

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF JANUARY 8, 2024
FORSGATE COUNTY CLUB, MONROE, N.J.
10:50 AM**

SINE DIE MEETING

Meeting called to order by Chairman Rutkowski and Open Public Meeting Notice was read into the record. Chairman led the commissioners in the Pledge of Allegiance.

ROLL CALL OF 2023 EXECUTIVE COMMITTEE:

Chairman:	NJUA	Bernie Rutkowski	Present
Secretary:	PMM	Thomas Merchel	Absent
Executive Committee:			
	Burlco	Meghan Jack	Present
	Monmouth	Thomas Nolan	Present
	Camden	Joe Wolk	Present
	South Bergen	Greg Franz	Present
	Ocean	Veronica Laureigh	Present
	Central	William Northgrave	Present
Alternates:			
#1	Bergen	Paul Tomasko	Present
#2	Sub-Muni	Megan Champney	Absent
#3	Morris	Brian McNeilly	Present
#4	Sub Metro	Steve Rovell	Present
#5	Trico	Michael Razze	Present

APPOINTED OFFICIALS PRESENT:

Executive Director / Administrator	PERMA Risk Management Services	Stephen Sacco	Present
Attorney	Dorsey & Semrau	Fred Semrau, Esq.	Present
Treasurer		Charles S. Cuccia	Present
Underwriting Managers	The Danskin Agency Conner Strong & Buckelew	John Casagrande Ed Cooney	Present Present
Claims Administrator	King Moench & Collins	Peter King, Esq.	Present
Environmental Engineering Services	First Environment	Rich Erickson	Present
Actuary	AON	Chas Kullman	Present
Auditor	Nisivoccia, L.L.P.	Francis "Bud" Jones	Present

OTHERS PRESENT:

Joseph Hrubash, PERMA
Dave Grubb, PERMA
Cate Kiernan, PERMA

Brad Stokes, PERMA
 Pauline Kontomanolis, PERMA
 Robyn Walcoff, PERMA
 Zareena Majeed, PERMA
 Nancy Ghani, PERMA
 Sandra Cantwell, PERMA
 Katie Walters, Conner, Strong & Buckelew
 Jaclyn Lindsey, Conner, Strong & Buckelew
 Paul Forlenza, AJ Gallagher
 Kamini Patel, AJ Gallagher
 Barbara Murphy, RLM
 Alison Kelly, Danskin Agency
 Stephanie Raiani, First Environmental
 Chris Botta, CB Claims
 Laura Sable, CB Claims
 Jamie Shooks, The Actuarial Advantage
 Dave Vozza, Vozza Agency
 Matthew McArow Sr., GJEM-Otterstedt Agency
 Matthew McArow Jr., GJEM-Otterstedt Agency
 Don Sciolaro, PIA

APPROVAL OF MINUTES: December 14 and December 28 2023

MOTION TO APPROVE OPEN MINUTES OF DECEMBER 14 and DECEMBER 28, 2023

MOTION: Commissioner Nolan
SECOND: Commissioner Wolk
VOTE: Unanimous
 Abstain from Dec. 14: Commissioner Jack
 Abstain from Dec. 28: Commissioners Rutkowski, Wolk
 and Laureigh

OLD BUSINESS: None

MOTION TO ADJOURN SINE DIE MEETING:

MOTION: Commissioner Jack
SECOND: Commissioner Wolk
VOTE: Unanimous

Mr. Sacco asked for a roll call of the 2024 membership to establish a quorum.

ROLL CALL OF 2024 MEMBERSHIP:

NJUA	Bernie Rutkowski	Present
Burlco	Meghan Jack	Present
Monmouth	Thomas Nolan	Present
Camden	Joe Wolk	Present
South Bergen	Greg Franz	Present

Bergen	Paul Tomasko	Present
Ocean	Veronica Laureigh	Present
Central	William Northgrave	Present
Sub-Muni	Megan Champney	Absent
Morris	Brian McNeilly	Present
TRICO	Michael Razze	Present
Sub Metro	Steve Rovell	Present
PMM	Susan Danson	Absent
Atlantic	TBD	

**MOTION TO OPEN FLOOR FOR NOMINATIONS OF CHAIRMAN,
SECRETARY, EXECUTIVE COMMITTEE, AND ALTERNATES:**

MOTION: Commissioner Tomasko
SECOND: Commissioner Nolan
VOTE: Unanimous

Mr. Sacco referred to the slate as submitted by the Nominating Committee:

Chairman:	Morris	Brian McNeilly
Secretary:	Ocean	Veronica Laureigh
Executive Committee:	Burlco	Meghan Jack
	Monmouth	Tom Nolan
	Camden	Joseph Wolk
	South Bergen	Gregory Franz
	NJUA	Bernard Rutkowski
	Sub Muni	Megan Champney Kweselait
Alternates:		
	#1 Bergen	Paul Tomasko
	#2 Central	William Northgrave
	#3 Suburban Metro	Steve Rovell
	#4 Trico	Michael Razze
	#5 PMM	Susan Danson
	#6 Atlantic	TBD

Mr. Sacco asked for additional nominations. Hearing none, Mr. Sacco asked for a motion to close nominations and confirm the slate as presented.

**MOTION TO CLOSE NOMINATIONS AND CONFIRM ELECTIONS AS
RECOMMENDED BY THE NOMINATING COMMITTEE**

MOTION: Commissioner Nolan
SECOND: Commissioner Rovell
VOTE: Unanimous

Fund Attorney administered oath of office for Chairman, Secretary, Executive Committee and all Board Members.

Oaths of Office made a part of the Minutes

Mr. Sacco indicated that with the Chairmen's permission, he would review the reorganization resolutions. He requested the following Resolutions be considered for adoption in one motion, unless an Executive Committee member requests otherwise.

RESOLUTION 1-24 CERTIFYING THE ELECTION OF CHAIRMAN AND SECRETARY FOR FUND YEAR 2024: Chairman Brian McNeilly and Secretary Veronica Laureigh. Mr. Sacco thanked Bernie Rutkowski for his service to the JIF as Chairman for the past two years.

RESOLUTIONS 2-24 APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS: The contracts are for a 1-year term.

Fund Attorney Fred Semrau, Esq.
Qualified Purchasing Agent The Canning Group

RESOLUTIONS 3-24 APPOINTING BANKING MANAGER:

Banking Manager Citizens Bank

- Resolution 4-24 - Establishing a Funds Records Program**
- Resolution 5-24 - Establishing a Fiscal Management Plan**
- Resolution 6-24 - Establishing Public Meeting Procedures**
- Resolution 7-24 - Establishing Remote Meeting Procedures**
- Resolution 8-24 - Risk Management Plan**
- Resolution 9-24 - Establishing a Defense Panel**
- Resolution 10-24 - Establishing Meeting Compensation for Board Members**
- Resolution 11-24 - Establishing Standing Committee**

Mr. Sacco asked for any comments or questions concerning the resolutions. Hearing none, he asked for a motion to adopt the 2024 Reorganization resolutions.

