

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF NOVEMBER 13, 2024
VIA TELECONFERENCE
11:05 AM**

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

ROLL CALL OF 2024 EXECUTIVE COMMITTEE:

| | | | |
|-----------------------------|--------------|-------------------|---------|
| Chairman: | Morris | Brian McNeilly | Present |
| Secretary: | Ocean | Veronica Laureigh | Absent |
| Executive Committee: | | | |
| | Burlco | Meghan Jack | Absent |
| | Monmouth | Thomas Nolan | Present |
| | Camden | Joe Wolk | Present |
| | South Bergen | Greg Franz | Present |
| | NJUA | Bernard Rutkowski | Present |
| | Sub-Muni | Megan Champney | Present |
| Alternates: | | | |
| #1 | Bergen | Paul Tomasko | Present |
| #2 | Central | Joe Criscuolo | Absent |
| #3 | Sub Metro | Vincent Quatrone | Present |
| #4 | Trico | Michael Razze | Present |
| #5 | PMM | Susan Danson | Absent |
| #6 | Atlantic | James Pacanowski | 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 | Charles Casagrande Ed Cooney | Present Present |
| Claims Administrator | King Moench & Collins | Peter King, Esq. | Absent |
| Environmental Engineering Services | First Environment | Rich Erickson | Present |
| Actuary | AON | Chas Kullman | Present |
| Auditor | Nisivoccia, L.L.P. | Francis "Bud" Jones | Absent |

OTHERS PRESENT:

Adam Brewer, Pequannock, Morris JIF
Dave Grubb, PERMA

Joseph Hrubash, PERMA
 Brad Stokes, PERMA
 Pauline Kontomanolis, PERMA
 Steven Krolian, PERMA
 Sandra Cantwell, PERMA
 Jaclyn Lindsey, Conner, Strong & Buckelew
 Tom Merchel, Conner, Strong & Buckelew
 Paul Forlenza, RPA
 Kamini Patel, RPA
 John Casagrande, Danskin Agency
 Alison Kelly, Danskin Agency
 Matthew McArow Sr., GJEM-Otterstedt Agency
 Frank Covelli, PIA
 Don Sciolaro, PIA

APPROVAL OF MINUTES: October 16, 2024

MOTION TO APPROVE OPEN MINUTES OF OCTOBER 16, 2024

MOTION: Commissioner Nolan
SECOND: Commissioner Franz
VOTE: 9 Ayes, 0 Nays, 1 Abstain (Commissioner Pacanowski)

TREASURER

Mr. Cuccia asked for approval for Resolution No. 29-24 confirming the November 2024 Bills List:

RESOLUTION 29-24 - NOVEMBER 2024 BILLS LIST

| FUND YEAR | AMOUNT |
|------------------|---------------|
| 2024 | \$129,848.33 |
| Total | \$129,848.33 |

MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NO. 29-24

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

Treasurer said JCMI has a yield to maturity of 4.14% and an average maturity of three years.

EXECUTIVE DIRECTOR/ADMINISTRATOR REPORT:

2025 Budget Public Hearing. Mr. Sacco said at our September meeting, the Executive Committee approved the EJIF 2024 dividend distribution of \$2,100,000. The request was filed with the Department of Banking and Insurance (DOBI) and due to rounding in the spreadsheets, the State requested the Fund make minor adjustments to amounts released from the selected years. The documents were refiled with the State on October 17, 2024 and if no further communication is received after 30 days, the Fund will release the 2024 dividend.

Appointment of Excess Carrier. Mr. Sacco said the Underwriting Managers completed negotiations with excess carriers and reviewed options with the Fund professionals and the Coverage Committee. The current carrier, Ascot Specialty Insurance Company is recommended. Ascot offered a one-year renewal or two-year renewal, each providing savings. However, the \$9 million excess layer was offered to be aggregated over a two year period; not per year, so the recommendation is to renew for the one-year period and maintain the \$9 million excess layer for the 2025 fund year.

Mr. Casagrande said the two-year renewal required payment upfront for both years and again did not offer the \$9 million layer for each year. The savings for the one-year option is still within the budget and renewing with the incumbent provides continuity. Mr. Cooney said Ascot has been a great partner over the past couple years.

Mr. Sacco said the difference in the budgeted cost and actual premium will be transferred to contingency in March when the budget is adjusted to changes in 2025 membership.

