

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND  
OPEN MINUTES  
MEETING OF NOVEMBER 18, 2020  
TELECONFERENCE  
12:00 PM**

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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:**

<b>Chairman:</b>	Bergen	Paul Tomasko	Present
<b>Secretary:</b>	NJUA	Bernie Rutkowski	Present
<b>Executive Committee:</b>	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
<b>Alternates:</b>			
	#1 Morris	Jon Rheinhardt	Present
	#2 Ocean	Veronica Laureigh	Present
	#3 Central	William Northgrave	Absent
	#4 PMM	Thomas Merchel	Present
	#5 Sub-Muni	Megan Champney	Absent

**APPOINTED OFFICIALS PRESENT:**

Executive Director/ Administrator	<b>Perma Risk Management Services</b>	Stephen Sacco	Present
Attorney	<b>Dorsey &amp; Semrau</b>	Fred Semrau, Esq.	Present
Treasurer		Charles S. Cuccia	Present
Underwriting Managers	<b>The Danskin Agency Conner Strong &amp; Buckelew</b>	Chuck Casagrande Mike Avalone	Present Present
Claims Administrator	<b>King Moench Hirniak &amp; Mehta</b>	Peter King, Esq.	Present
Environmental Engineering Services	<b>First Environment</b>	Rich Erickson	Present
Actuary	<b>AON</b>	Chas Kullman	Present
Auditor	<b>Nisivoccia, L.L.P.</b>	Francis "Bud" Jones	Present

**OTHERS PRESENT:**

Dave Grubb, PERMA  
Joe Hrubash, PERMA  
Cate Kiernan, PERMA  
Brad Stokes, PERMA  
Jason Thorpe, PERMA  
Paul Miola, AJ Gallagher  
John Casagrande, RMC  
Frank Covelli, RMC  
Ezio Altamura, RMC  
Dave Vozza, RMC

**APPROVAL OF MINUTES:**            October 21, 2020

**MOTION TO APPROVE OPEN MINUTES OF OCTOBER 21, 2020**

**MOTION:**                            Commissioner Rheinhardt  
**SECOND:**                            Commissioner Merchel  
**VOTE:**                                Unanimous

**CORRESPONDENCE**

Mr. Sacco reported that there was an item for correspondence from the NJ SEM announcing the launch of their new website.

**TREASURER**

Mr. Cuccia presented his report, Resolutions No. 28-20 and 29-20 approving the November Bill List and Dividend Bill List as follows:

**RESOLUTION 28-20 – NOVEMBER BILL LIST**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2020	\$ 110,136.79
<b>Total</b>	<b>\$ 110,136.79</b>

**RESOLUTION 29-20 – DIVIDEND BILL LIST**

<b>FUND YEAR</b>	<b>AMOUNT</b>
Closed	\$2,500,000.00
<b>Total</b>	<b>\$2,500,000.00</b>

**MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NOS. 28-20 AND 29-20**

**MOTION:**                            Commissioner Merchel  
**SECOND:**                            Chairman Tomasko  
**ROLL CALL VOTE:**                Unanimous

**2020 COMMISSIONER COMPENSATION** – Mr. Cuccia requested that the Executive Committee requested that the meeting attendance voucher enclosed within the agenda be completed and submitted to the Fund Office. He advised that an additional bills list would be run in December to ensure that the commissioners receive their checks by the end of the Fund year.

**JCMI PROGRAM UPDATE** – Mr. Cuccia reported that the JCMI Program is doing well despite the Fed reducing interest rates.

**EXECUTIVE DIRECTOR/ADMINISTRATOR:**

**COVERAGE COMMITTEE MEETING** – Mr. Sacco reported that an E-JIF Coverage Committee was held prior to the JIF meeting to discuss revising some of the stormwater training videos produced by the E-JIF. He noted that the Coverage Committee is recommending that the E-JIF move forward with remaking the stormwater training videos in the same manner that was done previously by the E-JIF. Mr. Sacco advised that there is an approximate budget of \$60,000 for the remake of the videos, but noted that the budget amount may need to be adjusted. He further advised that a final budget amount and an RFP authorization request will be presented in January for approval.

