

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF SEPTEMBER 2, 2020
TELECONFERENCE
10:50 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	David Matchett	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	Absent
	#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	Present

OTHERS PRESENT:

Dave Grubb, PERMA
Joe Hrubash, PERMA
Pauline Kontomanolis, PERMA
Jason Thorpe, PERMA
Sandra Cantwell, PERMA
Paul Miola, AJ Gallagher
Paul Forlenza, AJ Gallagher
Frank Covelli, RMC
Ezio Altamura, RMC
Alison Kelly, RMC
John Casagrande, RMC

APPROVAL OF MINUTES: June 3, 2020

MOTION TO APPROVE OPEN MINUTES OF JUNE 3, 2020

MOTION: Commissioner Wolk
SECOND: Commissioner Law
VOTE: Unanimous

CORRESPONDENCE

None

TREASURER

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

RESOLUTION 20-20 - JULY BILL LIST

FUND YEAR	AMOUNT
2020	\$ 108,033.67
Total	\$ 108,033.67

RESOLUTION 21-20 - AUGUST BILL LIST

FUND YEAR	AMOUNT
2020	\$ 96,223.10
Total	\$ 96,223.10

RESOLUTION 22-20 – SEPTEMBER BILL LIST

FUND YEAR	AMOUNT
2020	\$ 137,818.57
Total	\$ 137,818.57

**MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NOS. 20-20,
21-20 AND 22-20**

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

Mr. Cuccia also reported that JCMI Program is now operational. He informed the Board that the average rate of return is currently 1.33 and savings to members of \$178,000. He noted the program is currently earning \$1.5 million in interest and is doing very well. Mr. Cuccia added that the Fund would be earning approximately \$200,000 in interest if it were in conventional investments.

EXECUTIVE DIRECTOR/ADMINISTRATOR:

REGULATORY AFFAIRS – Mr. Sacco reported that the Fund Office filed the 2019 Year End Audit, Certification of the Audit adopted by the Executive Committee, Actuarial Valuation and Actuarial Certification with the Department of Banking and Insurance. He added that the Synopsis of Audit was published in the Fund’s newspaper.

2021 BUDGET PROCESS – Mr. Sacco reported that the Finance Committee met via teleconference on August 26, 2020 to discuss the proposed 2021 budget and dividend recommendation. He noted that the meeting minutes and the proposed budget were enclosed in the agenda packet. Mr. Sacco advised that the Loss Funds are decreasing by 2.9%. He continued to review the line items and informed the Board that the overall 2021 budget is decreasing 1.0%. Mr. Sacco thanked the Finance Committee for their assistance on preparing the proposed budget and asked if there were any questions or comments. Hearing none, he asked for a motion to introduce the 2021 budget.

**MOTION TO INTRODUCE THE 2021 BUDGET FOR THE NEW JERSEY
ENVIRONMENTAL RISK MANAGEMENT FUND IN THE AMOUNT OF
\$4,269,294 AND SCHEDULE A PUBLIC HEARING FOR OCTOBER 21, 2020.**

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

2006 EXCESS RECOVERY- Mr. Sacco reported that after a long claims process for the 2006 Fund Year, the professionals were able to obtain an excess insurance recovery in the amount of \$979,606.10. He noted that this recovery will strengthen the overall financial position of the EJIF and aid the Fund in increasing the 2020 dividend recommendation.

2020 DIVIDEND - Mr. Sacco reported that the Finance Committee has reviewed the financials of the fund and is recommending a dividend of \$2,500,000. He then referred to Resolution # 23-20 enclosed within the agenda packet and asked if there were any questions or comments on the recommendation. Hearing none, he asked for a motion to adopt Resolution #23-20

**MOTION TO ADOPT RESOLUTION # 23-20 AUTHORIZING A TOTAL
RETURN DIVIDEND OF \$2,500,000.**

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

COMPETITIVE CONTRACT/PROCUREMENT PROCESS – Mr. Sacco reported that numerous professional contracts with the E-JIF expire on December 31, 2020. He noted that the Fund will need to begin the competitive contracting/procurement process for the professional positions and referred to Resolution #24-20 which authorizes the hiring of the various fund professionals.

MOTION TO ADOPT RESOLUTION #24-20 AUTHORIZING THE HIRING OF VARIOUS E-JIF PROFESSIONALS THROUGH THE COMPETITIVE CONTRACTING PROCESS.

