

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF SEPTEMBER 3, 2014
JAMESBURG, NEW JERSEY
10:50 AM**

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 (arrived @ 10:55)
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	Present
	#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	Present
Auditor	Nisivoccia, L.L.P.	Francis "Bud" Jones	Absent

OTHERS PRESENT:

David Grubb, PERMA
Steve Sacco, PERMA
Pauline Kontomanolis, PERMA
Joseph Hrubash, PERMA
Cate Kiernan, PERMA
Mary Lou Doner, PERMA
Nancy Ghani, PERMA
Jason Thorpe, PERMA
Joen Ciannella, PERMA
Jon Rheindhardt, Wharton
Patrick O'Hagan, Midland Park
Matt Mee, T&M Associates
Ezio Altamura, GJEM Insurance
Frank Covelli, PIA
Barbara Murphy, RLM Inc.
Paul Miola, AJ Gallagher

APPROVAL OF MINUTES: June 4, 2014

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF JUNE 4, 2014

MOTION: Commissioner Catenaro
SECOND: Commissioner Gildea
VOTE: Unanimous

CORRESPONDENCE :

None

TREASURER

Mr. Cuccia presented his report and Resolution No. 20-14 confirming the July Bill List, Resolution No. 21-14 confirming the August Bill List, and Resolution No. 22-14 approving the September Bill List as follows:

RESOLUTION 20-14 -JULY BILL LIST

FUND YEAR	AMOUNT
2013	\$ 15,284.00
2014	\$ 104,245.71
Total	\$ 119,529.71

RESOLUTION 21-14 - AUGUST BILL LIST

FUND YEAR	AMOUNT
2014	\$ 69,078.16
Total	\$ 69,078.16

RESOLUTION 22-14 - SEPTEMBER BILL LIST

FUND YEAR	AMOUNT
2014	\$ 74,454.99
Total	\$ 74,454.99

MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NO. 20-14, 21-14, AND 22-14

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

EXECUTIVE DIRECTOR/ADMINISTRATOR:

REGULATORY AFFAIRS - Mr. Sacco informed the Board that the Fund Office filed the 2013 Year End Audit, Certification of the Audit adopted by the Executive Committee, Actuarial Valuation and Actuarial Certification with the Department of Banking and Insurance. In addition, the Synopsis of Audit was published in the Fund's newspaper.

2015 BUDGET PROCESS – Mr. Sacco referred the Committee to the 2015 draft budget workshop agenda enclosed within the agenda booklet and gave an overview. He noted that the Finance committee met via teleconference on September 2, 2014 to discuss the proposed 2015 budget and dividend recommendation. Mr. Sacco added that there is going to be an overall increase of 1.8% for the 2015 Budget. He then asked Mr. Kullman to give the Board a brief overview of the actuarial projections. Mr. Kullman indicated that the Actuary's office is recommending a Total Loss Fund increase of 1.3%. He noted that his budget analysis incorporates updated inspection information for year-end 2013 and updated ultimate loss estimates through June 30, 2014. Mr. Kullman added that the transition from the 2000 Census data to the 2010 Census data is completed and that the current estimates are based solely on the 2010 Census data. After further review of the draft budget workshop agenda, it was the recommendation of the Finance Committee to approve the proposed budget.

MOTION TO INTRODUCE THE 2015 BUDGET FOR THE NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT FUND IN THE AMOUNT OF \$4,282,302 AND SCHEDULE A PUBLIC HEARING FOR OCTOBER 15, 2014 AT THE FORSGATE CC, JAMESBURG, NJ AT 10:50 AM.

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

2014 DIVIDEND - Mr. Sacco advised that the Finance Committee also met via teleconference to review possible dividend disbursement. After a discussion, the Finance Committee recommends a dividend of \$475,000.

MOTION TO ADOPT RESOLUTION # 23-14 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$475,000.

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

2015 RFQ – Mr. Sacco reminded the Board that authorization was granted during the June meeting for the Fund to release a RFQ for all fund professional positions, with the exception of the position of Environmental Engineer for fund years 2015-2017 pursuant to the Fair and Open process. He noted that a law firm that had submitted on time had been inadvertently left off of the RFQ submission list that was enclosed within the agenda packet and referred to the amended submission list that was distributed prior to the start of the meeting. He noted that recommendations will be presented at our re-organization meeting in January.

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. Mr. Sacco added that the Fund is doing well financially.

NEXT MEETING - The next meeting of the EJIF is scheduled for Wednesday, October 15, 2014 at the Forsgate CC, Jamesburg.