**APPOINTMENT OF EXCESS CARRIER** – Mr. Sacco referred to Resolution # 30-20 appointing Ascot Specialty Insurance Company as the EJIF excess carrier for Fund Year 2021 enclosed within the agenda packet. Mr. Semrau added that the Fund Professionals worked closely with the Fund QPA on this appointment and all the necessary steps were taken.

**MOTION TO ADOPT RESOLUTION # 30-20 APPOINTING ASCOT SPECIALTY INSURANCE COMPANY AS THE E-JIF EXCESS CARRIER FOR FUND YEAR 2021.**

<b>MOTION:</b>	Commissioner Merchel
<b>SECOND:</b>	Chairman Tomasko
<b>ROLL CALL VOTE:</b>	Unanimous

**2021 FUND REORGANIZATION SCHEDULE** – Mr. Sacco advised that it would be appropriate for the Fund to schedule the Reorganization meeting for 2021.

**MOTION TO SCHEDULE THE 2021 REORGANIZATION MEETING FOR THE E-JIF ON WEDNESDAY, JANUARY 6, 2021 AT 10:50 AM VIA ZOOM TELECONFERENCE AND ADVERTISE SAME IN ACCORDANCE WITH THE OPEN PUBLIC MEETINGS ACT.**

<b>MOTION:</b>	Chairman Tomasko
<b>SECOND:</b>	Commissioner Wolk
<b>VOTE:</b>	Unanimous

**NOMINATING COMMITTEE** – Mr. Sacco reported that the Nominating Committee will meet prior to the January 6, 2021 reorganization meeting and their recommend slate will be presented at that time.

**FINANCIAL FAST TRACK** – Mr. Sacco referred to Financial Fast Track as of September 30, 2020 enclosed within the agenda booklet. He reported that the statutory surplus stands at \$21.6 million and noted that the Fund is in excellent financial shape.

## **ATTORNEY:**

Mr. Semrau reported that although the E-JIF has faced several challenges, the Fund had a good year in 2020. He complimented the Fund Professionals on their assistance with various inquiries presented to them.

## **UNDERWRITING MANAGERS:**

Mr. Casagrande reported that the E-JIF Excess carrier has offered additional services for the E-JIF and noted that the Fund Professionals will take advantage of the additional services with respect to claims and so forth. He added that the rate for the 2021-2022 policy term will remain “flat” or the same as the expiring.

Lastly, Mr. Casagrande reported that the E-JIF data and claims information is scheduled to be included in the Origami database in 2021. He added that the Underwriting Managers are working with Mr. Erickson to perfect that process.

## **ENVIRONMENTAL ENGINEER:**

Mr. Erickson reported that the six stormwater training videos produced by the E-JIF that Mr. Sacco referred to in his report are being used all over New Jersey to meet an annual training requirement. He advised that in the almost 15 years these videos have been in use, the stormwater permit requirements have changed, but the videos have not. Mr. Erickson noted that the E-JIF Professionals will prepare a script that will be sent to the NJDEP for review. He further noted that the Department will have editorial privileges over the content to ensure compliance with their intent, while getting their endorsement in return that these will be accepted by the Department as satisfying the current stormwater permit requirement. Mr. Erickson said he anticipates beginning video work in spring of 2021.

## **ACTUARY**

Mr. Kullman reported that the September 30<sup>th</sup> IBNR analysis. He noted that there was very little claim activity during the 3<sup>rd</sup> quarter, and as a result the estimated ultimate cost estimate was reduced by \$300,000. Mr. Kullman further noted that there was an additional \$1 million reduction to the ultimate cost estimate due to the excess recovery that Mr. Sacco reported on during the October meeting.

