

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF NOVEMBER 8, 2023
VIA AUDIO / VIDEO TELECONFERENCE
9:30 AM**

Meeting called to order by Chairman Rutkowski. The Open Public Meeting Notice was read into the record by Chairman Rutkowski.

Pledge of Allegiance.

ROLL CALL OF EXECUTIVE COMMITTEE:

Chairman:	NJUA	Bernie Rutkowski	Present
Secretary:	PMM	Thomas Merchel	Present
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 Suburban Municipal	Megan Champney	Present
	#3 Morris	Brian McNeilly	Present
	#4 Suburban Metro	Steve Rovell	Present
	#5 TRICO	Michael Razze	Absent

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	Chuck Casagrande Mike Avalone	Present Present
Claims Administrator	King Moench & Collins, LLP	Peter King, Esq.	Absent
Environmental Engineering Services	First Environment	Rich Erickson	Present
Actuary	AON	Chas Kullman	Present

OTHERS PRESENT:

Dave Grubb, PERMA
Joseph Hrubash, PERMA
Cate Kiernan, PERMA
Pauline Kontomanolis, PERMA
Nancy Ghani, PERMA
Sandra Cantwell, PERMA
Sue Sharpe, Dorsey & Semrau, Esq.

Jackie Lindsay, Conner, Strong & Buckelew
 Paul Forlenza, AJG
 Kamini Patel, AJG
 John Casagrande, Danskin Agency
 Alison Kelly, Danskin Agency
 Ezio Altamura, GJEM-Otterstedt Agency
 Matt McArow Jr., GJEM-Otterstedt Agency
 Don Sciolaro, PIA
 Lindsay Klein, Acrisure

APPROVAL OF MINUTES: October 18, 2023

MOTION TO APPROVE OPEN MINUTES OF OCTOBER 18, 2023

MOTION: Commissioner Wolk
SECOND: Commissioner Franz
VOTE: 9 Ayes, 0 Nays, 3 Abstains (Commissioners Laureigh, Northgrave, Rovell)

CORRESPONDENCE

None

TREASURER

Mr. Cuccia presented his report, Resolution 27-23 confirming the November Bills List as follows:

RESOLUTION 27-23 NOVEMBER BILL LIST

FUND YEAR	AMOUNT
2023	\$61,236.24
Total	\$61,236.24

MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NO. 27-23

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

Treasurer said in regard to the JCFM portfolio of \$343 million, the yield to maturity is at 5.09.

EXECUTIVE DIRECTOR/ADMINISTRATOR:

2023 Dividend - Executive Director said at our September meeting, the Executive Committee approved the EJIF 2023 dividend distribution of \$2,500,000. The request was filed with the Department of Banking and Insurance (DOBI) and they noted a slight difference in the amount of surplus available for return in certain years. This resulted in minor adjustments to amounts released from the selected years. The total amount for distribution remains the same at \$2,500,000. Resolution 28-23 which reflects the adjustments and amends Resolution 25-23 was adopted by the Board of Fund Commissioners in September. An updated distribution chart was included in the agenda and the dividend will again be filed with the state for their approval.

Motion to adopt Resolution 28-23 amending resolution 25-23 authorizing a total return dividend of \$2,500,000.

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

Appointment of Excess Carrier – Our Underwriting Managers have completed negotiations with our current carrier, Ascot Specialty Insurance Company, as well as other(s) in the marketplace and are recommending the incumbent carrier. Enclosed is Resolution #29-23 appointing Ascot Specialty Insurance Company as the EJIF excess carrier for Fund Year 2024. The increase is 1.5% which is very favorable. Underwriting Manager said they had several carriers interested but the incumbent had the best offering by far. Executive Director commended the effort noting the quote came in under budget.

Motion to adopt Resolution #29-23 appointing Ascot Specialty Insurance Company as the E-JIF Excess Carrier for Fund Year 2024

MOTION: Commissioner McNeilly
SECOND: Commissioner Franz
ROLL CALL VOTE: Unanimous

Nominating Committee - The Nominating Committee will be meeting prior to the 2024 reorganization meeting. Their recommend slate will be presented at that time. We recognize and thank outgoing Chairman Rutkowski for his service to the EJIF.

2023 Commissioner Compensation – The Commissioners attendance record for 2023 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 #10-23 at its January re-organization meeting which authorized the Treasurer to make payments to Fund Commissioners for 2023 meeting attendance.

Membership Presentation - On October 18, 2023 the Executive Director, Fund Attorney, Underwriting Manager and Environment Engineer gave a presentation of EJIF services to the Atlantic JIF to discuss possible membership. The presentation was well received.

Mr. Forlenza expressed his thanks to the Executive Director, Underwriting Manager, Environmental Engineer, and Fund Attorney for making the trip to present EJIF services to the Atlantic JIF. The presentation gave a clear and concise review of the resources and coverage the EJIF offers, and the JIF is considering the opportunity and will decide in November. Fund Attorney said the interaction and questions were very good and thanked Mr. Forlenza for his assistance with setting up the presentation.