ATTORNEY:

Mr. Semrau informed the Board that Mr. King will discuss a claim involving Nutley Township. He indicated that during the September 2nd Claims Committee meeting, a discussion took place with regards to adding the Law Offices of John F. Hipp to the 2014 Defense Panel for the purpose of handling that specific claim. Mr. Semrau noted that Mr. Hipp responded to the recent RFQ and does have the qualifications to serve on the panel. After a brief discussion, Mr. Semrau requested a motion approving the Law Offices of John F. Hipp being added to the current Defense Panel for the remainder of the 2014 fund year.

MOTION TO ADD THE LAW OFFICES OF JOHN F. HIPPI TO THE 2014 E-JIF DEFENSE PANEL FOR THE REMAINDER OF THE FUND YEAR.

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

UNDERWRITING MANAGERS:

REINSURANCE RENEWAL

Mr. Casagrande informed the Board that the underwriting managers met with Liberty Environmental in August to discuss the reinsurance renewal. He noted that they have asked the excess carrier to provide a quotation for limits in excess of the current \$5,000,000, up to an additional \$5,000,000, for a total of \$10,000,000. Mr. Casagrande noted that they have

made the excess carrier aware that the Fund's overall population will increase to include the final 1/3 of the 2010 census.

POLICY REWRITE

Mr. Casagrande informed the Board that the underwriting managers have received the final draft from Liberty Underwriters. He added that the draft policy has been provided to the EJIF Fund Professionals for their review and comment.

ENVIRONMENTAL ENGINEERING:

Mr. Erickson advised that First Environment is continuing their membership inspections and added that they are going well thus far.

Mr. Gulics informed the Board that T&M Associates has finished the continuing education seminars. He added that they were well received by the membership. noted tMee informed the Board that the series of 2014 E-JIF seminars will begin during the next week. He thanked Westwood, Woodbridge, Haddonfield, and Lacey for hosting the seminars.

ACTUARY

Mr. Kullman indicated that he had nothing further to report.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

PUBLIC COMMENT:

None.

CLOSED SESSION:

MOTION FOR EXECUTIVE SESSION TO DISCUSS CLAIMS/POTENTIAL LITIGATION

MOTION:	Commissioner Tomasko
SECOND:	Commissioner Law
VOTE:	Unanimous

MOTION TO RETURN TO OPEN SESSION

MOTION: Commissioner Shives
SECOND: Commissioner Gildea
VOTE: Unanimous

MOTION TO APPROVE THE PARS AS PRESENTED DURING CLOSED SESSION

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

MOTION TO ADJOURN MEETING

MOTION: Commissioner Cevetello
SECOND: Commissioner Law
VOTE: Unanimous

Meeting Adjourned: 11:15 AM

Next Meeting:

**October 2014
Forsgate Country Club**

Respectfully submitted,

Prepared by Jason D. Thorpe, Assistant Secretary

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

Resolution No. 20-14

JULY 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 2013

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000202			
000202	NISIVOCIA & COMPANY	AUDITOR FEE 05/30/2014 - (2013)	14,504.00
			14,504.00
000203			
000203	WEST MILFORD TOWNSHIP	REIMBURSE FOR TRNI & CONSTRUCTION PIPES	780.00
			780.00
		Total Payments FY 2013	15,284.00

FUND YEAR 2014

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
000204			
000204	T & M ASSOCIATES	PROFESSIONAL SERVICES - 5/16/14	2,990.67
			2,990.67
000205			
000205	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 06/2014	4.07
000205	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 07/2014	20,163.00
000205	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 05/2014	72.03
			20,239.10
000206			
000206	AON RISK CONSULTANTS, INC.	ACTUARIAL SERVICES - 06/2014	15,413.50
			15,413.50
000207			
000207	FRED SEMRAU, ESQ.	ATTORNEY FEE 3RD QTR 2014	17,668.00
			17,668.00
000208			
000208	CHARLES CUCCIA	TREASURER FEE 07/2014	1,515.00
			1,515.00
000209			
000209	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 6/5/14-7/4/14	4,500.00
			4,500.00
000210			
000210	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 07/2014	17,569.00
			17,569.00
000211			
000211	MUNICIPAL EXCESS LIABILITY JIF	REIMBURSE MEL FOR 1/3 OF COST 6/4/14 MTG	828.97
			828.97
000212			
000212	ALLSTATE INFORMATION MANAGEMNT	DEPT: 736 - ACT & STOR 05/31/2014	16.81
			16.81
000213			
000213	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES - 05/2014	22,077.66
			22,077.66

