

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
OCTOBER 28, 2015
TOMS RIVER MUA
10:30 AM**

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

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

ROLL CALL OF 2015 EXECUTIVE COMMITTEE:

Brian Bigler, Chairman	Secaucus MUA	Absent
Michael Gianforte, Secretary	Two Rivers Water Reclamation Authority	Present
Tammy Fetherman	Lacey MUA	Present
Robert Fischer	Bayshore Regional SA	Present
Robert Burner	Cape May County MUA	Present
Frank Pastena	North Bergen MUA	Present

EXECUTIVE COMMITTEE ALTERNATES:

Bernard Rutkowski, Alt #1	Toms River MUA	Present
Justin Flancaum, Alt #2	Lakewood MUA	Present
Thomas Horn, Alt #3	Lambertville MUA	Present
Richard Brand, Alt #4	East Windsor MUA	Absent

APPOINTED OFFICIALS PRESENT:

Executive Director/Adm	Perma Risk Management Cathleen Kiernan
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. Robert Budesa
Claims Service	Qual-Lynx Don Kellerman, Anne Kennet, Karen Conway
Safety Director	JA Montgomery Risk Control
Managed Care	QualCare Lisa Gallo
Underwriting Manager	Capacity Coverage Jon Ziman

Treasurer

Stuart Neuhof

FUND COMMISSIONERS AND ALTERNATES PRESENT:

Jill Plesnarski, Readington Lebanon SA

Ivy Robinson, Plainfield MUA

Gary Vaccaro, Brick Township MUA

ALSO PRESENT:

Katie Osborne, Conner Strong & Buckelew

Charles Casagrande, Danskin Insurance Agency

Cindy Lisa, Danskin Insurance Agency

Amy Pieroni, NAIMC

Kathy Young, Alamo Insurance

Peter Soriero, Allied Risk Management

Art Caughlan, Nelson-Patterson Agency

Bradford Stokes, PERMA Risk Management

Karen A. Read, PERMA Risk Management

APPROVAL OF MINUTES: September 23, 2015 Open and Closed Minutes.

MOTION TO APPROVE SEPTEMBER 23, 2015 OPEN AND CLOSED MINUTES.

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

CORRESPONDENCE: None

REPORTS:

EXECUTIVE DIRECTOR'S REPORT: Monthly report submitted to Executive Committee including monthly Lost Time 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 as of August 31, 2015 the Financial Fast Tracks shows the statutory surplus stands at \$5.9 million - up from 5.7 at year end. All Fund years are in a positive position with the exception of the 2015 year which is typical for the current year to show a slight deficit. The Expected Loss Ratios as of September 30, 2015 shows all years - with the exception of 2015 - are less than where actuarial targeted. Executive Director said the Lost Time Accident Frequency through August 31st at 2.12 and noted NJUA JIF is 11 out of the 15 that are monitored in this report.

Executive Director said the MEL Model for the POL/EPL Program will be out sometime before the end of the year. We will ask you to make a couple of updates and you will have almost all of 2016 to make the updates.

2016 BUDGET – The main business of this month’s meeting is the introduction of the 2016 budget. The Finance Committee met on October 16th at the Two Rivers Water Reclamation Authority to review the draft budget which is enclosed in Appendix II along with the minutes of the meeting.

Executive Director reviewed the 2016 Budget and said line items one through four of the budget is what the actuary told us to set aside based on our loss experience and trends. All of those line items are going down with the exception of workers compensation with a slight increase of 1%. All years on our Financial Fast Track are showing a surplus which supports the reductions. Executive Director discussed line six of the Budget which is a new line item in conjunction with the MEL. Executive Director said the MEL is experience rating the claims fund that they retain and is also implementing a Retrospective Rating Program. The MEL is using a 10 year loss experience to generate both of those items. The MEL will experience rate the claims fund assessment and only bill 85% of the expected claims fund assessments. If NJUA’s losses stay within the 85% there will not be additional billings. If the NJUA’s losses exceed that amount, the MEL will bill “dollar for dollar” up to a cap of 100%, 115% or 125% determined by the JIF’s 10 year loss experience. Executive Director said this procedure will allow for the local JIF to take greater responsibility in their claims experience and allows for a more equitable distribution of the MEL assessments. Reconciliation of claims and assessments will be performed at 10 years, since excess claims take longer to develop. Proposed budget includes a new line item to fund potential additional balance due billing – “aggregate loss fund contingency”. This figure will be transferred from the JIF’s 2016 budget to a newly created separate account – which will be funded each year. Executive Director reviewed the Premiums, Expense, Fees and Contingency. All Fund Professionals are showing a 2% increase which is the increase being put through at all of the Joint Insurance Funds. The one exception to this is PERMA requested an adjustment last year, based on what our costs were and added staff. Last year was the first of a three year increase, this is the second year and it is shown in line item 34.

