

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF JANUARY 3, 2018
JAMESBURG, NEW JERSEY
10:50 AM**

SINE DIE MEETING

Meeting called to order by Robert Landolfi. The Open Public Meeting Notice was read into the record.

Pledge of Allegiance

ROLL CALL OF 2017 EXECUTIVE COMMITTEE:

Chairman:	Central	Robert Landolfi	Present
Secretary:	Sub Essex JIF	Joe Catenaro	Present
Executive Committee:	Monmouth	Thomas Nolan	Present
	Camden	Joe Wolk	Present
	Sub-Muni	Jim Gildea	Present
	Trico	Robert Law	Present
	Ocean	Paul Shives	Present
	South Bergen	Greg Franz	Present
Alternates:			
	#1 Bergen	Paul Tomasko	Present
	#2 Burlco	Meghan Jack	Present
	#3 NJUA	Bernie Rutkowski	Present
	#4 PMM	Tom Czerniecki	Present
	#5 Morris	Jon Rheinhardt	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	Chuck Casagrande Mike Avalone	Present Present
Claims Administrator	King and Petracca	Peter King, Esq.	Present
Environmental Engineering Services	First Environment PS&S Engineering	Rich Erickson Chris Gulics	Present Present
Actuary	AON	Chas Kullman	Present
Auditor	Nisivoccia, L.L.P.	Francis "Bud" Jones	Absent

OTHERS PRESENT:

David Grubb, PERMA
Joseph Hrubash, PERMA
Cate Kiernan, PERMA
Brad Stokes, PERMA
Pauline Kontomanolis, PERMA
Robyn Walcoff, PERMA
Nancy Ghani, PERMA
Jason Thorpe, PERMA
Joen Ciannella, PERMA
Megan Champney, Summit City
Paul Forlenza, AJ Gallagher
David Vozza, RMC
Ezio Altamura, RMC
Sue Sharpe, Dorsey & Semrau
Kathy Kissane, Qual-Lynx
Christopher Botta, CB Claims

APPROVAL OF MINUTES: November 15, 2017

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF NOVEMBER 15, 2017

MOTION:	Commissioner Wolk
SECOND:	Commissioner Gildea
VOTE:	11 ayes, 0 nays, 1 abstention
	Commissioner Rheinhardt

CORRESPONDENCE :

None

OLD BUSINESS:

Chairman Landolfi thanked the Commissioners for the opportunity to Chair the Fund in 2017.

ADJOURN SINE DIE MEETING:

MOTION:	Commissioner Rheinhardt
SECOND:	Commissioner Gildea
VOTE:	Unanimous

Mr. Sacco began by informing the Board that Commissioner Shives and Commissioner Landolfi were retiring and thanked them for their years of service. He then explained that in accordance with the by-laws, the Fund elects a Chairman, Secretary, Executive Committee, and Alternates.

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

MOTION: Commissioner Nolan
SECOND: Commissioner Law
VOTE: Unanimous

Mr. Sacco referred to the recommended slate within the Nominating Committee report:

Chairman:	Sub Essex JIF	Joe Catenaro
Secretary:	Monmouth	Thomas Nolan
Executive Committee:	Camden	Joe Wolk
	Sub-Muni	Jim Gildea
	Trico	Robert Law
	South Bergen	Greg Franz
	Bergen	Paul Tomasko
	Burlco	Meghan Jack
Alternates:		
	#1 NJUA	Bernie Rutkowski
	#2 PMM	Tom Czerniecki
	#3 Morris	Michael Guarino
	#4 Ocean	Veronica Laureigh
	#5 Central	<i>To be Appointed</i>

Mr. Sacco asked for additional nominations. Hearing none, Mr. Sacco asked for a motion to close nominations and confirm elections.

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

MOTION: Commissioner Rheinhardt
SECOND: Commissioner Gildea
VOTE: Unanimous

The 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 asked for a roll call of the full 2018 Board of Commissioners:

ROLL CALL OF 2018 COMMISSIONERS:

Sub Essex JIF	Joe Catenaro	Present
Monmouth	Thomas Nolan	Present
Camden	Joe Wolk	Present
Sub-Muni	Jim Gildea	Present
Trico	Robert Law	Present
South Bergen	Greg Franz	Present
Bergen	Paul Tomasko	Present
Burlco	Meghan Jack	Present
NJUA	Bernie Rutkowski	Present
PMM	Tom Czerniecki	Absent
Morris	Jon Rheinhardt	Present
Ocean	Veronica Laureigh	Present
Central	<i>To be Appointed</i>	

Chairman Catenaro thanked Commissioner Landolfi and Commissioner Shives for their service and thanked the Board of Commissioners for his appointment. He then asked Mr. Sacco to review the reorganization resolutions with the committee. Mr. Sacco requested the following Resolutions be considered for adoption with one motion, unless an Executive Committee member objected:

RESOLUTION 1-18 CERTIFYING THE ELECTION OF JOSEPH CATENARO AS CHAIRMAN AND THOMAS NOLAN AS SECRETARY FOR FUND YEAR 2018:

Resolution presented to confirm elections of Chairman and Secretary of the Fund.

