focus on Public Officials & Employment Practices Liability. A session will be held on Tuesday, November 15, 2016 in Caesars. Another session is scheduled at the League of Municipalities Conference for 3:45 pm in Atlantic City Convention Center on Wednesday, November 16, 2016. Executive Director said there will be other session scheduled throughout the state and in January it is likely that the program will be available online.

2017 FUND PROFESSIONALS: In October, Executive Committee reviewed the results of the Fund's Requests for Qualifications. Since the Fund received multiple responses for Fund Attorney, Third Party Administrator and Managed Care, we are providing loss information to the responders and asking for a fee proposal. Executive Director said the Fund is in the process of getting quotes generally speaking we know our fee amount in the budget will pay the incumbent so there should be adequate funds in the budget. In response to Chairman Gianforte, Executive Director said last month, Fund Attorney was asked to review whether any or all Fund Professionals can be contracted with for up to 3 years. If so, beginning next year, the Board will consider issuing RFQs every three year.

**MOTION TO ADVERTISE RFQ A SECOND TIME FOR DEFENSE PANEL FOR
THE NEW JERSEY UTILITY AUTHORITIES JIF**

Moved: Commissioner Rutkowski
Second: Commissioner Pestana
Vote: Unanimous

MEMBERSHIP RENEWALS: Attached is a list of members scheduled to renew Fund membership by January 1, 2017. Executive Director said we did not receive any indication that anyone would not be renewing.

LEAGUE MAGAZINE: Enclosed are articles on cyber security that appeared in the October edition of New Jersey Municipalities magazine written by Joseph Hrubash of PERMA and by Marc Pfeiffer of the Bloustein Local Government Research Center at Rutgers University.

NEW MEMBER: We are working on a submission for the Jersey City MUA. Executive Director said we did just receive the materials for the submission for Jersey City MUA. We most likely will have a report for the December meeting. We did look at them before and did approve them for membership but they decided to stay where they were.

TREASURER:

VOUCHER PAYMENTS (BILL LIST)

2016 \$ 136,696.88

CONFIRMATION OF CLAIMS PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF OCTOBER 2016:

Closed:	\$.00
2012:	\$.00
2013:	\$ 9,569.52
2014:	\$ 14,207.50
2015:	\$ 38,287.46
2016:	\$ 114,246.67
Total:	\$ 176,311.15

MOTION TO APPROVE NOVEMBER BILLS LIST, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF OCTOBER 2016 CLAIMS AND ACCEPT TREASURER'S REPORT:

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

Treasurer's Report Attached & Made Part of Minutes.

ATTORNEY: No formal report.

MANAGED CARE:

MONTHLY REPORT: Report submitted and reviewed by Ms. Setzer of Qual-Lynx. Ms. Setzer said there is a correction to the minutes of last month where Mr. McNamara said the provider will bill according to the contract and not the amount they bill in the open market – that is not a correct statement. They will actually bill their own charges and will get reimbursed what they are contracted to allow to get paid. Chairman Gianforte thanked Ms. Setzer for the clarification and said his only concern was if they are only going to be paid a certain amount why don't they just bill that amount. Executive Director said she believes the reason why they would continue to bill at the non payment amount is because "usual and customary" rates (used in health care) is set by their billings not by actual payments. If the provider were to bill at managed care contracted amounts, they would be, in effect, resetting "usual and customary". Chairman Gianforte said if it is okay with the Board we will have the minutes for November reflect the correction.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: The Safety Director Joanne Hall reviewed report included in the agenda packet. Safety Director said a presentation by CNA on Boiler and Machinery Regulations and lightening protection on November 10th with 40 attendees. Our last program will be on December 15th at Evesham MUA with an EJIF Update. Ms. Hall said in the report we have a list of the training administrators if there are any changes for your authority please let the Safety Director's office know and we will update our records.

Report Made Part of Minutes.

CLAIMS: Claims Manager said no report for open session and there are four PARs to be discussed in closed session.

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT: Executive Director said everyone should have received an email invitation to the MEL Cocktail Party being held on Wednesday at 6:00 pm Ballys – everyone is invited to attend.

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

MOTION TO CLOSE MEETING:

Moved: Commissioner Flancbaum
Second: Commissioner Burner
Vote: Unanimous

MOTION TO RE-OPEN MEETING:

Moved: Commissioner Flancbaum
Second: Commissioner Rutkowski
Vote: Unanimous

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS PRESENTED

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

MOTION TO ADJOURN:

Moved: Commissioner Fischer
Second: Commissioner Bigler
Vote: Unanimous

MEETING ADJOURNED: 3:03 PM
NEXT REGULAR MEETING: December 21, 2016
Karen A. Read, Assisting Secretary

For
Robert Fischer, SECRETARY
Date Prepared: - December 7, 2016