

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF MARCH 27, 2020
TELECONFERENCE
9:20 AM**

Meeting called to order by Paul Tomasko. The Open Public Meeting Notice was read into the record.

Pledge of Allegiance

ROLL CALL OF 2020 EXECUTIVE COMMITTEE:

Chairman:	Bergen	Paul Tomasko	Present
Secretary:	NJUA	Bernie Rutkowski	Present
Executive Committee:	Burlco	Meghan Jack	Present
	Sub Essex JIF	Joe Catenaro	Present
	Monmouth	Thomas Nolan	Present
	Camden	Joe Wolk	Present
	South Bergen	Greg Franz	Present
	Trico	Robert Law	Present
Alternates:			
	#1 Morris	Jon Rheinhardt	Present
	#2 Ocean	Veronica Laureigh	Present
	#3 Central	William Northgrave	Present
	#4 PMM	Thomas Merchel	Present
	#5 Sub-Muni	Megan Champney	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	Absent

OTHERS PRESENT:

David Grubb, PERMA
Joseph Hrubash, PERMA
Cate Kiernan, PERMA
Brad Stokes, PERMA
Pauline Kontomanolis, PERMA
Nancy Ghani, PERMA
Jason Thorpe, PERMA
Paul Miola, AJ Gallagher
Paul Forlenza, AJ Gallagher
Ezio Altamura, RMC
Alison Kelly, RMC
John Casagrande, RMC

APPROVAL OF MINUTES: January 6, 2020

MOTION TO APPROVE OPEN & CLOSED MINUTES OF JANUARY 6, 2020

MOTION: Commissioner Law
SECOND: Commissioner Merchel
VOTE: Unanimous

CORRESPONDENCE

None

TREASURER

Mr. Cuccia presented his report, Resolution No. 11-20 confirming the February Bill List and Resolution No. 12-20 approving the March Bill List as follows:

RESOLUTION 11-20 -FEBRUARY BILL LIST

FUND YEAR	AMOUNT
2019	\$ 24,901.52
2020	\$ 61,217.09
Total	\$ 86,118.61

RESOLUTION 12-20 - MARCH BILL LIST

FUND YEAR	AMOUNT
2019	\$ 38.93
2020	\$ 60,225.16
Total	\$ 60,264.09

MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NOS. 11-20 AND 12-20

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

EXECUTIVE DIRECTOR/ADMINISTRATOR:

JOINT CASH MANAGEMENT INVESTMENT PROGRAM - Mr. Sacco reported that in 2019, the MEL board authorized the release of a Professional Services RFP for an Asset Manager and a Financial Advisor to manage investments of the Municipal Excess Liability Fund Joint Cash Management Investment Program (JCMI). He noted that the MEL will adopt a resolution awarding Clearbrook as the Asset Manager, Bank of New York as Custodian & Accounting and NW Financial as the Financial Advisor during its March 27th meeting. He further noted that the MEL is inviting the NJ Municipal Excess Liability Residual Claims Fund (RCF), the NJ Municipal Environmental Risk Management Fund (E-JIF), and the Sustainable Energy Joint Meeting (SEM) to start with investment opportunities. Following a brief program overview provided by Commissioner Rheinhardt, Mr. Cuccia, Mr. Semrau, and Mr. Hrubash the Board agreed with the recommendation of the E-JIF's participation in the MEL's JCMI Program.

MOTION TO ADOPT RESOLUTION 13-20 TO AUTHORIZE E-JIF'S PARTICIPATION IN THE MUNICIPAL EXCESS LIABILITY FUND JOINT CASH MANAGEMENT AND INVESTMENT PROGRAM (JCMI) EFFECTIVE TODAY.

MOTION:	Commissioner Rheinhardt
SECOND:	Commissioner Merchel
ROLL CALL VOTE:	Unanimous

FUND OPERATION - Mr. Sacco advised that in light of the COVID-19 pandemic, it is imperative that the E-JIF continue to operate going forward. He noted that in event the pandemic impairs our ability to convene claims committee or executive committee meetings in a timely fashion, it is being recommended that the Executive Director and Fund Attorney be empowered to make decisions, including approval of claim and expense payments.

MOTION TO AUTHORIZE EXECUTIVE DIRECTOR AND FUND ATTORNEY TO MAKE NECESSARY DECISIONS TO CONTINUE OPERATIONS, INCLUDING APPROVAL OF CLAIM AND EXPENSE PAYMENTS.