MOTION TO ADOPT RESOLUTIONS NO. 1-24 THROUGH 11-24

MOTION: Commissioner Rovell
SECOND: Commissioner Rutkowski
ROLL CALL VOTE: Unanimous

TREASURER

Mr. Cuccia said for approval in the agenda is Resolution No. 12-24 confirming the 2023 Dividends Bill List and Resolution No. 13-24 approving the January 2024 Bill List:

RESOLUTION 12-24 -2023 DIVIDEND BILL LIST

FUND YEAR	AMOUNT
2023	\$ 2,500,000
Total	\$ 2,500,000

RESOLUTION 13-24 - JANUARY 2024 BILL LIST

FUND YEAR	AMOUNT
2023	\$639,077.89
2024	\$67,037.64
Total	\$706,115.53

MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NOS. 12-24 AND 13-24

MOTION: Commissioner Nolan
SECOND: Commissioner Laureigh
ROLL CALL VOTE: Unanimous

EXECUTIVE DIRECTOR/ADMINISTRATOR REPORT:

REVISED 2024 BUDGET AND RELATED 2024 PROFESSIONAL FEE AMENDMENTS – Mr. Sacco said a revised 2024 budget is included in the agenda. The revisions reflect the changes in membership to the local JIF’s for 2024, adding 5 new members for the 2024 Fund Year. This change is less than 5% of the budget and therefore does not require a public hearing. As a result of the changes in membership and subsequently the budget, the contract amounts for certain professionals should be amended.

MOTION TO APPROVE THE REVISIONS TO THE 2024 BUDGET TO REFLECT THE CHANGES IN MEMBERSHIP AND PROFESSIONAL FEES AND TO ADOPT RESOLUTION # 14-24 AMENDING THE CONTRACTED AMOUNTS OF CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS FOR FUND YEAR 2024

MOTION: Commissioner Rovell
SECOND: Commissioner Rutkowski
ROLL CALL VOTE: Unanimous

Mr. Sacco said in respect to Resolution 14-24, item #4, Mike Avalone has retired and will be replaced by Ed Cooney and Jonathon Tavares.

DOBI RESPONSE TO 2023 EJIF DIVIDEND FILING – Mr. Sacco said the Department of Banking and Insurance (DOBI) responded to the EJIF 2023 Dividend filing via email on December 19, 2023. The letter approved our request to distribute the 2023 Dividend but added the request for the Executive Board to discuss topics of concern outlined in the letter. The Executive Board met on December 28, 2023 via teleconference and agreed to move forward with the 2023 dividend distribution and keep the topics in consideration for 2024.

ATTORNEY:

Mr. Semrau thanked Bernie Rutkowski for his leadership over the past two years and congratulated Brian McNeilly on his appointment as Chairman. Mr. Semrau thanked the board for his reappointment, saying 2023 was a good year for the Fund given the handling of the pressures of PFAS on our members. The Fund took a proactive approach in providing limited legal support for PFAS claims, and he credits the Commissioners for their good decisions on behalf of the membership.

The Funds claims are well managed by Peter King who provides the Fund with experienced direction and information. Mr. King acts as the Fund’s lead attorney and represents the Fund well.

The Fund will continue to address Title 59 and water quality issues in Trenton. Last year the Fund professionals drafted a proposed amendment in conjunction with Princeton Public Affairs and they will continue conversations in the new year.

UNDERWRITING MANAGER:

John Casagrande said from their report enclosed in the agenda he will highlight the excess carrier's revised premium based on the Atlantic JIF joining the Fund. There are no changes to retentions, limits, or coverage.

Mr. Casagrande said they have worked with Mike Avalone for a very long time and the thing Mike said he would miss the most is collaborating on the EJIF and working on policies to make the program better for the members. Mr. Avalone will be missed, and they look forward to working with Ed Cooney and his team.

ENVIRONMENTAL ENGINEER:

Mr. Erickson thanked the Board for his reappointment, and he greatly enjoys working with the Fund. All the deadlines for the stormwater permits ended on December 31st for the municipalities. The next big deadline is two years out and concerns mapping requirements and he will keep members informed. To date, 20 Atlantic JIF members have completed their infrastructure surveys and so far only one underground tank has been reported, which follows the trend we are seeing in the removal of this high risk exposure.

ACTUARY:

Mr. Kullman thanked the Board for his reappointment and wished everyone a Happy New Year.

OLD BUSINESS

None

NEW BUSINESS

None

PUBLIC COMMENT

None

EXECUTIVE SESSION

Mr. Sacco confirmed there was no need to enter into Executive Session and Mr. King will give an overview of the claims.

Mr. King thanked the Fund Attorney for his kind words and acknowledged that the claims work is a collaborative effort with the Environmental Engineer, the Fund Attorney, and Executive Director.

CLAIMS COMMITTEE

Mr. King said there are 4 PARs and gave a review of each:

Authority	E-JIF#	Claimant	Date of Loss	Proposed Pmt. Authority
Randolph Twp.	NON23-18	Richard Sweeney	10/3/2023	\$70,000

Marlboro Twp.	NON23-19	Marlboro Twp	12/13/2023	\$12,000
Hillsdale	SP23-9	Hillsdale	12/19/2023	\$20,000
Wrightstown (Burlco)	SP23-10	Wrightstown (Burlco)	12/21/2023	\$6,000

Mr. Sacco asked for a motion to approve the PARS as presented.

MOTION TO APPROVE THE PARS AS PRESENTED:

MOTION: Chairman Nolan
SECOND: Commissioner Rovell
ROLL CALL VOTE: Unanimous

MOTION TO ADJOURN MEETING

MOTION: Commissioner Laureigh
SECOND: Commissioner Jack
VOTE: Unanimous

Meeting Adjourned: 11:09 AM

Prepared by Sandra Cantwell, Assistant Secretary

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK DIVIDEND BILLS LIST

Resolution No. 12-24

December 2023

WHEREAS, the Treasurer has certified that funding is available to pay the following bills:
BE IT RESOLVED that the New Jersey Municipal Environmental Risk Management 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 2023

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001996			
001996	BERGEN COUNTY MUNICIPAL JOINT	DIVIDEND 2023	314,018.00
			314,018.00
001997			
001997	CAMDEN COUNTY MUNICIPAL JOINT	DIVIDEND 2023	218,262.00
			218,262.00
001998			
001998	BURLINGTON COUNTY MUNICIPAL	DIVIDEND 2023	29,848.00
			29,848.00
001999			
001999	MORRIS COUNTY MUNICIPAL JOINT	DIVIDEND 2023	310,691.00
			310,691.00
002000			
002000	SOUTH BERGEN JOINT INSURANCE	DIVIDEND 2023	195,802.00
			195,802.00
002001			
002001	PROFESSIONAL MANAGEMENT MUNICIPAL	DIVIDEND 2023	86,952.00
			86,952.00
002002			
002002	OCEAN COUNTY MUNICIPAL JOINT	DIVIDEND 2023	308,665.00
			308,665.00
002003			
002003	SUBURBAN METRO JOINT INSURANCE	DIVIDEND 2023	110,348.00
			110,348.00
002004			
002004	MONMOUTH COUNTY MUNICIPAL	DIVIDEND 2023	195,505.00
			195,505.00
002005			
002005	SUBURBAN MUNICIPAL JOINT	DIVIDEND 2023	95,229.00
			95,229.00
002006			
002006	CENTRAL JERSEY JOINT INSURANCE	DIVIDEND 2023	300,890.00
			300,890.00
002007			
002007	NEW JERSEY UTILITY AUTHORITIES	DIVIDEND 2023	232,827.00
			232,827.00
002008			
002008	GLOUCESTER, SALEM, CUMBERLAND COUNTIES	DIVIDEND 2023	100,963.00
			100,963.00
		Total Payments	2,500,000.00
		FY	

TOTAL PAYMENTS ALL FUND YEARS 2,500,000.00

Chairperson: _____ Attest: _____

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

Treasurer _____ Dated: _____

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND - BILLS LIST

Resolution No. 13-24

January 2024

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

BE IT RESOLVED that the New Jersey Municipal Environmental Risk Management 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 2023