RESOLUTION 2-18 FUND PROFESSIONAL APPOINTMENT AND PROFESSIONAL SERVICE AGREEMENTS: Resolution presented to confirm appointments of Fund Professionals approval of Professional Service Agreements.

Executive Director	Perma Risk Management Services
Fund Attorney	Fred Semrau, Esq.
Claims Administrator	Peter King, Esq.
Treasurer	Charles Cuccia
Asset Manager	Wilmington Trust
Auditor	Francis (Bud) Jones of Nisivoccia LLP
Underwriting Managers	Danskin Insurance Agency, Inc. and Conner Strong & Buckelew
Actuary	Aon
Environmental Engineering	PS&S Engineering and First Environment
Legislative Agent	PPAG

Resolution 3-18 - Establishing a Funds Records Program

Resolution 4-18 - Establishing a Fiscal Management Plan

Resolution 5-18 - Establishing Public Meeting Procedures

Resolution 6-18 - Purchase of Excess Insurance

Resolution 7-18 - Risk Management Plan

Resolution 8-18 - Establishing a Defense Panel

Resolution 9-18 - Establishing Meeting Compensation for Board Members

Resolution 10-18 - Establishing Standing Committees

MOTION TO ADOPT RESOLUTIONS NO. 1-18 THROUGH 10-18

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

2018 STANDING COMMITTEES – Chairman Catenaro referred to the list of 2018 standing committees enclosed within the agenda packet. He noted that there are several vacancies and advised that if any commissioner wishes to serve on a standing committee they should let him or the Executive Director know.

COVERAGE COMMITTEE

Tom Nolan
Joe Catenaro

RULES & CONTRACTS COMMITTEE

Joe Wolk
Vacant

BUDGET & FINANCE COMMITTEE

Tom Nolan
Vacant

NOMINATING COMMITTEE

Joe Catenaro
Vacant

CLAIMS COMMITTEE

Tom Nolan
Greg Franz
Bernie Rutowski

CORRESPONDENCE

Mr. Sacco referred to the letter from DOBI approving the Fund's 2017 dividend request.

TREASURER

Mr. Cuccia began by thanking the Board for reappointment. He then presented his report and Resolution No. 27-17 confirming the December Bill List and Resolution No. 11-18 approving the January Bill List as follows:

RESOLUTION 28-17 -DECEMBER BILL LIST

FUND YEAR	AMOUNT
2017	\$ 113,200.49
Total	\$ 113,200.49

RESOLUTION 11-18 - JANUARY BILL LIST

FUND YEAR	AMOUNT
2017	\$ 41,654.15
2018	\$ 634,592.92
Total	\$ 676,247.07

MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NO. 27-17 AND 11-18

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

EXECUTIVE DIRECTOR/ADMINISTRATOR:

FINANCIAL FAST TRACK – Mr. Sacco referred to Financial Fast Track as of September 30, 2017 enclosed within the agenda booklet. He indicated that the Fund increased its surplus position by 2.8 million. He informed the Committee that the Fund’s statutory surplus position is at 19.4 million and added that the Fund is in excellent financial shape.

Lastly, Mr. Sacco thanked the Committee for re-appointment on behalf of Perma.

ATTORNEY:

Mr. Semrau thanked the committee for his re-appointment. He then thanked Commissioner Landolfi and Commissioner Shives for their leadership throughout the years. Mr. Semrau also thanked Mr. Sacco for his leadership and commented that financial state of the fund is a direct result.

UNDERWRITING MANAGERS:

Mr. Casagrande began his report by thanking the Board for reappointment on behalf of himself, and Mr. Avalone. He reported that the excess coverage for the EJIF, previously provided by Liberty International Underwriters, will be issued in 2018 by a Liberty subsidiary, Ironshore Insurance Company. He noted the proposed Ironshore policy form is different from the expiring Liberty form and has been modified to reflect the EJIF as the underlying bearer of risk.

Mr. Casagrande reported that at the November EJIF Meeting, the commissioners approved the new Storage Tank Form, the \$250,000 Transit Coverage sublimit to the EIL Policy and a revised Risk Management Plan. He added that all the changes are effective January 1, 2018.