000214
000214

CONNER STRONG & BUCKELEW

POSITION BOND - 2014 - ADD'L

1,427.00

1,427.00

Total Payments FY 2014

104,245.71

TOTAL PAYMENTS ALL FUND YEARS \$ 119,529.71

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

Resolution No. 21-14

AUGUST 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>
000215			
000215	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 07/2014	8.80
000215	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 08/2014	20,163.00
			20,171.80
000216			
000216	CHARLES CUCCIA	TREASURER FEE 08/2014	1,515.00
			1,515.00
000217			
000217	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 08/2014	4,500.00
			4,500.00
000218			
000218	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 08/2014	17,569.00
			17,569.00
000219			
000219	NJ ADVANCE MEDIA	ACCT XNJEN0555599 - 07/03/14 - AUDIT RPT	281.88
			281.88
000220			
000220	SHERATON ATLANTIC CITY	DEPOSIT: 11/19/14 - STEEL PIER RM	500.00
			500.00
000221			
000221	ALLSTATE INFORMATION MANAGEMNT	DEPT: 736 - ACT & STOR 06/30/2014	17.82
			17.82
000222			
000222	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICE 06/2014	24,522.66
			24,522.66

Total Payments FY 2014

69,078.16

TOTAL PAYMENTS ALL FUND YEARS \$ 69,078.16

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

Resolution No. 22-14

SEPTEMBER 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>
000223			
000223	T & M ASSOCIATES	PROFESSIONAL SERVICES - 6/13/14	30,690.17
			30,690.17
000224			
000224	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR - 09/2014	20,163.00
			20,163.00
000225			
000225	CHARLES CUCCIA	TREASURER FEE 09/2014	1,515.00
			1,515.00
000226			
000226	PRINCETON PUBLIC AFFIARS GROUP	PROFESSIONAL SERVICES - 8/5/14 - 9/4/14	4,500.00
			4,500.00
000227			
000227	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER - 09/2014	17,569.00
			17,569.00
000228			
000228	ALLSTATE INFORMATION MANAGEMNT	DEPT: 736 - ACT & STOR 07/31/2014	17.82
			17.82
		Total Payments FY 2014	74,454.99

TOTAL PAYMENTS ALL FUND YEARS \$ 74,454.99

RESOLUTION NO. 23-14

**RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT FUND
AUTHORIZING REFUND OF THE 2001 FUND YEAR SURPLUS ACCOUNTS.**

WHEREAS, N.J.A.C. 11:15-2.21 provides that a FUND may seek approval from the Commissioner of Insurance for a refund of excess monies from any FUND year upon compliance with certain requirements; and

WHEREAS, the FUND has obtained a calculation from its Actuary and Executive Director as to the amount of money which is available for distribution consistent with the aforementioned regulations, and the financial integrity of the FUND; and

WHEREAS, the Executive Committee has determined that it would be in the best interest of the FUND and its member municipalities to make certain refunds;

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the **New Jersey Environmental Risk Management**, As Follows:

1. Section B of N.J.A.C. 11:15-2.21 provides that the FUND may seek approval for refunds from funds other than those specified for Legal Liability, Defense or Environmental Services.
2. The Executive Committee has balanced the interests of the members in obtaining the benefit of such monies as are available for refund against the need for the FUND to protect and preserve its financial integrity. It is the conclusion of the Executive Committee that **\$475,000** can be refunded from the 2001 Fund year surplus accounts. Therefore, the total amount to be returned to the E-JIF members will be **\$475,000**.
3. The Executive Director is, therefore, authorized and directed to submit such documents as the regulations require to the Department of Insurance and the Department of Community Affairs for the approval of the refunds in the amounts set forth above.
4. This authorization is based upon the Auditor's Report of the Historical Operating Results as of December 31, 2013. The aforementioned refund monies shall be allocated, as required and necessary, from the Fund years mentioned above.
5. The FUND Treasurer is authorized to prepare and execute checks for the pro-rated amount of the aforementioned refunds due to each member for the years in question, provided, however, the FUND Treasurer shall deduct the amount owed by the member local unit for any outstanding balances without regard for Fund year, upon receipt of written documentation of approval or acquiescence of these refunds from the Department of Insurance and the Department of Community Affairs. Said refunds shall be made to the municipalities which were members of the FUND for the years in question in the same ratio as said municipalities were assessed for the years in question.