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002009			
002009	NJ ADVANCE MEDIA	ACCT #XNJEN0555599 12/6/23 MEETING	14.62
002009	NJ ADVANCE MEDIA	ACCT #XNJEN0555599 11/30/23 24 BUDGET	38.27
			52.89
002010			
002010	FIRST ENVIRONMENT, INC.	PROF. SERV. FORCLOSED PROP PE 11/23	750.00
002010	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES FOR PE 11/30/23	48,189.42
			48,939.42
002011			
002011	ACCESS	DEPT 736 INV 10628521 11/30/23 FOR DEC	43.58
			43.58
002012			
002012	RSG SPECIALTY, LLC	EP & TERRORISM POLICY RENEW 1/24-1/25	590,042.00
			590,042.00
		Total Payments FY 2023	639,077.89

FUND YEAR 2024

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
002013			
002013	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 01/24	31,402.42
			31,402.42
002014			
002014	DORSEY & SEMRAU	FUND ATTORNEY 01/24	8,499.33
			8,499.33
002015			
002015	CHARLES CUCCIA	TREASURER FEES 01/24	1,847.14
			1,847.14
002016			
002016	DANSKIN INSURANCE AGENCY	UNDERWRITING MANAGER FEE 01/24	24,872.08
			24,872.08
002017			
002017	THE CANNING GROUP LLC	QPA SERVICES 01/24	416.67
			416.67
		Total Payments FY 2024	67,037.64
		TOTAL PAYMENTS ALL FUND YEARS	706,115.53

Chairperson: _____ Attest: _____

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

Treasurer _____ Dated: _____

RESOLUTION NO: 14-24

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(Hereinafter referred to as the “FUND”)

**AMENDING THE APPOINTMENT OF CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS
FOR FUND YEAR 2024**

WHEREAS, the FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et. seq.); and

WHEREAS, the New Jersey Municipal Environmental Risk Management Fund (hereinafter the Fund) appointed by way of Resolutions 16-23 and Competitive Contract CC# 1-2020, certain professionals for the 2024 fund year; and

WHEREAS, as a result of change in membership, the contract amounts for certain professionals should be amended.

NOW, THEREFORE, BE IT RESOLVED, by the Fund’s Executive Committee that Resolutions 16-23 and CC# 1-2020 contract limitations as it pertains to 2024 should be amended as follows:

- I. **PERMA Risk Management Services as Administrator, Stephen Sacco** is appointed as **Executive Director, Joseph P. Hrubash as Deputy Executive Director & Bradford Stokes as Assistant Executive Director** and as **agents for process of service**, is amended to reflect the annual amount of \$383,858.
- II. **Fred Semrau, Esq. of Dorsey & Semrau as Fund Attorney providing General Counsel**, is amended to reflect the annual amount of \$103,897. – *(Professional Service Agreements in accordance with a non-fair and open process pursuant to NJSA 19:44A-20.4 et. seq.)*
- III. **Peter King, Esquire** is appointed to serve as the FUND’s **Claims Supervisor**, is amended to reflect the annual amount of \$35,910.
- IV. **The Danskin Insurance Agency, Inc. and Conner Strong & Buckelew** are hereby appointed as **co-Underwriting Managers** for the FUND is amended to reflect the annual amount of \$304,032.
- V. **Richard Erickson of First Environment** is hereby appointed to provide **Environmental Engineering/Services** to the FUND is amended to reflect the annual amount of \$543,336.

BE IT FURTHER RESOLVED, that contracts were awarded in accordance with the competitive contracting process under the New Jersey Local Publics Contract Law NJSA 40A:11-4.1 et Seq. *(unless noted otherwise)*

ADOPTED: this _____ day of _____, 2024 by the Governing Body,

Chairman

Dated

Secretary

Dated

RESOLUTION NO. 1-24

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(hereafter referred to as the “FUND”)

**CERTIFYING THE ELECTION OF
CHAIRMAN AND SECRETARY FOR FUND YEAR 2024**

BE IT RESOLVED, by the Governing Body of the Fund that the following persons have been elected as Chairman and Secretary:

BRIAN McNEILLY, CHAIRMAN

VERONICA LAUREIGH, SECRETARY

BE IT FURTHER RESOLVED, that the Chairman and Secretary shall serve for the year 2024 and until their successors shall be elected and qualified.

ADOPTED: *this 8th day of January 2024 before the Governing Body,*

Chairman

Secretary

RESOLUTION NO. 2-24

**NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND,
(Hereinafter referred to as the “FUND”)**

**APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS
FOR FUND YEAR 2024**

WHEREAS, the FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et. seq.); and

WHEREAS, the New Jersey Municipal Environmental Risk Management Fund (hereinafter the Fund) found it necessary and appropriate to appoint certain professionals as defined in the Local Public Contracts Law, (N.J.S.A. 40A-12 et. seq.) for the 2024 Fund year; and,

WHEREAS, the Fund seeks to award Professional Service Agreements in accordance with a non-fair and open process pursuant to NJSA 19:44A-21.4 et. seq.; and,

WHEREAS, the Fund’s Executive Committee recommended the award of contracts to the below listed Professional Service Providers and service organizations based on a review of their experience and prior service provided at the rates established by the Fund Executive Committee; and,

WHEREAS, the Fund Treasurer has issued a certificate of available funds indicating sufficient funds exist for the award of these contracts in the usual and customary accounts.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Fund's Executive Committee hereby recommends the appointment of the following Fund Professionals at its January 2024 reorganization meeting in accordance with a fair and open process pursuant to N.J.S.A. 19:44A –20.4 et. seq.

1. **Fred Semrau, Esq. of Dorsey & Semrau** as Fund Attorney providing General Counsel - \$101,992 is the estimated dollars that will be expended in connection with the General Counsel contract over a period of one year.
2. **Sean Canning of The Canning Group** as Qualified Purchasing Agent in the amount of \$5,000.

BE IT FURTHER RESOLVED, all Professional Service Providers are appointed pursuant to this Resolution shall service the Fund in accordance with the terms and conditions of the Professional Service Agreements and the Local Public Contracts Law.

BE IT FURTHER RESOLVED, notice of this action shall be printed in the official newspaper of the Fund in accordance with the Local Public Contract Laws of the State of New Jersey

ADOPTED: this 8th day of January 2024 *before the Governing Body*

Chairman

Secretary

RESOLUTION NO. 3-24

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(Hereinafter the “FUND”)

APPOINTING BANKING MANAGER

WHEREAS, the New Jersey Municipal Environmental Risk Management Fund (hereinafter the Fund), finds it necessary for the proper conduct and order of business that official depositories for the Fund be designated and named; and

WHEREAS Citizens Bank (formerly Investors Bank) for Banking Manager at an earnings rate based on a combined average balance of \$20,000,000 of participating joint insurance funds which will earn base of 4.20% as of 7/1/2023 plus 80% beta on Federal Fund Target Rate increase / decrease when utilizing the fully (FDIC) insured sweep product for the funds is hereby proposed by the Board of Fund Commissioners as the official designated depository in accord with N.J.S.A. 40A:11-5-15.1(f)

NOW, THEREFORE, BE IT RESOLVED, by the New Jersey Municipal Environmental Risk Management Fund, that Citizens Bank (formerly Investors Bank) for Banking Manager at an earnings rate based on a combined average balance of \$20,000,000 of participating joint insurance funds which will earn base of 4.20% as of 7/1/2023 plus 80% beta on Federal Fund Target Rate increase / decrease when utilizing the fully (FDIC) insured sweep product for the funds is hereby approved by the Board of Fund Commissioners as the official designated depository in accord with N.J.S.A. 40A:11-5-15.1(f) and that sums so deposited may be withdrawn upon a check, draft or order of the Board of Fund Commissioners; and

BE IT FURTHER RESOLVED that a certified copy of this Resolution, duly executed, be delivered to the proper officers of Citizens Bank

ADOPTED: this 8th day of January 2024 *before the Governing Body*

Chairman

Secretary

RESOLUTION NO. 4-24

**NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(Hereinafter the “FUND”)**

ESTABLISHING A FUND RECORDS PROGRAM FOR FUND YEAR 2024

WHEREAS: The FUND must establish a formal record retention program for the 2024 Fund Year.