Lastly, Mr. Casagrande indicated that all storage tank certificates of insurance for 2018 were distributed to the members with approved underground storage tanks (USTs) during the month of December.

ENVIRONMENTAL ENGINEERING:

Mr. Erickson thanked the Board for the appointment on behalf of First Environment. He advised that there are new UST regulations.

Mr. Gulics also thanked the Board for the appointment on behalf of PS&S. He reported that there are new storm water rules that took effect January 1st. He advised that an Environmental alert will be prepared summarizing the new rules in place.

ACTUARY

Mr. Kullman indicated that he had nothing to report and thanked the committee for re-appointment.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

MEETING OPENED TO PUBLIC FOR COMMENT:

No public comments were made.

PUBLIC COMMENT PORTION OF THE MEETING CLOSED

CLOSED SESSION:

MOTION FOR EXECUTIVE SESSION TO DISCUSS CLAIMS AND POTENTIAL LITIGATION.

MOTION:	Commissioner Law
SECOND:	Commissioner Gildea
VOTE:	Unanimous

MOTION TO RETURN TO OPEN SESSION

MOTION: Commissioner Laureigh
SECOND: Commissioner Law
VOTE: Unanimous

MOTION TO APPROVE THE PARS AS PRESENTED DURING CLOSED SESSION

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

MOTION TO ADJOURN MEETING

MOTION: Commissioner Laureigh
SECOND: Commissioner Wolk
VOTE: Unanimous

Meeting Adjourned: 11:08 AM

Next Meeting:

March 2018
Princeton Hyatt Regency
Princeton, NJ

Respectfully submitted,

Prepared by Jason D. Thorpe, Assistant Secretary

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

Resolution No. 27-17

DECEMBER 2017

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 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001167			
001167	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES 10/31/2017	24,255.20
			24,255.20
001168			
001168	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 11/2017	35.80
001168	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 12/2017	21,488.81
			21,524.61
001169			
001169	CHARLES CUCCIA	TREASURER FEE 12/2017	1,608.00
			1,608.00
001170			
001170	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 09/2017	3,750.00
001170	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 08/2017	3,750.00
001170	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 11/2017	3,750.00
001170	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 10/2017	3,750.00
001170	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 06/2017	3,750.00
001170	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 07/2017	3,750.00
			22,500.00
001171			
001171	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 12/2017	18,312.82
			18,312.82
001172			
001172	PAUL J. SHIVES	2017 MEETING ATTENDANCE	750.00
			750.00
001173			
001173	ROBERT M. LANDOLFI	2017 MEETING ATTENDANCE	900.00
			900.00
001174			
001174	BRIAN BIGLER	2017 MEETING ATTENDANCE	150.00
			150.00
001175			
001175	MEGHAN JACK	2017 MEETING ATTENDANCE	750.00
			750.00
001176			
001176	BERNARD RUTKOWSKI	2017 MEETING ATTENDANCE	750.00
			750.00
001177			
001177	DENVILLE TOWNSHIP	2017 MEETING ATTENDANCE	150.00
			150.00
001178			

001178	NJ ADVANCE MEDIA	ACCT: XNJEN0555599 - 10/30/2017- BDGT	74.06
001178	NJ ADVANCE MEDIA	ACCT: XNJEN0555599 - 10/23/17 - PUB NOTI	341.00
			415.06
001179			
001179	MUNICIPAL EXCESS LIABILITY JIF	REIMBURSE 1/3 COST OF MTG EXP 10/18/17	921.21
			921.21
001180			
001180	ALLSTATE INFORMATION MANAGEMNT	ACCT: 736 - ACT & STOR 10/31/2017	25.51
			25.51
001181			
001181	JAMES H. GILDEA	2017 MEETING ATTENDANCE	750.00
			750.00
001182			
001182	JOSEPH E. WOLK	2017 MEETING ATTENDANCE	900.00
			900.00
001183			
001183	THOMAS F. NOLAN	2017 MEETING ATTENDANCE	900.00
			900.00
001184			
001184	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES - 10/2017	13,888.08
			13,888.08
001185			
001185	JOSEPH CATENARO	2017 MEETING ATTENDANCE	750.00
			750.00
001186			
001186	ROBERT LAW	2017 MEETING ATTENDANCE	900.00
			900.00
001187			
001187	GREGORY S. FRANZ	2017 MEETING ATTENDANCE	750.00
			750.00
001188			
001188	PAUL H. TOMASKO	2017 MEETING ATTENDANCE	900.00
			900.00
001189			
001189	JON RHEINHARDT	2017 MEETING ATTENDANCE	450.00
			450.00

Total Payments FY 2017

113,200.49

TOTAL PAYMENTS ALL FUND YEARS \$113,200.49

RESOLUTION NO. 1-18

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

**CERTIFYING THE ELECTION OF
CHAIRMAN AND SECRETARY FOR FUND YEAR 2018**

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

JOSEPH CATENARO, CHAIRMAN

THOMAS NOLAN, SECRETARY

BE IT FURTHER RESOLVED, that the Chairman and Secretary shall serve for the year 2018 and until their successors shall be elected and qualified.