## **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 advised that the Claims Committee met on November 17<sup>th</sup> to review two PARs. He noted that the PARs are being recommended for approval as presented. Mr. King reported that one of the PARs pertains to the Passaic River federal case reported on during the October meeting. He advised that a direct claim was filed and the E-JIF was provided notice by the Passaic Valley Sewerage Commission that the third party group will likely file a third party complaint. Mr. King added that although a complaint has not been filed yet, he has opened a claim for the member municipalities involved. Mr. Sacco advised that a notice will be sent to the member municipalities involved to advise them of the complaint and to not assign counsel as the E-JIF will be handling.

### **MOTION TO APPROVE THE NOVEMBER PARs AS RECOMMENDED BY THE CLAIMS COMMITTEE:**

<b>MOTION:</b>	Commissioner Catenaro
<b>SECOND:</b>	Chairman Nolan
<b>ROLL CALL VOTE:</b>	Unanimous

### **MOTION TO ADJOURN MEETING**

<b>MOTION:</b>	Chairman Tomasko
<b>SECOND:</b>	Commissioner Merchel
<b>VOTE:</b>	Unanimous

Meeting Adjourned: 12:18 PM

*Next Meeting:*

**January 2021  
Zoom Teleconference**

*Respectfully submitted,*

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Prepared by Jason D. Thorpe, Assistant Secretary

# NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND BILLS LIST

Resolution No. 28-20

NOVEMBER 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 2020**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001564			
001564	PERMA RISK MANAGEMENT SERVICES	POSTAGE 10/20	8.30
001564	PERMA RISK MANAGEMENT SERVICES	EXEC DIRECTOR FEE 11/20	26,237.17
			<b>26,245.47</b>
001565			
001565	DORSEY & SEMRAU	ATTORNEY FEE 11/20	7,106.08
			<b>7,106.08</b>
001566			
001566	CHARLES CUCCIA	TREASURER FEE 11/20	1,706.50
			<b>1,706.50</b>
001567			
001567	PRINCETON PUBLIC AFFAIRS GROUP	PROFESSIONAL SERVICES 10/20	3,750.00
			<b>3,750.00</b>
001568			
001568	DANSKIN INSURANCE AGENCY INC	UNDERWRITING FEE 11/20	20,782.26
			<b>20,782.26</b>
001569			
001569	HOPATCONG BOROUGH	REIM FOR TEST & CONS REQ FOR AST 10/20	400.00
			<b>400.00</b>
001570			
001570	ALLSTATE INFORMATION MANAGEMNT	ACCT#736 - ARC & STOR - 9.30.20	32.48
			<b>32.48</b>
001571			
001571	BARRINGTON BOROUGH	REIM FOR TEST & CONS REQ FOR AST 10/20	400.00
			<b>400.00</b>
001572			
001572	FIRST ENVIRONMENT, INC.	PROF. SERV. FOR PERIOD END 9.30.20	49,297.33
			<b>49,297.33</b>
001573			
001573	THE CANNING GROUP LLC	QPA SERVICES 10/20	416.67
			<b>416.67</b>
		<b>Total Payments FY 2020</b>	<b>110,136.79</b>
		<b>TOTAL PAYMENTS ALL FUND YEARS</b>	<b>\$110,136.79</b>

\_\_\_\_\_  
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  
DIVIDEND BILLS LIST**