NOW, THEREFORE BE IT RESOLVED, by the FUND’s Governing Body that:

- I. Veronica Laureigh, Fund Secretary, is hereby designated as custodian of the FUND records, which shall be kept at the office of the Fund Administrator, located at 9 Campus Drive, Suite 216, Parsippany, NJ.**
- II. Sandra Cantwell, Account Manager for PERMA Risk Management Services is hereby designated as **Assistant Fund Secretary**.**
- III. The records of the FUND shall be retained in accordance with the municipal records retention schedule as promulgated by the New Jersey Division of Archives and Records Management, and/or otherwise specified by the New Jersey Department of Insurance and Community Affairs.**
- IV. Each fund professional and service organization shall have the duty and obligation to maintain such records as are entrusted to him/her and to relinquish such records to the Fund Secretary upon termination of services or otherwise upon request.**

Records and files not required to support current operations, but which must otherwise be retained, shall be stored in the record retention facility, located at Route 80, Business Archives, 24 Beckwith Avenue, Paterson, New Jersey. The FUND’s Executive Director shall coordinate the archive process and will make sure all records are properly indexed and accessible.

ADOPTED: this 8th day of January 2024 *before the Governing Body*

Chairman

Secretary

RESOLUTION NO: 5-24

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(hereafter referred to as “THE FUND”)
ESTABLISHING A FISCAL MANAGEMENT PLAN
FOR THE 2024 FUND YEAR

WHEREAS, THE FUND is duly constituted as a Municipal Joint Insurance Fund, as permitted under the laws promulgated by the State of New Jersey, (N.J.S.A. 40A-36, et.seq.); and

WHEREAS, THE FUND is subject to the requirements contained within the Local Fiscal Affairs Law (N.J.S.A. 40A-5, et.seq.) ; and

NOW, THEREFORE BE IT RESOLVED, THE FUND’s Governing Body hereby appoints the following professionals for the 2024 Fund Year:

I. All funds for Administrative Expenses, Reinsurance, Dividends and Miscellaneous Expenses, shall be withdrawn from the Official named Depository (ies) by check, wire or ACH which shall bear the signatures and/or electronic approvals of at least two (2) of the following persons, duly authorized pursuant to this Resolution:

Brian McNeilly	CHAIRMAN
Veronica Laureigh	SECRETARY
Charles Cuccia	TREASURER
Gregory Franz	COMMISSIONER

II. All funds for Claims payments shall be withdrawn from the Official Depository(ies) by check, which shall bear the signatures of at least two (2) of the following persons, duly authorized pursuant to this Resolution.

Charles Cuccia

Peter King

Matthew Moench

Fred Semrau

FOR WIRE TRANSFERS - that the FUND does hereby require that Citizens Bank obtain voice confirmation prior to executing wire transfers to external accounts from the Fund Treasurer.

III. The Cash and Investment Policy attached herewith, shall be adopted.

IV. The rate of interest assessed by the Fund, for delinquent assessments shall be ten (10) percent per annum, from the due date for any such assessment.

V. Certifying and Approval Officer for all FUND expenses shall be the FUND's Executive Director and/or the Account Manager so designated by the Executive Director.

ADOPTED: this 8th day of January 2024 *before the Governing Body*

Chairman

Secretary

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
2024 CASH MANAGEMENT AND INVESTMENT POLICY**

1.) **Cash Management and Investment Objectives**

The New Jersey Municipal Environmental Risk Management Fund (hereinafter referred to as the FUND) objectives in this area are:

- a) Preservation of capital.
- b) Adequate safekeeping of assets.
- c) Maintenance of liquidity to meet operating needs, claims settlements and dividends.
- d) Diversification of the FUND's portfolio to minimize risks associated with individual investments.
- e) Maximization of total return, consistent with risk levels specified herein.
- f) Investment of assets in accordance with State and Federal Laws and Regulations.
- g) Accurate and timely reporting of interest earnings, gains and losses by line of coverage in each Fund year.
- h) Where legally permissible, cooperation with other local municipal joint insurance funds, and the New Jersey Division of Investment in the planning and execution of investments in order to achieve economies of scale.
- i) Stability in the value of the FUND's economic surplus.

2.) **Permissible Investments**

Investments shall be limited to investments authorized under N.J.S.A. 40A:5-15.1 Joint Insurance Funds and Chapter 38, Joint Insurance Funds, Subchapter 1. Investments 5:38-1.1, 5:38-1.2 and 5:38-1.3 of the New Jersey Administrative Code.

3.) **Authorized Depositories**

In addition to the above, the FUND is authorized to deposit funds in certificates of deposit and other time deposits in banks covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA). Specifically authorized depositories include but are not limited to:

Citizens Bank

The FUND is also authorized to invest its assets in the New Jersey Cash Management Fund.

4.) **Authority for Investment Management**

The Treasurer is authorized and directed to make investments, with a maturity of three months or longer, through asset managers that may be selected by the Executive Board. Such asset managers shall be discretionary trustees of the FUND.

Their actions and decisions shall be consistent with this plan and all appropriate regulatory constraints.

In executing investments, asset managers shall identify the investment that is the most advantageous to the fund, unless otherwise directed by the FUND. Transactions may also be processed through the New Jersey Division of Investment by the Fund's asset managers.

5.) **Preservation of Capital**

Securities shall be purchased with the ability to hold until maturity.

6.) **Safekeeping**

Securities purchased on behalf of the FUND shall be delivered electronically or physically to the FUND's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the FUND.

7.) **Selection of Asset Managers, Custodial Banks and Operating Banks**

Asset managers, custodial banks and operating banks shall be retained for contract periods of one (1) year. Additionally, the FUND shall maintain the ability to change asset managers and/or custodial banks more frequently based upon performance appraisals and upon reasonable notice, and based upon changes in policy or procedures.

8.) **Reporting**

Asset managers will submit written statements to the treasurer and executive director describing the proposed investment strategy for achieving the objectives identified herein. Asset managers shall also submit revisions to strategy when justified as a result of changing market conditions or other factors. Such statements shall be provided to the Treasurer and Executive Director. The statements shall also include confirmation that all investments are made in accordance with this plan. Additionally, the Investment Manager shall include a statement that verifies the Investment Manager has reconciled and determined the appropriate fair value of the Funds portfolio based on valuation guidelines that shall be kept on file in the Executive Director's office.

The Treasurer shall report to the Executive Committee at all regular meetings on all investments. This report shall include information on the balances in all bank and investment accounts, and purchases, sales, and redemptions occurring in the prior month.

9.) **Audit** This plan, and all matters pertaining to the implementation of it, shall be subject to the FUND's annual audit.

10.) **Cash Flow Projections** Asset maturity decisions shall be guided by cash flow factors payout factors supplied by the Fund Actuary and reviewed by the Executive Director and the Treasurer.

11.) **Cash Management** All moneys turned over to the Treasurer shall be deposited within forty-eight (48) hours in accordance with NJSA 40A:5-16.

In the event a check is made payable to the Treasurer rather than the Fund, the following procedure is to be followed:

- a.) The Treasurer endorses the check to the Fund and deposits it into the Fund account.
- b.) The Treasurer notifies the payer and requests that in the future any check be made payable to the Fund.

