

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF JUNE 2, 2022
FORESTGATE,
10:50 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
	Sub Metro	Joe Catenaro	Present
	Monmouth	Thomas Nolan	Present
	Camden	Joe Wolk	Present
	South Bergen	Greg Franz	Present
	Trico	Robert Law	Present
Alternates:			
	#1 Bergen	Paul Tomasko	Present
	#2 Ocean	Veronica Laureigh	Present
	#3 Central	William Northgrave	Present
	#4 Sub-Muni	Megan Champney	Present
	#5 Morris	Brian McNeilly	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 Moench Hirniak & Mehta	Peter King, Esq.	Present
Environmental Engineering Services	First Environment	Rich Erickson	Present
Actuary	AON	Chas Kullman	Present
Auditor	Nisivoccia, L.L.P.	Francis "Bud" Jones	Present

OTHERS PRESENT:

Kellie Seib, Sea Isle City
Ezio Altamura, RMC
Frank Covelli, RMC
Paul Shives, J.A. Montgomery
Ed Cooney, Conner Strong & Buckelew
Jonathon Tavares, Conner Strong & Buckelew
Rachel Perry, Conner Strong & Buckelew
Alyssa Rowland, Conner Strong & Buckelew
John Casagrande, The Danskin Agency
Alison Kelly, The Danskin Agency
Kyle Mrotek, The Actuarial Advantage
Laura Sable, CB Claims
Chris Botta, CB Claims
Paul Miola, AJ Gallagher
Paul Forlenza, AJ Gallagher
Kamini Patel, AJ Gallagher
David Grubb, PERMA
Joseph Hrubash, PERMA
Cate Kiernan, PERMA
Pauline Kontomanolis, PERMA
Robyn Walcoff, PERMA
Jennifer Conicella, PERMA
Nancy Ghani, PERMA
Brandon Tracy, PERMA
Sandra Cantwell, PERMA

APPROVAL OF MINUTES: March 25, 2022

MOTION TO APPROVE OPEN MINUTES OF MARCH 25, 2022

MOTION: Commissioner Merchel
SECOND: Commissioner Laureigh
VOTE: Unanimous

CORRESPONDENCE

None

TREASURER

Mr. Cuccia presented his report, Resolution No. 17-22 confirming the April Bill List, Resolution No. 18-22 confirming the May Bill List, and Resolution No. 19-22 approving the June Bill List as follows:

RESOLUTION 17-22 - APRIL BILL LIST

FUND YEAR	AMOUNT
2022	\$95,520.54
Total	\$95,520.54

RESOLUTION 18-22 - MAY BILL LIST

FUND YEAR	AMOUNT
2022	\$104,905.23
Total	\$104,905.23

RESOLUTION 19-22 - JUNE BILL LIST

FUND YEAR	AMOUNT
2022	\$65,000.31
Total	\$65,000.31

MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NOS. 17-22, 18-22, AND 19-22

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

EXECUTIVE DIRECTOR/ADMINISTRATOR:

AUDITOR YEAR-END REPORTS – The Fund Auditor Mr. Bud Jones began his review of the Audit Report with the Statement of Revenue, Expenses and Changes in Net Position. The Fund has \$20,662,595 in Net Position as of December 31st, 2021 and is excellent financial condition. Mr. Jones that there were no findings or recommendations associated with the audit. Mr. Sacco requested a motion to adopt Resolution 20-22 certifying the 2021 Audit and said the Group Affidavit indicating that each member of the Board has read the General Comments Section of the Audit Report will be circulated and will be filed with the state by the end of the month.

MOTION TO APPROVE YEAR-END FINANCIALS, ADOPT RESOLUTION #20-22 AND EXECUTE GROUP AFFIDAVIT INDICATING THAT MEMBERS OF THE EXECUTIVE COMMITTEE HAVE READ THE GENERAL COMMENTS SECTION OF THE AUDIT REPORT.

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

ACTUARIAL IBNR ESTIMATES – Mr. Sacco said the EJIF’s actuarial IBNR estimates valued as of March 31, 2022 were enclosed in the agenda booklet. Mr. Kullmann reported during first quarter of 2022 there were 16 new claims. The actual reported losses were less than expected and as a result the IBNR was lowered by \$140,000. The resulting impact on the ultimate cost estimate is a reduction of \$400K and the Fund’s loss position was improved at quarter end.

EJIF Coverage Committee – Mr. Sacco said the Coverage Committee met on May 24th to discuss the recent changes in standards (regulatory) of contaminant levels of PFOA/PFAS in drinking water and how same could affect the EJIF program. In past years this exposure was not significant but after the standards for PFOA/PFOS were lowered by the State, the Fund

has received its first two claims this year. Research is showing that other competitive JIFs and stand-alone policies are not offering coverage and early conversations with excess carriers are indicating a 50% chance they will be excluding PFOAs in 2023.