**MOTION TO INTRODUCE THE 2016 BUDGET TOTALING \$10,345,021
AS PRESENTED AND SCHEDULE A PUBLIC HEARING ON
NOVEMBER 17, 2015 AT 2:30 PM IN CAESARS, ATLANTIC CITY**

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

DIVIDEND – The Finance Committee reviewed the Fund’s available dividend at its meeting. Enclosed with the budget is a copy of the available dividend calculations. Committee recommends a dividend in the amount of \$1,500,000. Resolution 27-15 is included in the Appendix II.

Executive Director reviewed the Dividend Calculation Worksheet on page 11 of Appendix II. The Finance Committee talked a great deal about this and based on the fact this time last year we had just over \$1 million available and this year we have almost twice that amount the Finance Committee is recommending an increase in the dividend from \$1 million last year to \$1.5 million this year. Commission Gianforte said there was substantial discussion and a lot of thought went into the dividend and the recommendation this year by the Finance Committee.

MOTION TO ADOPT RESOLUTION 27-15 AUTHORIZING RELEASE OF A DIVIDEND IN THE AMOUNT OF \$1,500,000.

Moved:	Commissioner Fischer
Second:	Commissioner Fetherman
Roll Call Vote:	7 Ayes, 0 Nays

MEL REPORT: The MEL met on October 21, 2015 at 11:15 AM at the Forsgate Country Club to introduce the 2016 Budget. Enclosed is a copy of Commissioner Rutkowski's report. Executive Director said the MEL will hold their Public Hearing for the 2015 Budget on Wednesday November 18th in Atlantic City.

The MEL Investment Committee issued a Joint RFP for Banking & Asset Management and made its recommendation to the Board. Attached to the MEL Report is a summary of the responses received and fee proposals. The Board accepted the Investment Committee recommendations to award the Banking contract to Investors Bank and the Asset Manager contract to Wilmington Trust. Local Affiliated JIFs can participate in this program with the same terms.

Executive Director said the MEL has decided to award Asset Manager to Wilmington Trust and the Banking to Investors Bank. The NJUA JIF should consider its Banking & Asset Manager appointment prior to 2016 Reorganization.

E-JIF REPORT: The EJIF met on October 21, 2015 at 10:50 AM at the Forsgate Country Club; as a public hearing to review the proposed 2015 Budget. Enclosed is a copy of Commissioner Fetherman's report on the meeting. Executive Director said the EJIF is going out for RFQ for Environmental Consultant. In this JIF we are with First Environmental.

RCF REPORT: The RCF met on October 21, 2015 at 10:30 AM at the Forsgate Country Club; and held its public hearing to adopt the amended 2015 Budget and the 2016 Budget. Enclosed is a copy of Chairman Bigler's report on the meeting. Executive Director said the Fund has been reviewing strategies to improve the fund's investment income. A few of these options would be purchasing municipal bonds if authority it granted by the state and a financing arrangement with the proposed Urban JIF that would include Camden and Trenton.

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 17, 2015 in Caesars in Palladium C. Another session is scheduled at the League of

Municipalities Conference for 3:45 PM in Atlantic City Convention Center on Wednesday, November 18, 2015. Executive Director said there will be classes held throughout the state as well and these classes will be posted on the MEL website. The online course will also be available some time in January.

2016 FUND PROFESSIONALS: Requests for Qualifications were released following the September meeting and are due in the Fund office on October 16th. A summary of responses was included in the agenda. In addition, a booklet with complete responses was distributed to the Executive Committee. Executive Committee reviewed responses in Executive Session. Traditionally not every firm on our defense panel responds. In addition, no response was received by payroll auditor. Executive Director recommended both positions be re-advertised.

MOTION TO RE-ADVERTISE REQUESTS FOR QUALIFICATIONS FOR DEFENSE PANEL AND PAYROLL AUDITOR

Moved:	Commissioner Fetherman
Second:	Commissioner Fischer
Roll Call Vote:	7 Ayes, 0 Nays

MEMBERSHIP RENEWALS – Attached is a list of members scheduled to renew Fund membership by January 2016. Executive Director said the Fund did not receive notification from any renewing member that they were pursuing alternatives; as a result, all member are included in the proposed budget.

DECEMBER MEETING: The December meeting is scheduled for December 23, 2015. The Board might want to consider rescheduling for Wednesday, December 16, 2015.

MOTION TO CHANGE THE DECEMBER MEETING DATE FROM DECEMBER 23, 2015 TO DECEMBER 16, 2015.

Moved:	Commissioner Pastena
Second:	Commissioner Burner
Vote:	Unanimous

TREASURER:

VOUCHER PAYMENTS (BILL LIST)

2014	\$ 5,535.74
2015	\$91,823.91

CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF SEPTEMBER 2015:

Closed:	\$.00
2011:	\$ 7,452.00
2012:	\$ 27,825.32
2013:	\$124,423.02
2014:	\$ 11,356.48
2015:	\$261,340.23
Total:	\$432,397.05

MOTION TO APPROVE OCTOBER BILLS LIST, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF SEPTEMBER 2015 CLAIMS AND ACCEPT TREASURER'S REPORT:

Moved: Commissioner Pastena
 Second: Commissioner Fetherman
 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. Gallo of QualCare.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Executive Director said Joanne Hall was unable to attend the meeting but asked us advise the Committee that on December 17, 2015 the Safety Committee will meet at Evesham MUA and the topic for the seminar will be by CNA on Infrared testing.

