

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND  
OPEN MINUTES  
OCTOBER 25, 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	Present
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	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	Present
Gary Vaccaro, Alt #4	Brick MUA	Present

**APPOINTED OFFICIALS PRESENT:**

Executive Director/Adm	Perma Risk Management <b>Bradford Stokes</b>
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. <b>Robert Budesa</b>
Claims Service	Qual-Lynx <b>Don Kellerman</b>
Safety Director	JA Montgomery Risk Control <b>Joanne Hall</b>
Managed Care	QualCare <b>Donna Setzer</b>
Underwriting Manager	Capacity Coverage <b>Jon Ziman</b>
Treasurer	<b>Stuart Neuhof</b>

**FUND COMMISSIONERS AND ALTERNATES PRESENT:**

George Lewis, Passaic Valley Water Commission  
Ivy Robinson, Plainfield MUA  
Earl Sutton, Little Egg Harbor MUA

**ALSO PRESENT:**

Katie Osborne, Conner Strong & Buckelew  
Brian Monaghan, TC Irons  
Charles Casagrande, Danskin Insurance  
Alison Kelly, Danskin Insurance  
Kathy Young, Alamo Insurance  
Ed Buecker, Fairview Insurance  
Michael McLaughlin, Marsh & McLennan  
George Crosby, BGIA  
Jeff Kurtz, Gov. Risk Management Associates  
Brad Stokes, PERMA Risk Management  
Karen A. Read, PERMA Risk Management

**APPROVAL OF MINUTES:** September 27, 2017 Open Minutes.

**MOTION TO APPROVE SEPTEMBER 27, 2017 OPEN MINUTES.**

Moved:	Commissioner Pastena
Second:	Commissioner Fischer
Vote:	7 Ayes, 0 Nays

**CORRESPONDENCE:** None

**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 August 31st shows our statutory surplus stands at \$5 million up about \$600,000 from year end with only 2016 in a deficit position. Executive Director said this is also the reason to go more conservative on the workers' compensation line in the Budget. The Loss Ratio Analysis through August 31st shows all years are at or below where the actuary targeted with the exception of 2016. The Fund's Lost Time Accident Frequency stands at 1.94.

**2018 BUDGET** – The main business of this month's meeting is the introduction of the 2018 budget. The Finance Committee met on October 17<sup>th</sup> 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 budget and said lines 1 thru 8 of the budget are the actuary's loss projections for the claims managed within the JIF's self-insured retention. Actuary reviews the Fund's loss experience, medical trends and members' exposures and recommends projections at various confidence levels. Budget introduced fund the workers' compensation loss fund at the highest confidence factor; other lines are at medium factor. Increase for loss funds is 1.55. Lines 10 thru 18 are excess coverages through the MEL and the commercial market along with primary environmental impairment and primary public officials/employment practices liability coverage. Underwriting Manager places excess coverage with CNA for excess property and excess auto physical damage and he recommended budgeting excess property, excess liability and excess public officials/employment practices at expiring rates and excess auto physical damage at a 5% increase. The MEL's liability claims fund is increasing but that is offset by decreases in workers' compensation. In addition, the MEL's experience rating for the NJUA JIF improved in the 2018 rating structure. QBE asked for a 3.5% increase against the overall statewide program with individual JIF increases ranging from 1% to 7%. Based on its experience, the NJUA increase is 2%. Fund professional fees reflect fees requested in the RFQ responses – 2% for all but the Executive Director, which is 3%. Total Expenses Commissions & Surplus is a 1.68% decrease.

Chairman Gianforte asked if there were any questions on the 2018 Budget and with none being heard called for a motion to introduce the 2018 Budget.

**MOTION TO INTRODUCE THE 2018 BUDGET TOTALING \$11,137,897  
AS PRESENTED AND TO SCHEDULE A PUBLIC HEARING ON  
NOVEMBER 14, 2017 AT 3:00 PM IN CAESARS, ATLANTIC CITY**

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

Executive Director said the November meeting will be held at Caesars in Atlantic City at 3:00 pm. Executive Director said data is still under review and the budget distributed in November may reflect changes as a result of the review of exposure data.

**DIVIDEND** – The Finance Committee reviewed the Fund's available dividend at its meeting. Enclosed with the budget is a copy of the available dividend calculation. Committee recommends a dividend in the amount of \$1,000,000. Resolution 24-17 is included in the agenda.

**MOTION TO ADOPT RESOLUTION 24-17 AUTHORIZING THE  
RELEASE OF A DIVIDEND IN THE AMOUNT OF \$1,000,000**

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

**EJIF REPORT** – The EJIF met on October 18, 2017 at 10:50 AM at the Forsgate Country Club in Jamesburg, NJ; and held its public hearing on its 2018 Budget. Enclosed is a copy of Commissioner Rutkowski’s report.