MOTION TO ADOPT RESOLUTION #30-24 APPOINTING ASCOT SPECIALTY INSURANCE COMPANY AS THE E-JIF EXCESS CARRIER FOR FUND YEAR 2025 IN THE AMOUNT OF \$540,000 PLUS 1% TRIA FOR A TOTAL OF \$545,400.

| | |
|------------------------|--------------------|
| MOTION: | Commissioner Nolan |
| SECOND: | Commissioner Franz |
| ROLL CALL VOTE: | Unanimous |

2024 Commissioner Compensation – Mr. Sacco said the Commissioners attendance record for 2024 is included in the agenda and a voucher for Commissioners to complete and return to the Fund office if you are choosing to be compensated. The Fund adopted resolution #10-24 at its January re-organization meeting which authorized the Treasurer to make payments to Fund Commissioners for 2024 meeting attendance.

Due Diligence Reports: Mr. Sacco referred to the Financial Fast Track report as of September 30, 2024 and said in the third quarter the Fund added \$498,000 to our surplus after the dividend of \$2.1 million was booked to the financials. The fund is in excellent financial shape, with a statutory surplus of \$16.2 million dollars for all fund years combined.

NEXT MEETING - The next meeting of the EJIF is scheduled for January 6, 2025 at 11:05 AM to be held at Forsgate Country Club, Monroe, NJ.

ATTORNEY:

Mr. Semrau said a meeting was held in October to give status of the Berry’s Creek landfill litigation to the five towns impacted. The case has been extensive and slow moving. Peter King is handling the case and gave an update to the members involved. Mr. King was very effective in providing an update to the members involved. Mr. King wrote an extensive memorandum on the history of the case and Commissioners can contact the Fund office if they would like to receive that document. Mr. Sacco agreed saying there were a lot of questions and uncertainties, and the meeting gave good awareness and a comfort level in case management to the members.

UNDERWRITING MANAGER:

Mr. Charles Casagrande said their agenda report was informational.

ENVIRONMENTAL ENGINEER:

Mr. Erickson said he delivered a seminar to Atlantic JIF in October on the changes in the Municipal Stormwater Permit. The NJDEP has released a Watershed Inventory document, which is the first of the three-part template for the Storm water permit. Because the merge of the tier A and tier B permits, this refers to every municipality in New Jersey.

To follow up on a topic Commissioner Tomasko introduced last month, Mr. Erickson referenced the Monmouth County Planning Board’s summary of the Governor’s initiative on protecting against climate change (NJPACT REAL). Coastal communities are expected to have the most impact and they project a five-foot increase in the ocean level by 2021.

Mr. Erickson encouraged members who have gasoline storage and dispensary at their facilities to contact their tank contractor to ensure certification with air pollution regulations. The deadline is December 23, 2024.

Commissioner Tomasko thanked Mr. Erickson for the copy he received of the Monmouth presentation and said it was very helpful in understanding the DEP rule changes.

ACTUARY:

Mr. Kullman said the loss experience during the first 9 months of 2024 has been within expectations and the estimated IBNR at 9/30/2024 is approximately \$6.2 million, which translates to a small \$87,000 decrease in ultimate loss. Losses are tracking well and the Fund is in good shape.

OLD BUSINESS

None

NEW BUSINESS

None

PUBLIC COMMENT

Mr. Forlenza thanked Mr. Erikson for his presentations to the Atlantic, Burlco and Trico JIFs to help educate the members on stormwater permits and thanked the EJIF for making Mr. Erickson available. Mr. Covelli thanked Mr. Sacco and the Fund professionals for the work done on the Berry’s Creek presentation. Mr. King did an excellent job and the meeting went a long way in giving members a better understanding of the case.

EXECUTIVE SESSION

Mr. Sacco said Executive Session is not requested and there are no claims to present.