The Coverage Committee agreed the JIF wants to give some level of support to members and will recommend to the Board in September a sub-limit of \$25k so in the event of a claim members will have access to funds to obtain the resources necessary to begin to defend this type of claim. Mr. Sacco said they will also be working with the Fund Actuary Mr. Kullman to set up an aggregate cap; mostly likely in the 1-million-dollar range.

In response to Mr. Sacco, Mr. Semrau said he will research legislative relief. The municipalities provide services to the towns and will comply with standards; however, Title 59 immunities should be recognized and federal financial assistance made available. New Jersey has some of the highest standards in the county and he will look to engage our lobbyist to assist us in this endeavor.

Mr. Sacco said the professionals will rewrite policy language to include the recommendations to present at the September meeting and if approved, a claims sweep letter will be sent to all members for any currently known or potential claims.

Mr. Sacco said in one of the current claims, Mr. Jim Maley has just filed a well written summary judgment. Mr. Semrau agreed saying Mr. Maly made a significant effort in his letter that could have an impact setting precedent for future cases.

Commissioner Tomasko said the sub-limit is not for reclamation but will help with claims defense. Mr. Semrau said the sub-limit will be a big help getting a team assembled to defend the claims. Mr. Hrubash said he agrees that the Fund should support the members as possible. Mr. Sacco thanked the commissioners for their time to participate in the Coverage Committee call.

EJIF EMERGENCY POSTERS: Mr. Sacco said the Environmental Emergency Information posters were received. Please contact the Fund Office or the Environmental Engineer for posters.

SEPTEMBER MEETING: Mr. Sacco said due to other meeting conflicts, the Fund needs to reschedule the September meeting to Wednesday, September 7th, which will align with the MEL and RCF meetings.

Motion to reschedule September meeting to Wednesday, September 7, 2022.

MOTION: Commissioner Champney

SECOND: Commissioner Jack

VOTE: Unanimous

Due Diligence: Mr. Sacco said the statutory surplus at of the end of first quarter shows an increase of \$1.5 million and the Fund is in good financial shape.

ATTORNEY:

No report.

UNDERWRITING MANAGERS:

Mr. Casagrande said the Underwriting Managers report is enclosed within the agenda packet and encouraged members to read the minutes from the Coverage Committee, included in the agenda as Appendix III. Mr. Casagrande said he also agrees the Fund show support for members while

controlling exposure to the Fund. Underwriting will continue to discuss options with excess carriers for 2023. Mr. Casagrande said the Fund currently has \$9 million excess over the \$3 million retention and himself and Mr. Avalone would be assessing the Fund's coverage for 2023. Although the sublimit being offered for a PFOA claim will not begin to cover the cleanup, Commissioner Merchel said the sublimit will be a very helpful when trying to obtain initial guidance and expertise.

ENVIRONMENTAL ENGINEER:

Mr. Erickson said two videos for the Stormwater Training project are in production and two videos that include the new standards are being reviewed by DEP. The goal for completion date is September.

First Environmental delivered several seminars at the NJWA conference on topics including air pollution and environment justice.

Mr. Erickson said at the request of the Executive Director they reviewed which members provided their own water and which members contract with other sources. Commissioner Tomasko said that information was very helpful in the Coverage Committee discussion. Commissioner Merchel commended the proactive measures to maintain this information as new standards continue to be set forth. Mr. Erickson said PFOS was a hot topic at the NJWA conference.

ACTUARY

Mr. Kullman said he had nothing further to report.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

MEETING OPENED TO PUBLIC FOR COMMENT:

No public comments were made.

MOTION TO ENTER INTO CLOSED SESSION:

MOTION: Commissioner Jack
SECOND: Commissioner Tomasko
VOTE: Unanimous

Executive Director read the details for five (5) PARs. The Fund office will email the PARs to the Commissioners following the meeting.

MOTION TO RETURN TO OPEN SESSION:

MOTION: Commissioner Catenaro
SECOND: Commissioner Jack
VOTE: Unanimous

MOTION TO APPROVE THE PARs AS SUBMITTED:

MOTION: Commissioner Catenaro
SECOND: Commissioner Jack
ROLL CALL VOTE: Unanimous

MOTION TO ADJOURN MEETING

MOTION: Chairman Jack

SECOND: Commissioner Merchel

VOTE: Unanimous

Meeting Adjourned: 11:13 AM

Sandy Cantwell, Assisting Secretary
For Tom Merchel, Secretary

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND BILLS LIST

Resolution No. 17-22

April 2022

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
2022

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001764			
001764	PERMA RISK MANAGEMENT SERVICES	POSTAGE 3/22	13.62
001764	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 4/22	27,953.75
			27,967.37
001765			
001765	DORSEY & SEMRAU	ATTORNEY FEE 4/22	7,571.33
			7,571.33
001766			
001766	CHARLES CUCCIA	TREASURER FEE 4/22	1,775.42
			1,775.42
001767			
001767	PRINCETON PUBLIC AFFAIRS GROUP	GOVERNMENTAL AFFAIRS REP. 3/22	3,750.00
			3,750.00
001768			
001768	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 4/22	22,140.50
			22,140.50
001769			
001769	CONNER STRONG & BUCKELEW	BOND RENEWAL 5/1/22-5/1/23	2,528.00
			2,528.00
001770			
001770	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES FOR PE 2.28.22	17,491.83
001770	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES FOR PE 1.31.22	11,429.33
			28,921.16
001771			
001771	THE CANNING GROUP LLC	QPA SERVICES 3/1/22-3/31/22	416.67
001771	THE CANNING GROUP LLC	QPA SERVICES 2/1/22-2/28/22	416.67
			833.34
001772			
001772	ACCESS	ACCT #736 - ARC. AND STOR. - 2.28.22	33.42
			33.42
		Total Payments FY 2022	95,520.54