ADOPTED: *this day before the Governing Body,*

RESOLUTION NO. 2-18

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND,
Hereinafter referred to as the "FUND")

**APPOINTING CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS
FOR FUND YEAR 2018**

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 obtain certain professional services and other extraordinary and other unspecifiable services, as defined in the Local Public Contracts Law, (N.J.S.A. 40A-12 et. seq.) for the 2018, 2019 & 2020 Fund years; and,

WHEREAS, NJSA 40a11-15 (6) allows for a contract duration of three (3) years; and,

WHEREAS, the Fund resolved to award Professional Service Agreements in accordance with a fair and open process pursuant to NJSA 19:44A-20.4 et. seq.; and,

WHEREAS, a notice soliciting proposals was published on the Fund's website; and,

WHEREAS, responses were received from professional service providers and service organizations as listed below on July 21, 2017 at 2 pm; 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; responses, 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.

WHEREAS, the Fund's Executive Committee resolve to appoint the Fund Professionals – noted below – to three year terms commencing on January 1, 2018 and ending on December 31, 2020 (unless otherwise noted) at its January 2018 Reorganization Meeting in accordance with a fair and open process pursuant to N.J.S.A. 19:44A-20.4 et. Seq.;

- 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**. \$865,107 is the estimated dollars that will be expended in connection with this contract over its three-year term. The annual amount of \$282,678 has been appropriated in the Administration Line Item of the 2018 budget.

- II. **Fred Semrau, Esq. of Dorsey & Semrau as Fund Attorney providing General Counsel**, \$234,310 is the estimated dollars that will be expended in connection with the General Counsel contract over its three-year term. The annual amount of \$76,562 has been appropriated in the Attorney Line Item of the 2018 budget.
- III. **Peter King, Esquire** is appointed to serve as the FUND's **Claims Administrator**. \$80,979 is the estimated dollars that will be expended in connection with the Claims Administrator contract over its three-year term. The annual amount of \$26,460 has been appropriated in the Claims Administration Item of the 2018 budget.
- IV. **Mr. Charles S. Cuccia** is hereby appointed as **Fund Treasurer**. \$60,238 is the estimated dollars that will be expended in connection with the Treasurer contract over its three-year term. The annual amount of \$19,683 has been appropriated in the Treasurer Line Item of the 2018 budget.
- V. **Wilmington Trust** is hereby appointed as **Asset Manager** to the FUND. –At an annual fee of 5 basis points on the market value of assets. *(1/1/16 – 12/31/18)*
- VI. **Mr. Francis (Bud) Jones of Nisivoccia LLP** is hereby appointed as **Fund Auditor**. \$48,840 is the estimated dollars that will be expended in connection with the Auditor contract over its three-year term. The annual amount of \$15,958 has been appropriated in the Auditor Line Item of the 2018 budget.
- VII. **The Danskin Insurance Agency, Inc. and Conner Strong & Buckelew** are hereby appointed as co-**Underwriting Managers** for the FUND. \$685,200 is the estimated dollars that will be expended in connection with the Underwriting Manager contract over its three-year term. The annual amount of \$223,892 has been appropriated in the Underwriting Managers Line Item of the 2018 budget.
- VIII. **AON Worldwide Actuarial Services, Inc.** is hereby appointed as **Actuary** for the FUND. \$192,609 is the estimated dollars that will be expended in connection with the Actuary contract over its three-year term. The annual amount of \$62,935 has been appropriated in the Actuary Line Item of the 2018 budget.

IX. **Richard Erickson of First Environment and Chris Gulics of PS & S** are hereby appointed to provide **Environmental Engineering/Services** to the FUND as per the agreed pricing as a result of the 2015 RFQ process for the 2018 fund year. This will be a 1 year appointment with the FUND. *(1/1/18 – 12/31/18)*. \$429,758 is the estimated dollars that will be expended in connection with the Environmental Engineer's contract for the one-year term. The annual amount of \$197,251 (First Environment) and \$223,109 (PS & S) has been appropriated in the Environmental Engineer Line Item of the 2018 budget.

X. **Princeton Public Affairs Group** as **Legislative Agent** at an annual fee of \$45,000. The annual amount of \$45,000 has been appropriated in the Legislative Agent Line Item of the 2018 budget.