2024 Meeting Platform – In order to best streamline and leverage Microsoft 365 suite of applications, the Fund office will eliminate the use of the Zoom application for meetings and webinars. Microsoft Teams will become the default option for audio or video conferencing beginning January 2024.

Next Meeting: The next meeting of the EJIF will be the 2024 Reorganization and will follow the MEL change to Monday, January 8, 2024, at the same time and location.

Motion to schedule the 2024 reorganization meeting of the EJIF to January 8, 2024 at 10:50 am at the Forsgate County Club in Jamesburg, NJ

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

Executive Director said the Financial Fast Track report as of September 30th shows the Fund is up \$907,000 for the year and statutory surplus, all fund years combined, is at \$17.5 million. The fund remains an excellent financial shape.

ATTORNEY:

No report.

UNDERWRITING MANAGERS:

Underwriting Manager said the Environmental Engineer has a new bulletin on PFAS issues that will be issued shortly. The 2024 renewals for underground storage tank policies will be distributed in December as usual. The number of underground tanks continues to decrease as members replace them with above ground tanks. Underwriting Manger reminded members they need to keep a copy of the policy on site to show the NJDEP should they decide to visit their location.

ENVIRONMENTAL ENGINEER:

Environmental Engineer said PFAS alert bulletin soon to be released covers the December deadlines to opt out or join the settlement agreements with both 3M and Dupont. The DEP has started to adopt AST standards under storm water permits and expects in the next two years the DEP will have new regulations for AST.

ACTUARY

Fund Actuary said the estimated IBNR as of September 30th is \$5.7 million. The 3rd quarter loss experience was consistent with expectation.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

PUBLIC FOR COMMENT:

None.

CLAIMS REVIEW / EXECUTIVE SESSION:

Executive Director said the Claims Administrator has 11 claims to review and they can be presented in open session.

Claims Administrator overviewed 13 claims:

<input type="checkbox"/> Authority	<input type="checkbox"/> E-JIF #	<input type="checkbox"/> Claimant	<input type="checkbox"/> Date of Loss	<input type="checkbox"/> Proposed Pmt. Authority
<input type="checkbox"/> Washington Township MUA	<input type="checkbox"/> NON23-10	<input type="checkbox"/> Washington Township MUA	<input type="checkbox"/> October 18, 2022	<input type="checkbox"/> \$30,000

<input type="checkbox"/> Passaic Valley Water Commission	<input type="checkbox"/> NON23-11	<input type="checkbox"/> Ferraiolo	<input type="checkbox"/> November 16, 2022	<input type="checkbox"/> \$30,000
<input type="checkbox"/> Passaic Valley Water Commission	<input type="checkbox"/> NON23-12	<input type="checkbox"/> Paulicelli	<input type="checkbox"/> November 16, 2022	<input type="checkbox"/> \$30,000
<input type="checkbox"/> Passaic Valley Water Commission	<input type="checkbox"/> NON23-13	<input type="checkbox"/> Britton	<input type="checkbox"/> November 16, 2022	<input type="checkbox"/> \$30,000
<input type="checkbox"/> Passaic Valley Water Commission	<input type="checkbox"/> NON23-14	<input type="checkbox"/> Tartarilla	<input type="checkbox"/> November 16, 2022	<input type="checkbox"/> \$30,000
<input type="checkbox"/> Passaic Valley Water Commission	<input type="checkbox"/> NON23-15	<input type="checkbox"/> Muniz	<input type="checkbox"/> November 16, 2022	<input type="checkbox"/> \$30,000
<input type="checkbox"/> Passaic Valley Water Commission	<input type="checkbox"/> NON23-16	<input type="checkbox"/> McGuire	<input type="checkbox"/> November 16, 2022	<input type="checkbox"/> \$30,000
<input type="checkbox"/> Passaic Valley Water Commission	<input type="checkbox"/> NON23-17	<input type="checkbox"/> Rose	<input type="checkbox"/> November 16, 2022	<input type="checkbox"/> \$30,000
<input type="checkbox"/> In response to Commissioner Merchel, Claims Administrator confirmed each claim for Passaic Valley Water Commission is an open claim for the EJIF.				
<input type="checkbox"/> Fort Lee	<input type="checkbox"/> TANK23-4	<input type="checkbox"/> Fort Lee	<input type="checkbox"/> March 24, 2023	<input type="checkbox"/> \$16,000
<input type="checkbox"/> Toms River MUA	<input type="checkbox"/> TANK23-5	<input type="checkbox"/> Toms River MUA	<input type="checkbox"/> April 11, 2023	<input type="checkbox"/> \$90,000
<input type="checkbox"/> In response to Executive Director, Claims Administrator said the environmental engineer's investigation has been completed for the Toms River MUA claim; it is covered and he expects the claim will be paid out and closed.				
<input type="checkbox"/> Jackson Twp. MUA	<input type="checkbox"/> SP23-8	<input type="checkbox"/> Jackson Twp. MUA	<input type="checkbox"/> Sept. 25, 2023	<input type="checkbox"/> \$55,000