TOTAL PAYMENTS ALL FUND
YEARS 95,520.54

Chairperson: _____

Attest: _____

Dated: _____

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

Treasurer

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND BILLS LIST

Resolution No. 18-22

May 2022

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 2022

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001773			
001773	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 5/22	27,953.75
			27,953.75
001774			
001774	DORSEY & SEMRAU	ATTORNEY FEE 5/22	7,571.33
			7,571.33
001775			
001775	CHARLES CUCCIA	TREASURER FEE 5/22	1,775.42
			1,775.42
001776			
001776	PRINCETON PUBLIC AFFAIRS GROUP	GOVERNMENTAL AFFAIRS REP. 4/22	3,750.00
			3,750.00
001777			
001777	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 5/22	22,140.50
			22,140.50
001778			
001778	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES FOR PE 3.31.22	35,415.08
			35,415.08
001779			
001779	THE CANNING GROUP LLC	QPA SERVICES 4/1/22-4/30/22	416.67
			416.67
001780			
001780	ORIGAMI RISK LLC	LICENSE TO SOW #20200505 - 5.18.17	5,850.00
			5,850.00
001781			
001781	ACCESS	ACCT #736 - ARC. AND STOR. - 3.31.22	32.48
			32.48
		Total Payments FY 2022	104,905.23
TOTAL PAYMENTS ALL FUND			
YEARS			104,905.23

Chairperson: _____

Attest: _____

Dated: _____

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

Treasurer

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND BILLS LIST

Resolution No. 19-22

June 2022

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
2022

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001782			
001782	PERMA RISK MANAGEMENT SERVICES	POSTAGE 4/22	15.89
001782	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 6/22	27,953.75
			27,969.64
001783			
001783	DORSEY & SEMRAU	ATTORNEY FEE 6/22	7,571.33
			7,571.33
001784			
001784	CHARLES CUCCIA	TREASURER FEE 6/22	1,775.42
			1,775.42
001785			
001785	PRINCETON PUBLIC AFFAIRS GROUP	GOVERNMENTAL AFFAIRS REP. 5/22	3,750.00
			3,750.00
001786			
001786	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 6/22	22,140.50
			22,140.50
001787			
001787	ACCESS	ACCT #736 - ARC. AND STOR. - 4.30.22	33.42
			33.42
001788			
001788	DREW & ROGERS, INC.	1,000 LAMINATED POSTERS 'EC' & SHIP 5/22	1,760.00
			1,760.00
		Total Payments FY 2022	65,000.31
		TOTAL PAYMENTS ALL FUND YEARS	65,000.31

Chairperson: _____

Attest: _____

Dated: _____

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

Treasurer

New Jersey Municipal Environmental Risk Management Fund

Resolution #20-22

**Resolution of Certification
Annual Audit Report for Period Ending December 31, 2021**

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, the Annual Report of Audit for the year 2021 has been filed by the appointed Fund Auditor with the Secretary of the Fund as per the requirements of N.J.S.A. 40A:5-6 and N.J.S.A. 40A:10-36, and a copy has been received by each Fund Commissioner, and

WHEREAS, the Local Finance Board of the State of New Jersey is authorized to prescribe reports pertaining to the local fiscal affairs, as per R.S. 52:27BB-34, and

WHEREAS, the Local Finance Board has promulgated a regulation requiring that the Fund Commissioners of the Fund shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all Fund Commissioners have reviewed, as a minimum, the sections of the annual audit entitled:

General Comments
and
Recommendations

and

WHEREAS, the Fund Commissioners have personally reviewed, as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled:

General Comments
and
Recommendations

as evidenced by the group affidavit form of the Fund Commissioners.

WHEREAS, such resolution of certification shall be adopted by the Fund Commissioners no later than forty-five days after the receipt of the annual audit, as per the regulations of the Local Finance Board, and

WHEREAS, all Fund Commissioners have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and

WHEREAS, failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the Fund Commissioners to the penalty provisions of R.S. 52:27BB-52 - to wit:

R.S. 52:27BB-52 - "A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office."

NOW, THEREFORE, BE IT RESOLVED, that the Fund Commissioners of the **New Jersey Municipal Environmental Risk Management Fund**, hereby state that they have complied with the promulgation of the Local Finance Board of the State of New Jersey, dated July 30, 1968, and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON: June 2, 2022

Fund Secretary