**EJIF REGULATORY COMPLIANCE TRAINING** – As mentioned last month, the EJIF would like to extend an invitation to you and members of your municipality and utility authority to an upcoming workshop – “Keeping Up with Changing Regulations” to discuss staying in compliance with new, changing problematic rules.

**MEL** – The MEL also met on October 18, 2017 at 11:15 AM at the Forsgate Country Club in Jamesburg, NJ to introduce the 2018 Budget. Enclosed is a copy of Commissioner Rutkowski’s report.

**CYBER LIABILITY**– As requested at last month’s meeting, enclosed in Appendix III is a copy of the MEL’s bulletin on Cyber Liability Coverage and Claim Report.

**RCF REPORT** – The Residual Claims Fund met on October 18, 2017 at 11:15 AM at the Forsgate Country Club in Jamesburg, NJ and held its public hearing and adopted the amended 2017 Budget and the 2018 Budget. Enclosed is a copy of Commissioner Bigler’s report on the meeting.

**2018 MEMBERSHIP RENEWALS** – Attached is a list of members scheduled to renew fund membership by January 1, 2018.

**ELECTED OFFICIALS TRAINING** – This year’s elected officials training program will focus on Land Use Liability and Technology Risk Management. A session will be held on Tuesday, November 14, 2017 at Caesars at 3:45 pm. Another session is scheduled at the League of Municipalities Conference for 3:45 pm in Atlantic City Convention Center on Wednesday, November 15, 2017.

**REQUESTS FOR QUALIFICATIONS** – As authorized in September, the Fund re-advertised RFQs for Defense Panel and Payroll Auditor. Enclosed is a summary of responses received. Fund Attorney Robert Budesca said he is satisfied with the responses we have received for Defense Panel. Executive Director said our existing Payroll Auditor is the only one that responded and they made the same request as everyone else at 2% and the budget already reflects that.

**NOMINATING COMMITTEE** – A meeting of the Nominating Committee should be scheduled prior to the Fund’s December meeting.

**TREASURER:**

**VOUCHER PAYMENTS (BILL LIST)**

Closed	\$577,961.09
2017	\$ 97,097.27

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

Closed:	\$ .00
2013:	\$ (51.25)
2014:	\$ 4,957.91
2015:	\$ 31,186.53
2016:	\$ 75,092.64
2017	\$ 93,286.02
Total:	\$ 204,471.85

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

Moved:	Commissioner Rutkowski
Second:	Commissioner Flancbaum
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 Donna Setzer of Qual Lynx.

Report Made Part of the Minutes.

**SAFETY DIRECTOR:**

**MONTHLY REPORT:** Monthly report submitted and reviewed by JA Montgomery Safety Director Joanne Hall. Ms. Hall reviewed the upcoming Safety Meeting Schedule and Safety Bulletins included in the monthly report and said in September we had the second Safety Expo for 2017 which was very successful in Camden County. Last week we had CDL Reasonable Suspicion at Rockaway Valley. Cyber Security will be at Merchantville Pennsauken on November 9<sup>th</sup> and on November 16<sup>th</sup> there will be CPR, AED and First Aid Training at Passaic Valley WC and finally the EJIF Update will be on December 14<sup>th</sup> at Evesham MUA. Joanne Hall said we have three new members joining the Safety Committee which are Dave Wissen from Jersey City MUA, Mike Gerard from Jackson MUA and Sharon Ham from Two Rivers Water Reclamation Authority.

Report Made Part of Minutes.

**CLAIMS:** Claims Manager Don Kellerman said his report would be for closed session.

**OLD BUSINESS: NONE**

**NEW BUSINESS:** Risk Manager Chuck Casagrande said he has attended the EJIF seminar Keeping Up with Changing Regulations which has a lot of good information as we are facing changes in regulations. Mr. Casagrande encouraged authority members to attend.

**PUBLIC COMMENT: NONE**

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

**MOTION TO CLOSE MEETING:**

Moved: Commissioner Bigler  
Second: Commissioner Flancbaum  
Vote: Unanimous

**MOTION TO RE-OPEN MEETING:**

Moved: Commissioner Pastena  
Second: Commissioner Bigler  
Vote: Unanimous

**MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS WITH THE  
EXCEPTION OF BRICK TOWNSHIP MUA GENERAL LIABILITY CLAIM.**

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

**MOTION TO ADJOURN:**

Moved: Commissioner Flancbaum  
Second: Commissioner Pastena  
Vote: Unanimous

**MEETING ADJOURNED: 11:30 am**  
**NEXT REGULAR MEETING: November 14, 2017**  
Karen A. Read, Assisting Secretary

For  
Robert Fischer, SECRETARY  
**Date Prepared: - November 2, 2017**