BE IT FURTHER RESOLVED, all Professional Service Providers and Service Organizations appointed pursuant to this Resolution shall service the Fund in accordance with the terms and conditions of the Professional Service Agreements

BE IT FURTHER RESOLVED, that in accordance with NJSA 19:44A-20.7, the decision of the Fund's Executive Committee that the procurement process utilized, constitutes a fair and open process, shall be final.

ADOPTED: *this day by the Governing Body,*

RESOLUTION NO. 3-18

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(Hereinafter the "FUND")

ESTABLISHING A FUND RECORDS PROGRAM FOR FUND YEAR 2018

WHEREAS: The FUND must establish a formal record retention program for the 2018 Fund Year.

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

- I. Thomas Nolan, 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. Jason Thorpe, 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 day before the Governing Body*

RESOLUTION NO: 4-18

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(hereafter referred to as "THE FUND")
ESTABLISHING A FISCAL MANAGEMENT PLAN
FOR THE 2018 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 2018 Fund Year:

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

Joseph Catenaro	CHAIRMAN
Thomas Nolan	SECRETARY
Charles Cuccia	TREASURER
Greg 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 Petracca

Fred Semrau

FOR WIRE TRANSFERS - that the FUND does hereby require that Investors 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 day before the Governing Body:*

Chairman

date

Secretary

date

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
2018 CASH MANAGEMENT AND INVESTMENT POLICY**

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

The NJ 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 the following:

- a.) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- b.) Government money market mutual funds.
- c.) Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- d.) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.
- e.) Bonds or other obligations, having a maturity date not exceeding 397 days, approved by the Division of Investments of the Department or Treasury for investment by local units.

- f.) Debt obligations of federal agencies or government corporations with maturities not greater than ten (10) years from the date of purchase, excluding mortgage backed obligations, providing that such investments are purchased through the New Jersey Division of Investment and are consistent the Division's own investment guidelines, and providing that the investment a fixed rate of interest not dependent on any index or external factors.
- g.) Local Government Investment Pools
- h.) Repurchase agreements of fully collateralized securities, subject to rules and conditions establish by the N.J. Department of Community Affairs.

No investment or deposit shall have a maturity longer than ten (10) years from date of purchase. At any given time, the Fund's investment portfolio shall conform to the following criteria:

- a) Any bonds or other obligations held by the FUND shall have a minimum long-term investment grade underlying credit rating, or equivalent rating provided by a Nationally Recognized Statistical Rating Organization as outlined by the U.S. Securities and Exchange Commission, with the exception of bonds issued pursuant to the Municipal Qualified Bond Act, which may have an underlying credit rating below investment grade so long as the Municipal Qualified Enhanced Rating is investment grade, or equivalent rating provided by NRSO.
- b) A minimum of thirty-five (35) percent of aggregate total par amount of bonds and other obligations shall have a minimum long-term, underlying credit rating of AA-, or equivalent rating by an NRSRO.
- c) The aggregate par amount of bonds or other obligations with a long-term underlying credit rating below A-, or equivalent rating by an NRSRO, shall not exceed thirty (30) percent of the aggregate total par amount of bonds, investments and other obligations held by the Fund.
- d) The aggregate par amount of bonds or other obligations with maturities longer than five (5) years shall not exceed sixty (60) percent of the aggregate total par amount of bonds, investments and other obligations held by the FUND.

Any exception to or deviations from the above criteria must be approved by the New Jersey Division of Local Governmental Services and the New Jersey Division of Investment.

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 are as follows:

Wells Fargo Bank
Investors Bank
Wilmington Trust

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 minimize transaction costs by querying prices from at least three (3) dealers and purchasing securities on a competitive basis. When possible, federal securities shall be purchased directly from the US Treasury. Transactions shall not be processed through brokerages which are organizationally affiliated with the asset manager. 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 imprest 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: 5-18

**NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
(hereafter the "FUND")
ESTABLISHING PUBLIC MEETING PROCEDURES FOR FUND YEAR 2018**

WHEREAS, the FUND must establish meeting procedures for Fund Year 2018, and

NOW, THEREFORE BE IT RESOLVED BY the Funds Governing Body

- I.** That the FUND shall hold public meetings during the year 2018 at 10:50 AM on Wednesday March 7, 2018 at the Princeton Forrestal Center, Princeton, NJ; Thursday, June 7, 2018 at 10:50 AM at the Forsgate CC, Wednesday, September 5, 2018 at 10:50 AM at the Forsgate CC, Wednesday, October 17, 2018 at 10:50 AM at the Forsgate CC and on November 14, 2018 at noon at the Sheraton Hotel, Atlantic City, NJ; and Wednesday, January 2, 2019. Unless noted, locations will be at Forsgate Country Club.