Cash may be withdrawn from investment pools under the discretion of asset managers only to fund operations, claims impress accounts, or approved dividend payments.

The Treasurer shall escheat to the State of New Jersey checks which remain outstanding for twelve or more months after the date of issuance. However, prior to implementing such procedures, the Treasurer, with the assistance of the claims agent, as needed, shall confirm that the outstanding check continues to represent a valid claim against the FUND.

RESOLUTION NO: 6-24

**NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(hereafter the “FUND”)**

ESTABLISHING PUBLIC MEETING PROCEDURES FOR FUND YEAR 2024

WHEREAS, the FUND must establish meeting procedures for Fund Year 2024, and

NOW, THEREFORE BE IT RESOLVED BY the Funds Governing Body

- I.** That the FUND shall hold public meetings at the Forsgate Country Club, Monroe N.J., with exception of the March and November meetings as noted below, as follows:

Monday January 8, 2024

Friday March 22, 2024 – Time and location to be determined.

Monday June 10, 2024

Monday September 9, 2024

Wednesday October 16, 2024

*Wednesday November 13, 2024 at 9:30 AM

The 2025 Reorganization will be scheduled for Monday, January 6, 2025 at 10:50AM.

**Meeting date, time and format Subject to Change*

- II.** Each Public Comments session is limited to thirty (30) minutes; any one person may address the Chairperson for a maximum of five (5) minutes; once a particular topic has been addressed by a member of the public, subsequent comments on that same topic by other people is limited to a maximum of two (2) minutes; citizens who have spoken once during the session will not be recognized a second time; and speakers are required to state their names and addresses and direct all inquiries to the Chairman.
- III.** The following is hereby designated the official newspaper(s) of the FUND: The Star Ledger, Newark, NJ; and In addition, the EJIF’s webpage is designated for official notices – www.NJEJIF.org.
- IV.** The FUND Secretary or designated assistant shall provide notice of any and all meetings, including special or emergency meetings, to each official newspaper and shall issue all official notices required to be published in at least one of the official newspapers.

ADOPTED: this 8th day of January 2024 before the Governing Body

Chairman

Secretary

**RESOLUTION OF THE NEW JERSEY MUNICIPAL
ENVIRONMENTAL RISK MANAGEMENT FUND
TO ESTABLISH REMOTE MEETING PROCEDURES
APPLICABLE DURING A DECLARED STATE OF EMERGENCY**

WHEREAS, on March 9, 2020 in response to COVID-19, Governor Phil Murphy issued Executive Order 103, which declared a state of emergency that has been extended by the Governor and remains in full force to this day; and

WHEREAS, by way of additional Executive Orders, the Governor has established extensive social distancing protocols to protect the health, safety and welfare of New Jersey citizens; and

WHEREAS, in accordance with the Executive Orders relating to COVID-19 and the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq. (“OPMA”), local government units, including the New Jersey Municipal Environmental Risk Management Fund (“E-JIF”), have continued to hold public meetings via remote platforms to ensure the continued operation of local government with participation by the public, in a way that limits public health risk; and

WHEREAS, in March 2020, the New Jersey Department of Community Affairs, Division of Local Government Services (“DLGS”) issued “Local Operational Guidance – COVID-19: Guidance for Remote Public Meetings in New Jersey,” which provided specific guidance regarding holding remote public meetings under the OPMA; and

WHEREAS, on September 24, 2020, the DLGS issued Local Finance Notice 2020-21 (“LFN 2020-21”), which provided a synopsis of newly promulgated emergency regulations N.J.A.C. 5:39-1.1 through 1.7, which establish standard protocols for remote public meetings governed by the OPMA and held during a Governor-declared state of emergency; and

WHEREAS, under emergency regulation N.J.A.C. 5:39-1.4(h), a local government unit is required to adopt by resolution standard procedures and requirements for public comment made during remote public meetings, as well as for public comments submitted in writing ahead of the remote public meeting; and

WHEREAS, the E-JIF desires to memorialized standard procedures and requirements for public comment for remote meetings for 2024 in accordance with the DLGS Guidelines.

NOW THEREFORE BE IT RESOLVED that the Executive Director’s Office of the E-JIF, does hereby resolve and agree to adopt the following procedures regarding public comments during remote public meetings:

1. Public comments for a remote public meeting may be made during the designated public comment section of the meeting or submitted in writing to the Executive Director’s Office of the E-JIF no later than four (4) hours prior to published start time of the remote meeting. Written public comments must be emailed to the Executive

Director's Office at: steves@permainc.com or mailed to the Executive Director's Office at: 9 Campus Drive – Suite 216, Parsippany, NJ 07054. Written public comments may not be submitted via any other form of electronic communication.

2. Written public comments submitted via email or mail must include the individual's name, full address and contact information (telephone number and/or email address), as the Executive Director's Office reserves the right to verify the submitter's identity.
3. Written public comments submitted in accordance with this resolution shall be read into the remote meeting record at the end of the last public comment section, subject to any time limit in place for in-person comments. Written public comments containing profanity or vulgarity will not be read into the record. The chair and/or presiding officer of the remote meeting reserves the right to read similar or duplicative comments into the record in a summary fashion and will do so uniformly for all similar/duplicative comments.
4. Written public comments received after the four (4) hour deadline set forth by this resolution will not be read into the record or become part of the meeting record.
5. The procedures and requirements for making public comments during a remote meeting, along with an explanation of the audio muting function of the electronic communications platform being used, shall be announced at the beginning of the remote public meeting.
6. With respect to public participation at a remote public meeting, the following procedures shall be incorporated:
 - a. A member of the public who has submitted written comments prior to the meeting in accordance with this resolution, attends the remote public meeting, and wishes to participate during the public comment portion, will be deemed and treated as having already had the floor once.
 - b. If a member of the public disrupts a remote public meeting, the chair and/or presiding officer of the remote public meeting shall facilitate a dialogue with that member of the public to the extent reasonably permitted by the electronic communications technology.
 - c. The chair and/or presiding officer of the meeting shall mute or continue muting, or direct appropriate staff to mute or continue muting, the disruptive member of the public and warn them that continued disruption may result in their being prevented from speaking during the remote public meeting or removed from the remote public meeting. Disruptive conduct includes sustained inappropriate behaviors such as, but not necessarily limited to, shouting, interruption and use of profanity.
 - d. A member of the public who continues to act in a disruptive manner after receiving an initial warning shall be muted while other members of the public are allowed to proceed with their questions or comments. If time permits, the

disruptive individual shall be allowed to speak after all other members of the public have been given the opportunity to make comment. Should the person remain disruptive, the individual may be muted or kept on mute for the remainder of the remote public meeting or removed from the remote public meeting.

- e. The chair and/or presiding officer of the remote meeting shall reserve the right to take necessary action to protect the rights of the public to participate in the remote public meeting.

This Resolution shall take effect immediately.

ADOPTED this day;

Chairman

Date

Secretary

Date

2024 E-JIF Risk Management Plan

1. INTRODUCTION

In 1984, the commercial insurance marketplace excluded all environmental risk from general liability insurance policies underwritten for public entities and other local units, and for many years subsequent, there had been no coverage available for these exposures. As a result of the liability insurance crisis beginning the following year, New Jersey Public entities developed joint insurance funds and in 1987 formed the Municipal Excess Liability Joint Insurance Fund (MEL) to provide excess casualty coverage for the newly created pools. At that time, the pools were not large enough to address the environmental liability issue and environmental coverage remained a void. However, by 1991, the MEL had grown to over 200 communities and adopted a long-range plan that proposed the establishment of a specialized pool to provide environmental coverage. A study committee was formed in 1992 and enabling legislation was signed into law in October 1993.