Report Made Part of Minutes.

CLAIMS: Claims Manager report is for closed session.

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 Fetherman
Vote: Unanimous

MOTION TO RE-OPEN MEETING:

Moved: Commissioner Burner
Second: Commissioner Flancbaum
Vote: Unanimous

DISCUSSION:

Commissioner Gianforte said the Executive Committee asked the Executive Director to request pricing for the multiple submissions for TPA and Managed Care and are expected to take action in January.

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS PRESENTED

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

OLD BUSINESS:

NONE

NEW BUSINESS:

NONE

PUBLIC COMMENT:

NONE

MOTION TO ADJOURN:

Moved: Commissioner Pastena
Second: Commissioner Fischer

Vote:

Unanimous

MEETING ADJOURNED: 11:29am

NEXT REGULAR MEETING: NOVEMBER 17, 2015

Karen A. Read, Assisting Secretary

For

Michael Gianforte, SECRETARY

Date Prepared: - November 3, 2015

**NEW JERSEY UTILITY AUTHORITY JOINT INSURANCE FUND
BILLS LIST**

Resolution No. 28-15

OCTOBER 2015

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:

BE IT RESOLVED that the New Jersey Utility Authority Joint Insurance Fund's Executive Board, hereby authorizes the Fund treasurer to issue warrants in payment of the following claims; and

FURTHER, that this authorization shall be made a permanent part of the records of the Fund.

FUND YEAR 2014

<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
008824			
008824	ARTHUR J. GALLAGHER RISK	RMC FEE 2014 - FRANKLIN TWP SA	5,535.74
			5,535.74
		Total Payments FY 2014	5,535.74

FUND YEAR 2015

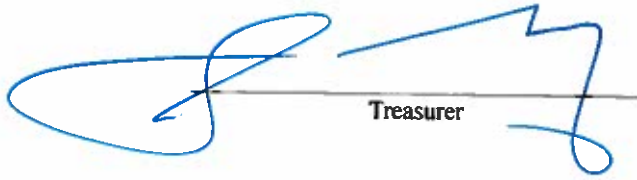
<u>CheckNumber</u>	<u>VendorName</u>	<u>Comment</u>	<u>InvoiceAmount</u>
008825			
008825	QUALCARE, INC.	MANAGED CARE SERVICES - 10/2015	8,338.47
			8,338.47
008826			
008826	QUAL-LYNX	CLAIMS ADMIN - 10/2015	13,781.91
			13,781.91
008827			
008827	AIRGAS USA LLC	MICROKEY CPR-PRO BLK W.GLOVES-9/2215	49.05
			49.05
008828			
008828	J.A. MONTGOMERY RISK CONTROL	LOSS CONTROL SERVICES - 10/2015	12,777.31
			12,777.31
008829			
008829	CAMDEN COUNTY COLLEGE	USE OF FACILITY FOR NJUA EXPO - 9/25/15	2,700.00
			2,700.00
008830			
008830	PERMA	POSTAGE FEE 09/2015	105.44
008830	PERMA	EXECUTIVE DIRECTOR FEE 10/2015	21,784.84
			21,890.28
008831			
008831	THE ACTUARIAL ADVANTAGE	ACTUARIAL CONSULTING SERVICES - 10/2015	2,649.27
			2,649.27
008832			
008832	BERRY,SAHRADNIK,KOTZAS& BENSON	LITIGATION MANAGEMENT - 09/30/2015	3,200.24
008832	BERRY,SAHRADNIK,KOTZAS& BENSON	LITIGATION MANAGEMENT - 08/31/2015	2,464.78
008832	BERRY,SAHRADNIK,KOTZAS& BENSON	LITIGATION MANAGEMENT - 8/31/2015	1,572.36
008832	BERRY,SAHRADNIK,KOTZAS& BENSON	LITIGATION MANAGEMENT - 09/30/2015	1,882.83
008832	BERRY,SAHRADNIK,KOTZAS& BENSON	ATTORNEY FEE 10/2015	1,580.40
008832	BERRY,SAHRADNIK,KOTZAS& BENSON	COSTS - 08/31/2015	12.12
008832	BERRY,SAHRADNIK,KOTZAS& BENSON	COSTS - 09/30/2015	20.09
008832	BERRY,SAHRADNIK,KOTZAS& BENSON	COSTS - 09/30/2015	61.50
008832	BERRY,SAHRADNIK,KOTZAS& BENSON	COSTS - 08/31/2015	152.88
			10,947.20

TOTAL PAYMENTS ALL FUND YEARS \$ 97,359.65


Chairperson

Attest:  Dated: 10/28/15

I hereby certify the availability of sufficient unencumbered funds in the proper accounts to fully pay the above claims.


Treasurer