- 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 day;

Chairman

date

Secretary

date

RESOLUTION NO. 6-18

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

**RESOLUTION FOR THE PURCHASE OF EXCESS INSURANCE FOR FUND YEAR
2018**

WHEREAS, the NJ Municipal Environmental Risk Management Fund, hereafter, the FUND, at its December 4, 1996 meeting authorized the purchase of excess insurance; and this being completed;

NOW, THEREFORE BE IT RESOLVED that the FUND ratifies and confirms the purchase from Liberty International Underwriters, Inc. The following coverage, to be effective January 1, 2018 through December 31, 2018:

The Aggregate Excess Liability coverage of \$9,000,000 excess of the \$3,000,000 attachment point annual aggregate at a rate of 14.09 cents per capita for Fund Year 2018 based on a population of 3,756,257.

ADOPTED: this day before the Governing Body

Chairman

date

Secretary

date

2018 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 1988 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.

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.

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 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

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- 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)
- n) Willful, deliberate non-compliance with regulation, statute, or other law

5. Limit of Liability:

\$1,000,000 per claim

\$1,000,000 annual aggregate

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.

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.

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.

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.

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.

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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.

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

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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.

No coverage applies to underground storage tanks that are rejected, unknown and/or unscheduled. Refer to item 6 regarding the E-JIF Underground Tank Remediation Grant Program.

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.

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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

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

\$ 1,000,000 Aggregate Limit

\$ 100,000 Aggregate Defense Limit

6. E-JIF Underground Storage Tank Remediation Grant 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.

2. 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.

3. 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.

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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).

4. 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.

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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).
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.

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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.

5. 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

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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.

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 3rd day of January 2018 by the Governing Body*

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RESOLUTION NO. 8-18

**RESOLUTION OF THE COMMISSIONERS OF THE NEW JERSEY
ENVIRONMENTAL RISK MANAGEMENT FUND ESTABLISHING A DEFENSE
PANEL**

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

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

WHEREAS, the New Jersey Municipal Environmental Risk Management Fund advertise and requested proposals through the fair and open process pursuant to N.J.S.A. 19:44A-20.4 et seq.; and

WHEREAS, such proposals were submitted and reviewed by the Fund Commissioners.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the New Jersey Municipal Environmental Risk Management Fund, that the following law firms are hereby authorized as the defense panel:

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

Peter J. King, Esq.
King & Petracca
51 Gibraltar Drive, Suite 1 D
Morris Plains, NJ 07950

M. James Maley, Jr., Esq.
Maley & Associates
931 Haddon Avenue
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

Law Offices of John Hipp
301 State Rt. 17 N
Rutherford, NJ 07070

Ted Henry, Esq.
Reilly, Janiczek, McDevitt, Henrich & Cholden, P.C.
Attorneys at Law
Suite 240
Kevon McClellan Blvd.
Merchantville, NJ 08109

BE IT FURTHER RESOLVED by the Commissioners of the New Jersey Municipal Environmental Risk Management Fund, that the following fee schedule for Defense Attorney's for 2018 is established:

1. Partners – \$170/hour
2. Associates with five years experience – \$145/hour
3. Associates - \$135/hour
4. Paralegals - \$85/hour

ADOPTED: this day before the Governing Body

RESOLUTION # 9-18

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
ESTABLISHING MEETING COMPENSATION FOR
BOARD OF COMMISSIONER MEMBERS
FOR THE 2018 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 day before the Governing Body

RESOLUTION NO. 10-18

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

ESTABLISHING STANDING COMMITTEES FOR FUND YEAR 2018

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, Claims Committee and Nominating Committee;**

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

ADOPTED: *this day before the Governing Body,*

COVERAGE COMMITTEE CHARTER

The Environmental Joint Insurance Fund hereby constitutes and establishes a Coverage Committee:

Composition

The Committee shall be comprised of up to three (3) members and shall be appointed by the Chairman of the Commission, and shall be chaired by a Commissioner of the EJIF. The Committee shall be assisted as needed by the Fund Actuary, Fund Attorney, a technical writer, Underwriting Managers, a representative from the Executive Director's office, a representative from the liability reinsurance company (which shall be a non-voting member), and up to eight (8) Risk Management Consultants. The term of each member shall be one (1) year.

Authority and Responsibility

The Coverage Committee is to serve as the focal point for communication on issues pertaining to Coverage, underwriting and reinsurance. The Coverage Committee shall advise the Commissioners on issues pertaining to Coverage requirements of members of the EJIF, Coverage issues in the insurance industry which should be addressed by the entity, the efficiency and clarity of communications between the EJIF and the insured regarding Coverage issues, the proposed role of the EJIF in addressing areas of insurance outside of its normal purview, retention and reinsurance issues, and underwriting guidelines.