MOTION:	Chairman Tomasko
SECOND:	Commissioner Wolk
ROLL CALL VOTE:	Unanimous

REVISED 2020 BUDGET AND RELATED 2020 PROFESSIONAL FEE AMENDMENTS – Mr. Sacco reported that the revised 2020 budget, enclosed within the agenda, reflect the changes in membership to the local JIF's for 2020. He noted that the E-JIF added 7 new members for the 2020 Fund Year, and as a result of the additional members, the contract amounts for certain professionals should be amended. He then referred to Resolution #14-20 amending the 2020 fee amounts for certain Fund Professionals and Service Organizations.

MOTION TO APPROVE THE REVISIONS TO THE 2020 BUDGET TO REFLECT THE CHANGES IN MEMBERSHIP AND PROFESSIONAL FEES AND TO ADOPT RESOLUTION # 14-20 AMENDING THE CONTRACTED AMOUNTS OF CERTAIN PROFESSIONALS AND SERVICE ORGANIZATIONS FOR FUND YEAR 2020.

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

UST POLICY ENDORSEMENT #2 – Mr. Sacco reported that in February the Fund was notified by NJDEP that there was an issue with the EJIF UST form citing that the form does not meet standards contained in the “*UST Technical Compendium: Financial Responsibility*”. He added that an email was subsequently sent to the Executive Committee requesting approval of Endorsement #2 which rectifies the issue. He noted that this action was previously approved by the Board and should be memorialized at today’s meeting.

MOTION TO APPROVE ENDORSEMENT #2 TO THE EJIF UST POLICY EFFECTIVE 1/1/20.

MOTION: Chairman Tomasko
SECOND: Commissioner Northgrave
VOTE: Unanimous

RISK MANAGEMENT INFORMATION SYSTEM (RMIS) - Mr. Sacco reported that following the MEL’s lead on their data collection system and using their established platform, the EJIF is in a unique position to capitalize on engaging the same RMIS system. He noted that the system will aid the underwriting and claims process for all members of the EJIF and allow a greater ease in capturing and reporting data and claims.

MOTION TO APPROVE THE ATTACHED RESOLUTION #15-20 APPROVING A CONTRACT WITH ORIGAMI RISK AS OUTLINED.

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

NEXT MEETING - The next meeting of the EJIF is scheduled for Wednesday, June 3, 2020 and the members will be notified whether it will be done in-person or via teleconference.

ATTORNEY:

Mr. Semrau advised that the Fund Professionals have continued to monitor any implications that the pandemic may have on the policies and any obligations to the membership.

UNDERWRITING MANAGERS:

Mr. Casagrande reported that the EJIF UST Policy Form was recently cited by the NJDEP as containing a prohibited exclusion for “loading and unloading” an automobile based on a series of commonly asked questions published by the NJDEP interpreting regulations concerning underground storage tanks. He advised that an appropriate endorsement (#2) was crafted to

provide an exception to the “auto” exclusion, thereby bringing coverage back for the loading and unloading exposure. Mr. Casagrande noted that endorsement #2 was approved by the EIF Executive Committee and filed with the NJDEP who in turn accepted endorsement #2. Lastly, Mr. Casagrande advised that all affected UST Policies were subsequently reissued and sent to the appropriate local units

ENVIRONMENTAL ENGINEER:

Mr. Erickson reported that his team has continued to track the issue with mercury in school floors and recreational centers. He noted that an environmental alert will be issued to the membership regarding the same.

ACTUARY

Mr. Kullman referred to his report within the agenda. He reported that there was little activity in the 4th quarter of 2019 other than some recoveries, and as a result, the IBNR estimate remained fairly confident.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

MEETING OPENED TO PUBLIC FOR COMMENT:

No public comments were made.

PUBLIC COMMENT PORTION OF THE MEETING CLOSED

CLAIMS COMMITTEE:

Mr. Sacco reported that the Claims Committee met on March 26th and are recommending that the PARs be approved as presented

MOTION TO APPROVE THE PARS AS RECOMMENDED BY THE CLAIMS COMMITTEE

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

MOTION TO ADJOURN MEETING

MOTION:	Commissioner Wolk
SECOND:	Commissioner Law
VOTE:	Unanimous

Meeting Adjourned: 9:39 AM

Next Meeting:

June 2020
Location TBD

Respectfully submitted,

Prepared by Jason D. Thorpe, Assistant Secretary

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

Resolution No. 11-20

FEBRUARY 2020

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 2019

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001465			
001465	PERMA RISK MANAGEMENT SERVICES	POSTAGE 12/19	20.75
			20.75
001466			
001466	WEST DEPTFORD TOWNSHIP	REIMBURSEMENT - TANK 11/19	400.00
			400.00
001467			
001467	NJ ADVANCE MEDIA	ACCT#XNJEN0555599 - AD - 12.19.19	20.15
			20.15
001468			
001468	ALLSTATE INFORMATION MANAGEMNT	ACCT#736 - ARC & STOR - 12.31.19	40.81
			40.81
001469			
001469	FIRST ENVIRONMENT, INC.	FORECLOSED PROP 12/19	1,125.00
001469	FIRST ENVIRONMENT, INC.	ENVIRONMENTAL 12/19	23,294.81
			24,419.81
		Total Payments FY 2019	24,901.52

