

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF NOVEMBER 19, 2014
ATLANTIC CITY, NEW JERSEY
12:00 PM**

Pledge of Allegiance

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

ROLL CALL OF EXECUTIVE COMMITTEE:

Chairman:	Camden	Joe Wolk	Present
Secretary:	NJUA	Jerry Cevetello	Present
Executive Committee:	Morris	Frank Wilpert	Present
	Ocean	Paul Shives	Present
	Burlco	Richard Brook	Present
	Central	Robert Landolfi	Present
	Sub Essex JIF	Joe Catenaro	Present
	Monmouth	Thomas Nolan	Present
Alternates:			
	#1 Sub-Muni	Jim Gildea	Absent
	#2 PMM	Scott Carew	Absent
	#3 Trico	Robert Law	Present
	#4 South Bergen	Greg Franz	Present
	#5 Bergen	Paul Tomasko	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/ Administrator	Perma Risk Management Services	James Kickham	Present
Attorney	Dorsey & Semrau	Fred Semrau, Esq.	Present
Treasurer		Charles S. Cuccia	Present
Underwriting Managers	The Danskin Agency Conner Strong & Buckelew	Cindy Lisa Chuck Casagrande Mike Avalone	Present Present Present
Claims Administrator	King and Petracca	Peter King, Esq.	Present
Environmental Engineering Services	First Environment T&M Associates	Rich Erickson Chris Gulics	Present Present
Actuary	AON	Chaz Kullman	Absent
Auditor	Nisivoccia, L.L.P.	Francis "Bud" Jones	Absent

OTHERS PRESENT:

David Grubb, PERMA
Steve Sacco, PERMA
Brad Stokes, PERMA
Joseph Hrubash, PERMA
Jason Thorpe, PERMA
Tracy Lopez, PERMA
Joeen Ciannella, PERMA
Ed Scioli, CSB
William Close, Sparta
Frank Covelli, PIA
Jim Maley, Maley & Associates
William Garofalo, Ocean JIF
Paul Miola, AJ Gallagher
Paul Forlenza, AJ Gallagher

APPROVAL OF MINUTES: October 15, 2014

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF OCTOBER 15, 2014

MOTION: Commissioner Cevetello
SECOND: Commissioner Wilpert
VOTE: Unanimous

CORRESPONDENCE :

Mr. Sacco referred to the memorandum from Perma enclosed within the agenda booklet. The memorandum indicated that in accordance with state regulations governing joint insurance funds, the state is required to conduct examinations of the Funds periodically. He added that regulations were amended several years ago requiring that these examination be performed by state personnel and not outside contractors. Mr. Sacco indicated that Perma has been informed by Robert Redden of the DOBI that the state will be conducting a financial examination of the Property and Casualty JIF's administered by PERMA. He noted that the examination would commence mid-January. Mr. Sacco further noted that there will be a fee associated with the examination.

TREASURER

Mr. Cuccia presented his report and Resolution No. 25-14 approving the November Bill List as follows:

RESOLUTION 25-14 -NOVEMBER BILL LIST

FUND YEAR	AMOUNT
2014	\$ 69,333.27
Total	\$ 69,333.27

MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NO. 25-14

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

EXECUTIVE DIRECTOR/ADMINISTRATOR:

2015 FUND REORGANIZATION SCHEDULE – Mr. Sacco indicated that it would be appropriate for the Fund to schedule the Reorganization meeting for 2015.

MOTION TO SCHEDULE THE 2015 REORGANIZATION MEETING FOR THE FUND ON WEDNESDAY, JANUARY 7, 2015 AT 10:50 AM AT THE FORSGATE COUNTRY CLUB AND ADVERTISE SAME IN ACCORDANCE WITH THE OPEN PUBLIC MEETINGS ACT.

MOTION: Commissioner Catenaro
SECOND: Commissioner Wilpert
VOTE: Unanimous

NOMINATING COMMITTEE- Mr. Sacco advised that the Nominating Committee (*Jerome Cevetello, Richard Brook, Joseph Catenaro*) will meet prior to the January 7, 2015 reorganization meeting. He added that their recommend slate will be presented at that time.

2014 COMMISSIONER COMPENSATION – Mr. Sacco referred to the attendance record for 2014 enclosed within the agenda booklet along with the payment voucher. He reminded the Board that the Fund adopted resolution #9-14 at its re-organization meeting which authorized the Treasurer to make payments to Fund Commissioners for 2014 meeting attendance.

FINANCIAL FAST TRACK – Mr. Sacco referred to the Financial Fast Track that was enclosed within the agenda packet. He informed the Board of the Fund's current statutory surplus position.

ATTORNEY:

Mr. Semrau informed the Board that with regards to the Newark Bay litigation, the attorneys are continuing their attempts to recover fees expended by the Fund from the insurance companies. He added that there have been some commitments but noted that funds have not been received yet.

UNDERWRITING MANAGERS:

COVERAGE COMMITTEE

Mr. Casagrande referred the Board to the Underwriting report contained in the agenda. He informed the Board that the Coverage Committee met earlier that morning. Mr. Casagrande added that there are several recommendations that are coming out of that meeting that will require action by the Board.

REINSURANCE RENEWAL

Mr. Casagrande indicated that he is asking for authorization to renew the \$5 million limit but added that he will speak to the underwriters regarding the retention limit and possibly increasing the \$5 million limit if the terms are favorable.

INDIVIDUAL JIF LIMITS

Mr. Casagrande informed the Board that several JIFs have requested increasing their individual fund limit. He indicated that the higher limits will be offered to JIFs subject to the Board's approval and underwriting information.