The New Jersey Municipal Environmental Risk Management Fund, hereinafter referred to as the “FUND” was established by property/casualty joint insurance funds which seek to provide their member public entities and utility authorities with environmental coverage in five (5) areas:

- I. Third Party Liability
- II. On-Site Clean-up Costs
- III. Public Officials Pollution Liability
- IV. De Minimus Abandoned Waste Sites
- V. Storage Tank Systems

One of the primary objectives of the FUND is the containment of costs through sound environmental control practices, as well as effectively administered claims adjustment practices. To achieve these objectives, the FUND has engaged environmental engineering companies to work closely with member public entities in the establishment of an effective loss control program. The FUND has also arranged with an experienced claims-servicing company and a panel of environmental defense attorneys to provide claims adjustment services. It is the goal of the FUND to expand the range of coverage and services based on experience and evolving needs of member local units.

I. THIRD PARTY LIABILITY

1. Background:

The activities of public entities may result in an actual or alleged pollution conditions which causes bodily injury or damage to property of others. The extent of the coverage under THIRD

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PARTY LIABILITY is to provide protection to the local unit for claims triggered by pollution conditions for which the local unit is alleged to be responsible.

2. Scope of Coverage:

To pay on behalf of the Local Unit losses due to liability for bodily injury and/or property damage caused by pollution conditions emanating from a covered location or arising from covered operations. Legal defense shall be included subject to the aggregate defense costs limits.

3. Pollution Conditions:

The FUND intends to cover, under THIRD PARTY LIABILITY, the discharge, dispersal, release, escape, migration or seepage of any solid, liquid, gaseous or thermal irritant, contaminant or pollutant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, materials or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater. Waste materials include materials to be recycled, reconditioned or reclaimed.

4. Exclusions: (Partial Listing – REFER TO POLICY FOR COMPLETE LIST OF EXCLUSIONS)

The FUND will not pay nor defend any loss from pollution conditions caused by, due, based upon, arising out of or directly related to any one or more of the following:

- a) Pollution conditions that existed prior to the inception date of this policy
- b) Injunctive or non-monetary relief
- c) Lead
- d) Asbestos
- e) Workers Compensation, unemployment compensation or disability benefits
- f) Employment Practices Liability
- g) Mold or fungi
- h) Contractual Liability, except where coverage would apply in absence of contract
- i) Acid rain
- j) Automobile (except transit sublimit), aircraft, watercraft
- k) Pollution conditions after location has been sold, leased, or abandoned
- l) Chlorine based products
- m) Airports (unless endorsed)

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- n) Willful, deliberate non-compliance with regulation, statute, or other law
- o) PFAs and their sister compounds

5. Limit of Liability:

\$1,000,000 per claim*

\$1,000,000 annual aggregate

\$250,000 sub-limit Transportation coverage

\$250,000 sub-limit Cyber coverage

\$25,000 sub-limit legal defense only for PFA claims**

* Discharge Pollution Control & Countermeasure Limits (DPCC) of \$1,000,000 per claim /\$2,000,000 annual aggregate, per location, when mandated by NJ DEP Regulations.

** Subject to a fund annual aggregate of \$1,000,000

II. ONSITE CLEANUP COSTS

1. Background:

Public property is subject to being polluted by third parties such as an illegal toxic dumping in a park. The intent of the coverage, under ONSITE CLEANUP COSTS, is to provide protection to the public entity for the costs of remediation triggered by pollution conditions caused by an unrelated third party on any public lands of the local unit.

2. Scope of Coverage:

Emergency Remediation of pollutants deposited by third parties:

\$ 50,000 per claim

\$ 100,000 annual aggregate

Note: Local unit will be required to make application to the NJ Spill Fund or other available funding sources for reimbursement. Reimbursement, if any, to be paid back to the FUND.

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III. PUBLIC OFFICIALS POLLUTION LIABILITY

1. Background:

The acts or omission by public officials that may result in claims by third parties of bodily injury or property damage related to environmental conditions are excluded under conventional Public Officials Liability coverage. It is the intent of PUBLIC OFFICIALS POLLUTION LIABILITY to provide protection to the officials of the local unit for such claims.

2. Scope of Coverage:

Pay on behalf of the local unit and its public officials that are legally obligated to pay as a result of pollution conditions caused by the wrongful acts of Public Officials. Legal defense shall be included subject to the aggregate defense costs limits

3. Limit of Liability:

\$1,000,000 per claim

\$1,000,000 annual aggregate

IV. DE MINIMUS ABANDONED WASTE SITES

1. Background:

Public entities, through their various departments and refuse collection responsibilities, have in the past contributed waste to hazardous waste landfills. Through actions by the EPA and/or NJDEP, efforts are being made to remediate all hazardous waste sites and to assign associated costs to potentially responsible parties (PRPs) who likely contributed to the problem. In many cases it is unclear who was truly responsible for the hazardous waste that was sent. Public entities have been identified as general contributors with potentially “deep pockets” and therefore, under CERCLA guidelines of strict joint and several liability, could be forced to contribute a significant amount to the clean-up. Contributors who have not been specifically identified as major contributors, however, have often been in a position, particularly when mediated as a group, to negotiate an equitable settlement with the EPA, NJDEP and major PRP’s to indemnify them from further liability. The intent of the FUND, under DE MINIMUS ABANDONED WASTE SITES, is to provide a means for insureds that are deemed minor contributors (De Minimus) to an abandoned waste site to negotiate reasonable settlements. To a significant extent, this is part of a defense strategy.

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2. Scope of Coverage:

The FUND, under DE MINIMUS ABANDONED WASTE SITES, will pay on behalf of the insured(s) for the negotiated settlement amount, up to policy sub-limits, to fund remedial efforts and a settlement agreement that will indemnify the insured(s) from future liability at a Federal or State Abandoned Toxic Waste Site. Legal defense shall be included subject to the aggregate defense costs limits.

3. Abandoned Waste Site & Minor PRP Designation

The FUND intends to cover only those events where the local unit is clearly identified as a de minimus (PRP) contributor of the specified hazardous waste at a Federal or State Abandoned Toxic Waste Site where the local unit was not aware, nor given actual or constructive notice that the pollution conditions existed prior to the inception date of coverage, nor that any elected or appointed official of the local unit knew or could have reasonably foreseen that such pollution conditions could have been expected to give rise to a claim.

4. Exclusions: (Partial Listing - Refer to Policy for all Exclusions)

The FUND will neither pay nor defend any loss from an abandoned waste site buy-out agreement caused by, due to, based upon, arising out of or directly related to any one or more of the Exclusions listed under Section IV of the policy.

5. Conditions:

- a) Legal services will be provided solely by the approved FUND attorney(s).
- b) The local unit must agree to participate in any group settlement proceedings deemed appropriate by the FUND attorney(s).
- c) The FUND must agree to the negotiated settlement.
- d) The local unit and the FUND must be indemnified from further liability at site as a result of payment.

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6. Limit of Liability:

\$50,000 per local unit

V. STORAGE TANK SYSTEMS COVERAGE (STANDALONE POLICY FORM)

1. Background

EPA and the NJDEP have existing regulations requiring tank owners to provide financial responsibility for the pollution exposure of underground storage tanks. The intent of the FUND, under STORAGE TANK SYSTEMS COVERAGE, is to fulfill the requirements as well as provide coverage for above ground storage tanks. The policy form itself is subject to EPA/NJDEP acceptance.