FUND YEAR 2020

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001470			
001470	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 2/19	26,239.08
			26,239.08
001471			
001471	DORSEY & SEMRAU	ATTORNEY FEE 2/20	7,106.08
001471	DORSEY & SEMRAU	JANUARY ADJUSTMENT 2/20	716.50
			7,822.58
001472			
001472	CHARLES CUCCIA	TREASURER FEE 2/20	1,706.50
			1,706.50
001473			
001473	PRINCETON PUBLIC AFFAIRS GROUP	PROFESSIONAL SERVICES 1/20	3,750.00
			3,750.00
001474			
001474	DANSKIN INSURANCE AGENCY INC	UDERWRITING FEE 2/20	20,782.26
			20,782.26
001475			
001475	SHERATON ATLANTIC CITY	DEPOSIT-STEEL PIER/STATES BOARDROOM	500.00
			500.00
001476			
001476	THE CANNING GROUP LLC	QPA SERVICES 1/20	416.67
			416.67
		Total Payments FY 2020	61,217.09
		TOTAL PAYMENTS ALL FUND YEARS	\$86,118.61

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. 12-20

MARCH 2020

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 2019

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001477			
001477	PERMA RISK MANAGEMENT SERVICES	A.ATRIX 1099 FILING 2019	38.93
			38.93
		Total Payments FY 2019	38.93

FUND YEAR 2020

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001478			
001478	PERMA RISK MANAGEMENT SERVICES	POSTAGE 2/20	7.50
001478	PERMA RISK MANAGEMENT SERVICES	EXEC DIRECTOR 3/20	26,216.17
001478	PERMA RISK MANAGEMENT SERVICES	POSTAGE 1/20	3.00
			26,226.67
001479			
001479	DORSEY & SEMRAU	ATTORNEY FEE 3/20	7,106.08
			7,106.08
001480			
001480	CHARLES CUCCIA	TREASURER FEE 3/20	1,706.50
			1,706.50
001481			
001481	PRINCETON PUBLIC AFFAIRS GROUP	PROFESSIONAL SERVICES 2/20	3,750.00
			3,750.00
001482			
001482	DANSKIN INSURANCE AGENCY INC	UNDERWRITING FEE 3/20	20,782.26
			20,782.26
001483			
001483	NJ ADVANCE MEDIA	ACCT#XNJEN0555599 - MTG - 1.29.20	41.86
001483	NJ ADVANCE MEDIA	ACCT#XNJEN0555599 - AD - 1.29.20	135.24
			177.10
001484			
001484	ALLSTATE INFORMATION MANAGEMNT	ACCT# 736 - ARC & STOR - 2.29.20	29.94
001484	ALLSTATE INFORMATION MANAGEMNT	ACCT# 736 - ARC & STOR - 1.31.20	29.94
			59.88
001485			
001485	THE CANNING GROUP LLC	QPA SERVICES 2/20	416.67
			416.67
001486	VOID		
001487	VOID		
		Total Payments FY 2020	60,225.16
		TOTAL PAYMENTS ALL FUND YEARS	\$60,264.09

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. 13-20

THE NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND (EJIF)

A RESOLUTION REQUESTING PERMISSION TO PARTICIPATE IN THE *MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND (MEL)* JOINT CASH MANAGEMENT AND INVESTMENT POOL (IN COMPLIANCE WITH P.L.2018, CHAPTER 40)

WHEREAS, participation in the *Municipal Excess Liability Joint Insurance Fund* Joint Cash Management and Investment Program (JCMI) requires the authorization of the Executive Board of the New Jersey Municipal Environmental Risk Management Fund (EJIF); and'

WHEREAS, the Executive Board of the EJIF has determined that it would be advantageous for the fund to participate with the MEL in this joint investment program; and,

WHEREAS, P.L. 2018 Chapter 40 provides that the commissioners of a Joint Insurance Fund may invest and reinvest the funds, including workers' compensation funds, as authorized under the provisions of subsection b. of N.J.S.40A:10-10. The commissioners may, subject to the cash management plan of the joint insurance fund adopted pursuant to N.J.S.40A:5-14, delegate any of the functions, powers and duties relating to the investment and reinvestment of these funds, including the purchase, sale or exchange of any investments, securities or funds to an investment or asset manager. Any transfer of investment power and duties made pursuant to this subsection shall be detailed in a written contract for services between the joint insurance fund and an investment or asset manager: and,