POLICY FORM

Mr. Casagrande indicated that although the policy form is in its final stages, and advised that the Coverage Committee is recommending that the Board approve it in its current form. He added that the attorneys and the Executive Director have comments on the policy form as far as changes. Mr. Casagrande noted that the professionals are going to meet to discuss changes that will be made to the form and will advise the Executive Board. He further noted that the Coverage Committee has asked for seminars to be scheduled for Risk Managers to explain the policy form.

LAKESWOOD AIRPORT

Mr. Casagrande reminded the Committee that the current policy has an exclusion of airports. The Township of Lakewood has an airport with a fixed based operator and has requested coverage. He advised that the Coverage Committee is recommending that the Fund endorse Lakewood Airport to the policy for an additional premium. Commissioner Brook requested that Mr. Avalone give a brief overview of the coverage that would be provided. Mr. Avalone informed the Board that for most of the years that the airport has existed, it was operated by Lakewood Airport Authority. He added that 24 months ago the township absorbed the Authority. Mr. Avalone further added that although the township does not operate the airport, they do operate the premises from a maintenance standpoint such as the perimeter, sidewalks, and the buildings which the fixed based operator is housed. He noted that the fixed based operator operates the take-offs, landings and fueling elements. Mr. Avalone advised that the type of coverage that would be provided by the fund would pertain to fuel tanks near the buildings and things of that nature.

ASTs WITH UNDERGROUND PIPING

Mr. Casagrande reminded the Board that a deadline of July 2013 was set for having the piping tested. He noted that several member municipalities did not meet that deadline and further noted that July 2015 will mark another two years since the deadline has passed. Mr. Casagrande indicated that the Coverage Committee is recommending set a deadline of July 2015 for member to have the underground piping tested again in order to maintain their coverage. He added that the Environmental Engineers will provide the Underwriting Managers with a list of members who never had the testing done for the July 2013 deadline and they will report on that list at the January meeting. Mr. Casagrande noted that members who have not had the piping testing done are without coverage.

MOTION TO ACCEPT THE COVERAGE COMMITTEE'S RECOMMENDATIONS WITH RESPECT TO THE CHANGE TO THE POLICY HIGHLIGHTED BY CHANGES TO THE EXCESS LIMITS, CHANGES TO THE INDIVIDUAL JIF LIMITS, THE PROPOSED POLICY FORM, THE LAKEWOOD AIRPORT ENDORSEMENT, AND THE UNDERGROUND PIPING TESTING DEADLINE OF JULY 2015 AND SUBJECT TO ANY FINAL CHANGES AND FINAL APPROVAL BY THE EXECUTIVE DIRECTOR AND THE FUND ATTORNEY.

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

ENVIRONMENTAL ENGINEERING:

Mr. Erickson referred to the Environmental Alert that was enclosed within the agenda booklet pertaining to climate change. He noted that some members may be planning large building projects and indicated that the municipal engineers should be planning for 10 to 15 years in the future for what the climate change and sea level rising may do to that property.

Mr. Erickson advised that currently there is a bill in front of the State Senate with regards to food waste recovery recycling. There is a competing bill that is being proposed. Large generators of food waste will no longer be allowed to be taken to a landfill or incinerate it. Mr. Erickson indicated that it will have to be taken to some sort of resource recovery.

Mr. Gulics referred to the Environmental Alert that was distributed prior to the start of the meeting relative to the municipal storm water program. He indicated that the DEP is proposing significant changes for 2015 which will impact municipalities cost wise. Mr. Gulics noted that items DEP will be targeting include storm water facilities that are owned by the municipality as well as mapping of the project facilities not owned by the municipalities. He advised that draft permits are scheduled to be released in late 2014 and final permits are scheduled to be released during the first quarter of 2015.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

PUBLIC COMMENT:

None.

CLOSED SESSION:

MOTION FOR EXECUTIVE SESSION TO DISCUSS CLAIMS/POTENTIAL LITIGATION

MOTION: Commissioner Shives
SECOND: Commissioner Landolfi
VOTE: Unanimous

MOTION TO RETURN TO OPEN SESSION

MOTION: Commissioner Shives
SECOND: Commissioner Law
VOTE: Unanimous

MOTION TO APPROVE THE ADDITIONAL \$50,000 IN LEGAL FEES ASSOCIATED WITH THE OLD BRIDGE CLAIM AS DISCUSSED DURING EXECUTIVE SESSION

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

MOTION TO ADJOURN MEETING

MOTION: Commissioner Cevetello
SECOND: Commissioner Shives
VOTE: Unanimous

Meeting Adjourned: 12:25 PM

Next Meeting:

**January 2015
Forsgate CC
Jamesburg, NJ**

Respectfully submitted,

Prepared by Jason D. Thorpe, Assistant Secretary

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

Resolution No. 25-14

NOVEMBER 2014

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 2014

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000240			
000240	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 10/2014	24.77
000240	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 11/2014	20,163.00
000240	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 09/2014	1.92
			20,189.69
000241			
000241	CHARLES CUCCIA	TREASURER FEE 11/2014	1,515.00
			1,515.00
000242			
000242	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 10/5/14-11/4/14	4,500.00
			4,500.00
000243			
000243	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 11/2014	17,569.00
			17,569.00
000244			
000244	MUNICIPAL EXCESS LIABILITY JIF	REIMBURSE MEL 1/3 MEETING COST 10/15/14	778.97
			778.97
000245			
000245	ALLSTATE INFORMATION MANAGEMNT	DEPT: 736 - ACT & STOR - 9/30/14	45.76
			45.76
000246			
000246	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES - 09/2014	24,681.66
			24,681.66
000247			
000247	TOMS RIVER TOWNSHIP	BLOCK:232.26/LOT:19/TAX ACCT 30406 11/14	53.19
			53.19

Total Payments FY 2014

69,333.27

TOTAL PAYMENTS ALL FUND YEARS \$ 69,333.27