MOTION TO ADJOURN MEETING

MOTION: Commissioner Nolan
SECOND: Commissioner Wolk
VOTE: Unanimous

Prepared by Sandra Cantwell, Assistant Secretary

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND BILLS LIST

Resolution No. 29-24

November 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>Vendor Name</u> | <u>Comment</u> | <u>Invoice Amount</u> |
|-------------------------------|-------------------------|---------------------------|
| MEGAN L. CHAMPNEY KWESELAIT | VOID AND REISSUE | -900.00 -900.00 |
| MEGAN L. CHAMPNEY KWESELAIT | 2023 MEETING ATTENDANCE | 900.00 900.00 |
| Total Payments FY 2023 | | 0.00 |

FUND YEAR 2024

| <u>Vendor Name</u> | <u>Comment</u> | <u>Invoice Amount</u> |
|---|--|-------------------------------|
| THE CANNING GROUP LLC | VOID AND REISSUE | -416.67 -416.67 |
| PERMA RISK MANAGEMENT SERVICES | POSTAGE 10/24 | 3.45 |
| PERMA RISK MANAGEMENT SERVICES | EXECUTIVE DIRECTOR 11/24 | 32,041.42 32,044.87 |
| AON RISK SERVICES CENTRAL - PREMIUM | ACTUARY- CLIENT 570000079241 11/24 | 15,625.00 15,625.00 |
| DORSEY & SEMRAU | FUND ATTORNEY 11/24 | 8,672.52 8,672.52 |
| CHARLES CUCCIA | TREASURER FEE 11/24 | 1,847.14 1,847.14 |
| DANSKIN INSURANCE AGENCY | UNDERWRITING MANAGER FEE 11/24 | 25,378.17 25,378.17 |
| MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND | REIMB FOR 10/16/24 FORSGATE MEETING | 956.67 956.67 |
| FIRST ENVIRONMENT, INC. | PROF. SERVICES P/E 9/30/24 INV 47596 | 44,852.08 44,852.08 |
| THE CANNING GROUP LLC | QPA SERVICES 11/24 | 416.67 |
| THE CANNING GROUP LLC | QPA SERVICE 04/24 | 416.67 |

833.34

ACCESS

INV 11141500 DEPT 736 9/30/24

55.21

55.21

Total Payments FY 2024

129,848.33

TOTAL PAYMENTS ALL FUND YEARS

129,848.33

Chairperson: _____

Attest: _____

Dated: _____

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

Treasurer _____

RESOLUTION NO. #30-24

**RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL JOINT INSURANCE FUND
AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH
ASCOT SPECIALTY INSURANCE COMPANY, THROUGH AN INTERMEDIARY, R-T
SPECIALTY IN HAMILTON, FOR REINSURANCE AND/ OR EXCESS LIABILITY
COVERAGE**

WHEREAS, there is a need for reinsurance and/ or excess liability coverage for the New Jersey Environmental Joint Insurance Fund (FUND); and

WHEREAS, the Fund has sought and received proposals as required disclosure proposals; in accord with N.J.S.A. 19:44A-20.4 et. Seq. A memorandum outlining such proposals is on file with the Executive Director of the Fund; and

WHEREAS, the Fund is recommending award to Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton, for Reinsurance and/or Excess Liability Coverage in the amount of \$540,000 plus 1% TRIA for a total of \$545,400 and

WHEREAS, the services qualify as an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service N.J.S.A. 40A:11-5(a)(ii) and N.J.A.C. 5:34-2.3(b); and

WHEREAS, the certification of an Extraordinary Unspecifiable Service as demanded by to N.J.A.C. 5:34-2.1 et. Seq., has been complied with and attached to resolution; and

WHEREAS, Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton has completed and submitted a Business Entity Disclosure Certification and a Political Contribution Disclosure form which certifies that Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton has not made any reportable contributions to a political or candidate committee of the Fund in the previous one year, and that the contract will prohibit Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton from making any reportable contributions through the term of the contract, and

WHEREAS, the purchasing agent has concurred with the legality of the purchase in accord with the New Jersey Local Publics Contract Law (N.J.S..40A:11-1 et. Seq); and

WHEREAS, the Treasurer has certified that funds are available, subject to approval by the board of commissioners in the 2025 budget in the amount of \$540,000 plus 1% TRIA for a total of \$545,400 from:

Line Item: EJIF Operating Account/Excess Aggregate Insurance

NOW, THEREFORE, BE IT RESOLVED, that the New Jersey Environmental Joint Insurance Fund authorizes the Executive Director to enter into a contract with Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton for the 2025 budget year for Reinsurance and/ or Excess Liability Coverage in the amount of \$540,000 plus 1% TRIA for a total of \$545,400.

Chairman

Secretary

Date: _____