WHEREAS, in addition to the powers otherwise conferred by law, the commissioners of a joint insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.), and the trustees of a joint insurance fund established pursuant to 18 P.L.1983, c.108 (C.18A:18B-1 et seq.) may amend the plan of risk management of their respective funds to participate in a joint cash management and investment program with other joint insurance funds similarly established pursuant to P.L.1983, c.372 (C.40A:10-22 36 et seq.), and P.L.1983, c.108 (C.18A:18B-1 et seq.).

NOW, THEREFORE, BE IT RESOLVED, by Executive Board of the New Jersey Municipal Environmental Risk Management Fund (EJIF) as follows:

1. The EJIF does hereby request permission to participate in the JCMI Program established by the New Jersey Municipal Excess Liability Fund,
2. The EJIF authorizes its Treasurer to make formal application pursuant to the JCMI By-Laws and requirements.
3. The Secretary of the *EJIF* is hereby directed to forward two certified copies of this Resolution to the Executive Director of the New Jersey Municipal Excess Liability Fund.

ADOPTED: ***this 27th day of March, 2020 by the Governing Body:***

RESOLUTION NO. 14-20

**NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND, Hereinafter
referred to as the "FUND")
AMENDING THE APPOINTMENT OF CERTAIN PROFESSIONALS AND SERVICE
ORGANIZATIONS
FOR FUND YEAR 2020**

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

WHEREAS, the New Jersey Municipal Environmental Risk Management Fund (hereinafter the Fund) appointed by way of Resolution 2-20, certain professionals for the 2020 fund year; and

WHEREAS, as a result of additional members, the contract amounts for certain professionals should be amended.

NOW, THEREFORE, BE IT RESOLVED, by the Fund's Executive Committee that Resolution 2-20 and contract limitations as it pertains to 2020 should be amended as follows:

- I. **PERMA Risk Management Services as Administrator, Stephen Sacco** is appointed as **Executive Director, Joseph P. Hrubash as Deputy Executive Director & Bradford Stokes as Assistant Executive Director** and as **agents for process of service**, is amended to reflect the annual amount of \$314,846.
- II. **Fred Semrau, Esq. of Dorsey & Semrau as Fund Attorney providing General Counsel**, is amended to reflect the annual amount of \$85,273.
- III. **Peter King, Esquire** is appointed to serve as the FUND's **Claims Administrator**, is amended to reflect the annual amount of \$29,477.
- IV. **The Danskin Insurance Agency, Inc. and Conner Strong & Buckelew** are hereby appointed as co-**Underwriting Managers** for the FUND is amended to reflect the annual amount of \$249,369.
- V. **Richard Erickson of First Environment** is hereby appointed to provide **Environmental Engineering/Services** to the FUND is amended to reflect the annual amount of \$445,978.

BE IT FURTHER RESOLVED, that contracts were awarded in accordance with NJSA 19:44A-20.7 as a result of the Fund's Executive Committee reviewing requests to award Professional Services Agreements in accordance with a fair and open process.

ADOPTED: *this day by the Governing Body,*

RESOLUTION NO. 15-20

**RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT
FUND AUTHORIZING THE AWARD OF A
THREE YEAR REQUIRED DISCLOSURE CONTRACT TO ORIGAMI RISK LLC
TO IMPLEMENT CLAIMS AND INSPECTION DATA**

WHEREAS, the Fund has a desire to provide for a Claims and Inspection Data services through Origami Risk LLC as a required disclosure contract in accord with N.J.S.A. 19:44A -1 et. Seq., and

WHEREAS, Origami Risk LLC has provided for a quote for the following Option:

Option 1 – PERMA Assists with Mapping Phase 1	
Year 1	24,750
Year 2	5,850
Year 3	5,850
Total Quote	\$36,450.00

WHEREAS, the Sean Canning, Q.P.A., has determined and certified in writing that the value of the services will exceed \$17,500; and,

WHEREAS, the treasurer has certified funds are available from:

Account: General Contingency

Not to exceed \$36,450.00

WHEREAS, Origami Risk LLC has provided for a political disclosure contribution form on file at the offices of PERMA 9 Campus Drive Parsippany.

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Environmental Risk Management Fund authorizing a contract of three (3) years, with 222 W Merchandise Mart Plaza Suite 2300, Chicago, IL 60654, in an amount not to exceed \$36,450.00.

ADOPTED: *this day by the Governing Body,*