Coverage Committee Bylaws

The Coverage Committee was established by charter approved by resolution of the EJIF Commissioners on January 29, 1997. The Committee's operational guidelines are set down herein and may be amended by the Commissioners.

Meetings

The Coverage Committee is to meet two (2) times a year, if necessary, and as many other times as the Committee Chairman deems necessary.

Attendance

Members of the Coverage Committee are requested to be present at all meetings. As necessary or desirable, the Chairman may request that other members of the management team attend to participate in discussions of particular issues.

Minutes

Minutes of each meeting are to be prepared and approved by Committee members and provided to the Commissioners.

Specific Duties

The Coverage Committee is to:

- 1.) Oversee the implementation of Coverage, underwriting, and retention and reinsurance policies instituted by the Commissioners.
- 2.) Monitor the needs of member municipalities to determine whether existing Coverages are adequate and appropriate.
- 3.) Identify trends and/or emergent issues which should be addressed by the EJIF in order to provide for appropriate protection of the financial interest of member communities.
- 4.) Review the retention structure of the Joint Insurance Funds, the EJIF, and the reinsurers to determine whether changes in the structure is needed in order to improve Coverage or to achieve economies.
- 5.) Evaluate whether changes in members' needs and/or loss patterns necessitate clarification or amendment of existing Coverage policies.
- 6.) Apprise the Commissioners, through minutes and special presentations as necessary, of significant developments in the course of performing the above duties.
- 7.) Recommend to the Commissioners any appropriate extensions or changes in the duties of the Committee.
- 8.) Report annually to the Commissioners on the discharge of the above responsibilities.

RULES and CONTRACTS COMMITTEE CHARTER

The Environmental Joint Insurance Fund hereby constitutes and establishes a Rules and Contracts Committee:

Composition

The Rules and Contracts Committee shall be comprised of at least three (3) members appointed by the Chairman of the Commissioners, one (1) of whom shall be an EJIF Commissioner, who shall serve as Chair of the Committee. Also serving on the Committee shall be EJIF Commissioners who are available and qualified.

Authority and Responsibility

The Rules and Contracts Committee shall review Professional Service Contracts for cost competitiveness, clarity of language, and adequacy of scope of service. At least yearly, the Committee shall advise the Commissioners regarding the renewal or awarding of such contracts. Additionally, the Committee shall advise the Commissioners regarding issues pertaining to Bylaws of the Fund.

Rules and Contracts Committee Bylaws

The Rules and Contracts Committee of the entity was established by charter approved by resolution of the Commissioners on January 29, 1997. The Committee's operational guidelines are set down herein and may be amended by the Commissioners.

Meetings

The Rules and Contracts Committee are to meet once a year, if necessary, and as many times as the Committee Chairman deems necessary.

Attendance

Members of the Rules and Contracts Committee are requested to be present at all meetings. In addition, a representative from the Executive Director's office shall also attend such meetings and the Fund Attorney shall provide legal assistance and shall be in attendance when requested. As necessary or desirable, the Chairman may request that professionals, whose contracts are under consideration, also attend in order to exchange view on any issue that may be at hand.

Minutes

Minutes of each meeting are to be prepared and approved by Committee members and provided to the Commissioners.

Specific Duties

In undertaking its responsibilities as outlined above, the Rules and Contracts Committee is to:

- 1.) Apprise the Commissioners, through minutes and special presentations as necessary, of significant developments in the course of performing its responsibility.
- 2.) Recommend to the Commissioners any appropriate extension or change in the duties of the Committee.
- 3.) Recommend to the Commissioners the retention or replacement of professionals and/or the amendment or approval of professional contracts.
- 4.) Report annually to the Commissioners on the discharge of the above responsibilities.
- 5.) Apprise the Commissioners through minutes and special presentations, as necessary, of significant developments in the course of performing the above duties.
- 6.) Recommend to the Commissioners any appropriate changes or extensions in the duties of the Committee.

NOMINATING COMMITTEE CHARTER

The Environmental Joint Insurance Fund Commissioners hereby constitutes and establishes a Nominating Committee:

Composition

The Nominating Committee shall be comprised of at least three (3) members, all of whom shall be members of the Commissioners. One (1) of the Commissioners members shall serve as Chairman of the Committee. All members shall be appointed by Commissioners and their term shall be for one (1) year.

Authority and Responsibility

The Nominating Committee shall be charged with reviewing and nominating candidates for presentation in the event of a need to elect officers to the Commissioners or to appoint officers to subcommittees created by the Commissioners.