2. Scope of Coverage:

The FUND will pay on behalf of the local unit, sums, which the local unit shall be legally obligated to pay as damages as a result of bodily injury or property damage, a cleanup caused by a release arising from the operation of an underground storage tank at any scheduled site. The claim must be first made against the local unit during the policy period and reported to the FUND during the policy period. Above ground storage tanks must comply with all underwriting requirements established by the fund, including compliance testing for above ground storage tanks with underground piping. The deadline for compliance testing was 7/1/2013. After 7/1/2013, new EJIF members AND current members that acquire the described system must demonstrate compliance with the FUND standards in order to secure coverage for that system. Legal defense shall be included subject to the aggregate defense costs limits.

There is a biennial testing requirement for those systems that previously qualified for coverage during the initial testing period.

This policy is site specific: Only scheduled underground storage tanks at scheduled locations are covered. Unregulated underground storage tanks may be covered subject to E-JIF underwriting rules. **As of 01/01/2014, unregulated USTs that exceed 20 years of age are no longer covered in the EJIF.**

No coverage applies to underground storage tanks that are rejected, unknown and/or unscheduled. Refer to item 2 regarding the E-JIF Underground Tank Remediation Grant Program.

Disclaimer: This document is a general overview of the coverage and limits provided by the FUND. The actual terms and conditions are defined in the policy documents and all issues related to coverage shall be decided based on those policy forms.

Coverage is provided under the New Jersey Mandatory Endorsement for regulated storage tanks as per 40 CFR280.97(b)(1).

3. Accidental Release:

The FUND intends to cover only those events emanating from any sudden or non-sudden release of petroleum arising from the operation of a storage tank at any scheduled site that results in a need for clean-up and/or compensation for bodily injury or property damage neither expected nor intended by the insured.

4. Exclusions: (Partial Listing - Refer to Policy for all Exclusions)

The coverage does not apply to:

- a) Any claim arising from any knowingly unlawful, dishonest, fraudulent, criminal, malicious or wrongful act or omission committed by or at the direction of any supervisor, department head, elected or appointed official of the local unit.
- b) Any claim with respect to which the local unit was aware of non-compliance with any applicable statute, regulation, instruction or court order relating to the petroleum tanks.
- c) Any claim arising from any accidental release at any place other than scheduled sites.
- d) The cost of installation, replacement or repair of any storage tank or any other receptacle including the cost of excavation or backfilling, piping and valves, all leak detection systems and all containment systems and all monitoring systems.
- e) Any routine maintenance, measurement or testing expense which is not occasioned by a pollution event.
- f) Any fines, exemplary or punitive damages, statutory or other penalties, trebled or other multiple damages.
- g) Any unregulated tanks that exceed the 20 year age limit as of January 1, 2014.\

5. Limit of Liability:

\$ 1,000,000 each incident -THIRD PARTY LIABILITY

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\$ 1,000,000 each corrective action -ONSITE CLEANUP COSTS

\$ 1,000,000 Aggregate Limit

\$ 100,000 Aggregate Defense Limit

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2. E-JIF UNDERGROUND STORAGE TANK GRANT REMEDIATION PROGRAM

The E-JIF may make available a grant up to a maximum of \$10,000 per impaired location for unknown/undisclosed underground storage tanks in order to reimburse local units for incurred remediation costs. Regarding new property acquisitions, the formal request for this grant must demonstrate proper due diligence having been performed prior to the acquisition of a location. The local unit must not have had prior knowledge or notification of the existence of the subject underground storage tank(s) on any location.

The local unit is subject to a maximum of three grant applications regardless of the period of the local fund's E-JIF membership.

3. RISK RETAINED BY THE FUND

The Fund has contracted with an Insurer to provide an excess of loss agreement. The intention is to provide aggregate budget protection. The limits afforded are \$9,000,000 aggregate limit per year that attaches after retention of \$3,000,000.

4. AMOUNT OF RESERVE TO BE ESTABLISHED

A dollar reserve is established by the FUND as to its potential exposure on a given claim based on the severity of the damages adjusted by the limits of legal liability.

All elements of the liability claim investigation are considered in establishing a reserve after the FUND is notified of its potential exposure. While conditions may change as further information becomes available, "stair stepping" or frequent changes in reserves is to be avoided.

Claim reserves are subject to regular review by the FUND's Executive Director/Administrator, Attorney, Underwriting Managers, Fund Engineer, Fund Commissioners/Executive Committee and Claims Servicing Company Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing excess coverage to the FUND (if any).

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5. ASSESSMENTS

A. Budget Preparation:

1. In or before September of each year, the FUND shall prepare the budget for the upcoming calendar year. The budget shall identify the proposed items and amounts of expenditure for its operations, including an acquisition cost not to exceed six percent (6%), the anticipated amounts and sources of assessments and other income to be received during the calendar year and the status of the self-insurance or loss retention accounts.
2. The budget shall be reviewed by an Actuary who shall comment on its adequacy and shall recommend changes, as appropriate.

B. Budget Adoption:

1. Not later than November of each year, the Fund Commissioners/Executive Committee shall adopt by majority vote, the budget for the FUND's operations for the coming calendar year.
2. A copy of the FUND's proposed budget as changed to reflect the actuary report shall be sent to each participant at least two (2) weeks prior to the time scheduled for its adoption. No budget or amendment shall be adopted until a hearing has been held giving all participating local units the opportunity to present comments or objections.
3. An adopted budget may be amended by majority vote of Fund Commissioners/Executive Committee after giving the participants two (2) weeks advance written notice and conducting a hearing on the proposed amendment.
4. A copy of the adopted budget and any amendment shall be filed within thirty (30) days of its adoption with the governing body of each participating local unit, the Commissioner of Insurance and the Commissioner of the Department of Community Affairs.

C. Annual Assessment:

1. The annual assessment of each participant shall be its pro rata share of the budget for the upcoming year for each line of coverage as computed by the actuary.
2. The calculation of pro rata shares shall be based on each participant's composite premium by fund year for that line of coverage.
3. The total amount of each participant's annual assessment shall be certified by a majority vote of the Fund Commissioners/Executive Committee to the governing body of each participant at least one month prior to the beginning of the next calendar year.
4. The annual assessment shall be paid to the FUND in two (2) installments, to be determined by the Fund Commissioners/Executive Committee, which shall conform with N.J.A.C. 12:15-2.15(a).

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5. The Treasurer shall deposit each participant's assessment into the appropriate accounts, including the administrative account, the claim or loss retention trust fund accounts, or any other account as permitted by law.
6. If a participant becomes a member of the FUND or elects to participate in a line of coverage after the start of the fund year, such participant's assessments and supplemental assessments shall be reduced in proportion to that part of the year which has elapsed.

D. Supplemental Assessments:

1. The Fund Commissioners/Executive Committee shall, by majority vote, levy upon the participants additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the FUND's claim, loss retention or administrative accounts to assure the payment of the FUND's obligations.
 - a) All supplemental assessments shall be charged to the participants by applicable fund year and shall be apportioned by that year's earned assessments for that line of coverage.
 - b) All participants shall be given thirty (30) days advance written notice of the FUND's intention to charge an additional assessment, and the FUND shall conduct a hearing before adopting the supplemental assessment.
 - c) Participants shall have thirty (30) days to pay the FUND from the date any supplemental assessment is adopted.
2. The FUND shall submit to the Commissioner of Insurance and the Commissioner of Community Affairs a report of the causes of the FUND's insufficiency, the assessments necessary to replenish it and the steps taken to prevent a reoccurrence of such circumstances.