MOTION TO APPROVE THE PARs AS SUBMITTED:

MOTION: Commissioner Merchel

SECOND: Commissioner Nolan

ROLL CALL VOTE: 12 Ayes for all claims; 1 Abstain on the Toms River MUA claim (Commissioner Rutkowski)

MOTION TO ADJOURN MEETING

MOTION: Commissioner Nolan

SECOND: Commissioner Franz

VOTE: Unanimous

Meeting Adjourned: 9:50 AM

Sandy Cantwell, Assisting Secretary
For Tom Merchel, Secretary

**NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK
MANAGEMENT FUND
BILLS LIST**

Resolution No. 27-23

November 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>
001967			
001967	PERMA RISK MANAGEMENT SERVICES	POSTAGE 10/23	15.91
001967	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 11/23	28,585.50
			28,601.41
001968			
001968	DORSEY & SEMRAU	FUND ATTORNEY 11/23	7,722.76
			7,722.76
001969			
001969	CHARLES CUCCIA	TREASURER FEE 11/23	1,810.90
			1,810.90
001970			
001970	DANSKIN INSURANCE AGENCY	UNDERWRITING MGR FEE 11/23	22,640.92
			22,640.92
001971			
001971	THE CANNING GROUP LLC	QPA SERVICES 10/23	416.67
			416.67
001972			
001972	ACCESS	DEPT 736 INV 10480711 9/30/23 FOR OCT	43.58
			43.58
		Total Payments FY 2023	61,236.24
		TOTAL PAYMENTS ALL FUND YEARS	61,236.24

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. 28-23

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND AUTHORIZING REFUND OF THE 1999, 2002, 2003, 2005, 2008, 2009 AND 2010 FUND YEAR'S SURPLUS ACCOUNTS.

WHEREAS, N.J.A.C. 11:15-2.21 provides that a FUND may seek approval from the Commissioner of Insurance for a refund of excess monies from any FUND year upon compliance with certain requirements; and

WHEREAS, the FUND has obtained a calculation from its Actuary and Executive Director as to the amount of money which is available for distribution consistent with the aforementioned regulations, and the financial integrity of the FUND; and

WHEREAS, the Executive Committee has determined that it would be in the best interest of the FUND and its member municipalities to make certain refunds;

WHEREAS, prior resolution #25-23 was adopted at the Fund's October 18, 2023 public meeting;

WHEREAS, adjustments and appropriate reallocation has now been made regarding the amount available to be distributed in certain Fund years;

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the **New Jersey Municipal Environmental Risk Management Fund**, As Follows:

1. Section B of N.J.A.C. 11:15-2.21 provides that the FUND may seek approval for refunds from funds other than those specified for Legal Liability, Defense or Environmental Services.

2. The Executive Committee has balanced the interests of the members in obtaining the benefit of such monies as are available for refund against the need for the FUND to protect and preserve its financial integrity. It is the conclusion of the Executive Committee that \$407,500 can be refunded from the 2002 Fund year surplus accounts, \$575,000 can be refunded from the 2003 Fund year surplus accounts, \$900,000 can be refunded from the 2005 Fund year surplus accounts, \$90,000 can be refunded from the 2008 Fund year surplus accounts, \$160,000 can be refunded from the 2009 Fund year surplus accounts and \$367,500 can be refunded from the 2010 Fund year surplus accounts. Therefore, the total amount to be returned to the E-JIF members will be \$2,500,000.

3. The Executive Director is, therefore, authorized and directed to submit such documents as the regulations require to the Department of Insurance and the Department of Community Affairs for the approval of the refunds in the amounts set forth above.

4. This authorization is based upon the Auditor's Report of the Historical Operating Results as of December 31, 2022. The aforementioned refund monies shall be allocated, as required and necessary, from the Fund years mentioned above.

5. The FUND Treasurer is authorized to prepare and execute checks for the pro-rated amount of the aforementioned refunds due to each member for the years in question, provided, however, the FUND Treasurer shall deduct the amount owed by the member local unit for any outstanding balances without regard for Fund year, upon receipt of written documentation of approval or acquiescence of these refunds from the Department of Insurance and the Department of Community Affairs. Said refunds shall be made to the municipalities which were members of the FUND for the years in question in the same ratio as said municipalities were assessed for the years in question.

Dated: _____

E-JIF

Attest:

Chairman

Secretary

RESOLUTION NO. #29-23

**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 \$550,046 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 2024 budget in the amount of \$550,046 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 2024 budget year for Reinsurance and/ or Excess Liability Coverage in the amount of \$550,046.

Chairman

Secretary

Date: _____