Resolution No. 29-20

NOVEMBER 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 CLOSED**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001551			
001551	BERGEN COUNTY MUNICIPAL JOINT	DIVIDENDS 11/20	335,699.00
			<b>335,699.00</b>
001552			
001552	CAMDEN COUNTY MUNICIPAL JOINT	DIVIDENDS 11/20	231,607.00
			<b>231,607.00</b>
001553			
001553	BURLINGTON COUNTY MUNICIPAL	DIVIDENDS 11/20	44,031.00
			<b>44,031.00</b>
001554			
001554	MORRIS COUNTY MUNICIPAL JOINT	DIVIDENDS 11/20	318,966.00
			<b>318,966.00</b>
001555			
001555	SOUTH BERGEN JOINT INSURANCE	DIVIDENDS 11/20	214,568.00
			<b>214,568.00</b>
001556			
001556	PROFESSIONAL MUNICIPAL	DIVIDENDS 11/20	96,366.00
			<b>96,366.00</b>
001557			
001557	OCEAN COUNTY MUNICIPAL JOINT	DIVIDENDS 11/20	341,651.00
			<b>341,651.00</b>
001558			
001558	SUBURBAN ESSEX JOINT INSURANCE	DIVIDENDS 11/20	112,245.00
			<b>112,245.00</b>
001559			
001559	MONMOUTH COUNTY MUNICIPAL	DIVIDENDS 11/20	206,598.00
			<b>206,598.00</b>
001560			
001560	SUBURBAN MUNICIPAL JOINT	DIVIDENDS 11/20	103,664.00
			<b>103,664.00</b>
001561			
001561	CENTRAL JERSEY JOINT INSURANCE	DIVIDENDS 11/20	256,333.00
			<b>256,333.00</b>
001562			
001562	NEW JERSEY UTILITY AUTHORITIES	DIVIDENDS 11/20	164,560.00
			<b>164,560.00</b>
001563			
001563	GLOUCESTER, SALEM, CUMBERLAND	DIVIDENDS 11/20	73,712.00
			<b>73,712.00</b>
		<b>Total Payments FY CLOSED</b>	<b>2,500,000.00</b>
		<b>TOTAL PAYMENTS ALL FUND YEARS</b>	<b>\$2,500,000.00</b>

\_\_\_\_\_  
Chairperson

Attest:

Dated:

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

\_\_\_\_\_  
Treasurer

## Resolution 30-20

### **RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL JOINT INSURANCE FUND AWARDING AN EXTRAORDINARY UNSPECIFIABLE SERVICES CONTRACT WITH ASCOT SPECIALTY INSURANCE COMPANY, THROUGH AN INTERMEDIARY, R-T SPECIALTY IN HAMILTON, FOR REINSURANCE AND/ OR EXCESS LIABILITY COVERAGE**

**WHEREAS**, there is a need for reinsurance and/ or excess liability coverage for the New Jersey Environmental Joint Insurance Fund (FUND); and

**WHEREAS**, the Fund has sought and received proposals as required disclosure proposals; in accord with N.J.S.A. 19:44A-20.4 et. Seq. A memorandum outlining such proposals is on file with the Executive Director of the Fund; and

**WHEREAS**, the Fund is recommending award to Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton, for Reinsurance and/or Excess liability Coverage in the amount of \$498,536.00; and

**WHEREAS**, the services qualify as an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service N.J.S.A. 18A:18A-5(a)(ii) and N.J.A.C. 5:34-2.3(b); and

**WHEREAS**, the certification of an Extraordinary Unspecifiable Service as demanded by to N.J.A.C. 5:34-2.1 et. Seq., has been complied with and attached to resolution; and

**WHEREAS**, Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton has completed and submitted a Business Entity Disclosure Certification and a Political Contribution Disclosure form which certifies that Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton has not made any reportable contributions to a political or candidate committee to the Fund in the previous one year, and that the contract will prohibit Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton from making any reportable contributions through the term of the contract, and

**WHEREAS**, the purchasing agent has concurred with the legality of the purchase in accord with the New Jersey Local Publics Contract Law (N.J.S..40A:11-1 et. Seq); and

**WHEREAS**, the Treasurer has certified that funds are available, subject to approval by the board of commissioners in the 2021 budget in the amount of \$498,536.00 from:

Line Item: EJIF Operating Account

**NOW, THEREFORE, BE IT RESOLVED**, that the New Jersey Environmental Joint Insurance Fund authorizes the Executive Director to enter into a contract with Ascot Specialty Insurance Company, through an intermediary, R-T Specialty in Hamilton for the 2021 budget year for Reinsurance and/ or Excess Liability Coverage in the amount of \$498,536.00