E. Failure or Refusal to Provide Required Assessments:

Should any member fail or refuse to pay its assessments or supplemental assessments, or should the FUND fail to assess funds required to meet its obligations, the Chairperson, or in the event by his or her failure to do so, the custodian of the FUND's assets, shall notify the Commissioner of Insurance and the Commissioner of Community Affairs. Past due assessments shall bear interest at the rate of interest to be established annually by the Fund Commissioners/Executive Committee.

F. Insolvency and/or Bankruptcy of Fund Members

The insolvency or bankruptcy of a participant does not release the FUND, or any other member, of joint and several liability for the payment of any claim or liability incurred by the member during the period of its membership, including, but not limited to, being subject to and liable for supplemental assessments.

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6. LOSS ADJUSTMENT PROCEDURES

The FUND will be presented with various claims against the coverage provided to the participating public entities. These claims can be large or small, justified or frivolous. The primary function of the Fund Attorney and Claims Servicing Company will be to investigate each claim for the FUND and make a determination as to the validity, scope and value of the claim.

While the flavor of the investigation will differ per line of coverage, there are basic factors which are common to all liability claim investigations. The following factors will be addressed by the Claims Servicing Company when handling a liability claim:

A. Coverage:

The first step in claim investigation is the verification of coverage.

B. Facts:

A complete and thorough knowledge of the accident or occurrence will be the criteria on which liability is determined.

C. Liability:

Is there validity to the claim? Careful consideration must be given to this question. An analysis of the facts and applicable laws will determine the negligence factor.

D. Injuries:

The Claims Servicing Company must gather all information with respect to the extent of injuries and property damage sustained by the claimant(s). An early determination as to the extent of damages may help mitigate exposure and damages.

E. Reserves:

A careful examination of the preceding factors will help the claims service company to establish an intelligent loss reserve. It is the best estimate of the FUND's exposure with respect to each loss.

F. Claims Control:

The FUND's liability claim handling process goes beyond what would normally be considered insurance industry standards. The central theme is teamwork. Teamwork among the Executive Director/Administrator, Fund Attorney and other professionals, the Claims Servicing and Loss Control companies and the member public entities. The ultimate goal is to protect the FUND by settling claims fairly but at the lowest possible costs.

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G. Legal Defense and Fees:

The FUND has established procedures to provide quality defense of claims and monitor the defense procedures and costs. These procedures include

1. Establishing a list of approved defense attorneys. This list includes attorneys with special qualifications, previous experience and a reasonable fee structure. It is expected that the approved defense attorneys will provide the highest quality defense for the FUND at the most reasonable cost.
2. The FUND will monitor the activities of the defense attorneys and the Fund Attorney may direct the amount of legal discovery to be conducted in an effort to control costs. The Fund Attorney actively maintains control on legal defense activity and expense.

NOTE: Each local unit participating in the FUND is provided with a claim manual or claim packet explaining how and where to report claims.

ADOPTED: this 8th day of January 2024 by the Governing Body

Chairman

Secretary

Disclaimer: This document is a general overview of the coverage and limits provided by the FUND. The actual terms and conditions are defined in the policy documents and all issues related to coverage shall be decided based on those policy forms.

RESOLUTION OF THE COMMISSIONERS OF THE NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND TO ESTABLISH AN E-JIF DEFENSE PANEL AND AUTHORIZE THE AWARD OF PROFESSIONAL SERVICES CONTRACTS WITHOUT COMPETITIVE BIDDING TO SAME

WHEREAS, it is necessary for the New Jersey Municipal Environmental Risk Management Fund (“EJIF”) to establish a defense panel comprised of qualified environmental attorneys to defend various actions for which the EJIF has an obligation to defend and indemnify; and

WHEREAS, the defense panel will be adjusted from time to time and is in addition to the services rendered by general counsel; and

WHEREAS, the defense panel contracts are awarded without competitive bidding as professional services contracts in accordance with the provisions of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., because said services are performed by persons licensed under law to practice a recognized profession; and

WHEREAS, the Chief Financial Officer of the EJIF has certified that sufficient funds are available for this purpose; and

WHEREAS, the Local Public Contracts Law requires that the resolution authorizing the award of a contract for professional services without competitive bidding, and the contract itself, be available for public inspection.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the New Jersey Municipal Environmental Risk Management Fund, as follows:

1. The following law firms are hereby established as the defense panel:

Fred Semrau, Esq.
Dorsey & Semrau
P.O. Box 228
714 Main Street
Boonton, NJ 07005

Peter J. King, Esq.
King Moench & Collins LLP
51 Gibraltar Drive, Suite 2F
Morris Plains, NJ 07950

M. James Maley, Jr., Esq.
Maley Givens
1150 Haddon Avenue, Suite 210
Collingswood, NJ 08108

Joseph DeCotiis, Esq. and Frank Borin, Esq.
DeCotiis, Fitzpatrick & Cole
Glen Pointe Centre West
500 Frank W. Burr Blvd.
Teaneck, NJ 07666

Ted Henry, Esq.
c/o Deasey Mahoney & Valentini, LTD
923 Haddonfield Road, Suite 300
Cherry Hill, NJ 08002

2. Professional services agreements are authorized and awarded to the above attorneys to provide professional legal defense services in accordance with the following fee schedule for defense attorneys for 2024:
 - a. Partners – \$175/hour
 - b. Associates with five years’ experience – \$150/hour
 - c. Associates - \$140/hour
 - d. Paralegals - \$85/hour
3. The contracts are awarded without competitive bidding as professional services contracts in accordance with the provisions of the Local Public Contracts Law because said services are performed by persons licensed under law to practice a recognized profession.
4. Notice of this action shall be published once in the EJIF’s official newspaper as required by law.
5. A copy of this Resolution shall be provided to the EJIF’s Chief Financial Officer and to each defense panel attorney named above for their information and guidance.
6. This Resolution shall take effect immediately.

ADOPTED: this 8th day of January 2024 *before the Governing Body*

Chairman

Secretary

RESOLUTION # 10-24

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
ESTABLISHING MEETING COMPENSATION FOR
BOARD OF COMMISSIONER MEMBERS
FOR THE 2024 FUND YEAR**

BE IT RESOLVED, the **NJ Municipal Environmental Risk Management Fund** shall, effective January 1, 1997, provide for payment to the Board of Fund Commissioners, pursuant to N.J.S.A. 40:A10-37 at the rate of \$150.00 per meeting; conditioned upon each member's attendance at the corresponding regularly scheduled meeting and attention to usual and customary duties between meetings.

BE IT FURTHER RESOLVED, a Board of Fund Commissioner member shall not be required to attend any additional meetings as a precondition to payment, nor shall any Executive Committee member be compensated for attendance at more than twelve (12) meetings per year.

ADOPTED: this 8th day of January 2024 *before the Governing Body*

Chairman

Secretary

RESOLUTION NO. 11-24

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(hereafter referred to as the “FUND”)

ESTABLISHING STANDING COMMITTEES FOR FUND YEAR 2024

WHEREAS, The New Jersey Municipal Environmental Risk Management Fund has substantially increased its membership, coverages and cumulative budget since its inception in 1995; and

WHEREAS, the resulting complexity of the New Jersey Municipal Environmental Risk Management Fund requires close scrutiny of its business affairs by fund commissioners; and

WHEREAS, this work can efficiently be reviewed by standing committees meeting separately throughout the year.

NOW, THEREFORE BE IT RESOLVED, that five (5) standing committees be established: **Coverage Committee, Rules & Contracts Committee, Budget & Finance Committee, Nominating Committee and Claims Committee;**

BE IT FURTHER RESOLVED that these committees will operate under the charter agreements attached.

ADOPTED: this 8th day of January 2024 *before the Governing Body,*

Chairman

Secretary