Nominating Committee Bylaws

The Nominating Committee was established by resolution approved by the EJIF Commissioners on January 29, 1997. The Committee's operational guidelines are set down herein and may be amended by majority vote of the Commissioners.

Meetings

The Nominating Committee is to meet once a year, if necessary, and as many other times as the Committee Chairman deems necessary.

Attendance

Members of the Nominating Committee are requested to be present at all meetings. The Committee Chairman may also request that individuals interested in being nominated to the Commissioners also attend the Committee meeting in order to be interviewed.

Minutes

Minutes of each meeting are to be prepared and approved by Committee members and provided to the Commissioners.

Specific Duties

The Nominating Committee is to:

- 1.) Compile and submit to the Commissioners a list of all individuals who have expressed an interest in serving as an officer or on subcommittees.
- 2.) Review and report to the general membership on the qualifications and background of the various candidates.
- 3.) Apprise the Commissioners, through minutes and special presentations as necessary, of significant developments in the course of performing the above duties.
- 4.) Recommend to the Commissioners any appropriate extension or changes in the duties of the Committee.
- 5.) Report annually to the Commissioners on the discharge of the above duties.

BUDGET AND FINANCE COMMITTEE CHARTER

The Environmental Joint Insurance Fund hereby constitutes and establishes a Budget and Finance Committee:

Composition

The Committee shall be comprised of up to three (3) members and shall be appointed by the Chairman of the Commission, and shall be chaired by a Commissioner of the EJIF. The Committee shall be assisted as needed by the Fund Actuary, Executive Director, the Treasurer and other professionals on an as needed basis. The term of each member shall be one (1) year.

Authority and Responsibility

The Budget and Finance Committee is to serve as the focal point for communication on issues pertaining to budget, rates, finance, audit and investments.

Coverage Committee Bylaws

The Budget and Finance Committee was established by charter approved by resolution of the EJIF Commissioners on January 29, 1997. The Committee's operational guidelines are set down herein and may be amended by the Commissioners.

Meetings

The Budget and Finance Committee is to meet two (2) times a year, if necessary, and as many other times as the Committee Chairman deems necessary.

Attendance

Members of the Budget and Finance Committee are requested to be present at all meetings. As necessary or desirable, the Chairman may request that other members of the management team attend to participate in discussions of particular issues.

Minutes

Minutes of each meeting are to be prepared and approved by Committee members and provided to the Commissioners.

Specific Duties

The Budget and Finance Committee is to:

- 1.) Oversee the preparation of the annual budget.

- 2.) Review with the Treasurer the preparation and implementation of the Fund's Cash and Investment Management Plan.
- 3.) Review with the Auditor those findings and recommendations arising from the conduct of the annual audit which can improve upon the efficiency of operation or strengthen internal controls.
- 6.) Apprise the Commissioners, through minutes and special presentations as necessary, of significant developments in the course of performing the above duties.
- 7.) Recommend to the Commissioners any appropriate extensions or changes in the duties of the Committee.
- 8.) Report annually to the Commissioners on the discharge of the above responsibilities.

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

Resolution No. 11-18

JANUARY 2018

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 2017

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001190			
001190	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 12/2017	3,750.00
			3,750.00
001191			
001191	LOWER ALLOWAYS CREEK TWP	REIMBURSE TEST & CONSTRUCTION REQUIREMENT	2,000.00
			2,000.00
001192			
001192	SHERATON ATLANTIC CITY	2 MEETING BREAKS & LUNCH - 11/15/2017	679.03
			679.03
001193			
001193	PETER J. KING, ESQ	CLAIMS ADMIN - 2017	25,942.00
			25,942.00
001194			
001194	ALLSTATE INFORMATION MANAGEMNT	ACCT: 736 - ACT & STOR 11/30/2017	44.04
			44.04
001195			
001195	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES - 11/2017	9,239.08
			9,239.08
		Total Payments FY 2017	41,654.15

FUND YEAR 2018

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001196			
001196	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 01/2018	23,556.50
			23,556.50
001197			
001197	DORSEY & SEMRAU	ATTORNEY FEE 1ST QTR 2018	19,140.50
			19,140.50
001198			
001198	CHARLES CUCCIA	TREASURER FEE 01/2018	1,640.25
			1,640.25
001199			
001199	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 01/2018	18,657.67
			18,657.67
001200			
001200	LIBERTY INTERNATIONAL UNDERWRITERS	2018 EXCESS POLICY	571,598.00
			571,598.00
		Total Payments FY 2018	634,592.92

TOTAL PAYMENTS ALL FUND YEARS \$ 676,247.07