MOTION: Commissioner Wolk
SECOND: Commissioner Nolan
VOTE: Unanimous

BID THRESHOLD INCREASE – Mr. Sacco reported that the Governor of the State of New Jersey has adjusted the bid threshold for awarding contracts under the Local Public Contracts Law, effective July 1, 2020. He noted that the change in the bid threshold allows governmental entities with a Qualified Purchasing Agent to increase their bid threshold up to \$44,000. Mr. Sacco then referred to Resolution #25-20 enclosed within the agenda packet.

MOTION TO ADOPT RESOLUTION #25-20 AUTHORIZING THE INCREASE TO THE BID THRESHOLD

MOTION: Chairman Tomasko
SECOND: Commissioner Merchel
VOTE: Unanimous

E-PROCUREMENT – Mr. Sacco reported that on May 26, 2020, the long-awaited guidance from the New Jersey Division of Local Government Services provided for instruction on electronic receipt of bids and procurement. He noted that the Fund QPA has had the opportunity to review the requirements and has provided a letter explaining the new requirements enclosed within the agenda packet.

Motion to adopt Resolution #26-20 Authorizing the Fund QPA to Receive Certain Bids in Accord with N.J.A.C.5:34-5.1

MOTION: Commissioner Matchett
SECOND: Commissioner Law
VOTE: Unanimous

NEXT MEETING - The next meeting of the EJIF is scheduled for Wednesday, October 21, 2020 and the members will be notified whether it will be done in-person or via teleconference.

FINANCIAL FAST TRACK – Mr. Sacco referred to Financial Fast Track as of June 30, 2020 enclosed within the agenda booklet. He reported that the statutory surplus stands at \$23.7 million and noted that the Fund is in excellent financial shape.

ATTORNEY:

Mr. Semrau said that with regard to the Newark Bay claim, the recovery is excellent news for the Fund. He reported that the recovery was associated with the state claim and noted that the Fund was recently notified about a federal Newark Bay claim. Mr. Semrau advised that numerous Fund Professionals will meet to discuss strategies on addressing this claim. He further advised that the Fund will contact the members who have been identified in the claim and let them know that the Fund will be assisting them in the matter.

UNDERWRITING MANAGERS:

Mr. Casagrande reported that the Underwriting Managers from time to time deal with coverage questions as they relate to contractual requirements of member local units. He added that Underwriting Managers are assisting with a brownfield application for site-specific environmental coverage.

Lastly, Mr. Casagrande advised that the Underwriting Managers anticipate a flat renewal for the E-JIF Excess is 2021.

ENVIRONMENTAL ENGINEER:

Mr. Erickson reported that the E-JIF released an Environmental Alert regarding Stormwater Management regulations. He reminded the Board that all municipalities have until March 2021 to amend their ordinances to reflect the changes in the regulations.

Chairman Tomasko asked Mr. Erickson to provide the Board with a brief overview of the 2020 Governor's Environmental Excellence Awards Submission on behalf of the E-JIF. Mr. Erickson informed the Board that the award is being offered through the Governor's office in conjunction with the NJDEP. He advised that he is drafting a submission for the award due to the excellent work the E-JIF and its members over the last 25 years.

ACTUARY

Mr. Kullman reported that in regard to the 2021 proposed budget, his office reviewed both the exposure and loss information for the membership, as done in past practices. He noted that the loss experience has been good and the funding levels are healthy for the 2021 proposed budget.

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. King advised that the Claims Committee met on September 1st and is recommending that the PARs be approved as presented

MOTION TO APPROVE THE PARS AS RECOMMENDED BY THE CLAIMS COMMITTEE

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

MOTION TO ADJOURN MEETING

MOTION:	Commissioner Laureigh
SECOND:	Commissioner Wolk
VOTE:	Unanimous

Meeting Adjourned: 11:08 AM

Next Meeting:

**October 2020
Location TBD**

Respectfully submitted,

Prepared by Jason D. Thorpe, Assistant Secretary

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND BILLS LIST

Resolution No. 20-20

JULY 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>
001511			
001511	PERMA RISK MANAGEMENT SERVICES	POSTAGE 5/20	14.30
001511	PERMA RISK MANAGEMENT SERVICES	EXEC DIRECTOR 7/20	26,237.17
			26,251.47
001512			
001512	DORSEY & SEMRAU	ATTORNEY FEE 7/20	7,106.08
			7,106.08
001513			
001513	CHARLES CUCCIA	TREASURER FEE 7/20	1,706.50
			1,706.50
001514			
001514	PRINCETON PUBLIC AFFAIRS GROUP	PROFESSIONAL SERVICES 6/20	3,750.00
001514	PRINCETON PUBLIC AFFAIRS GROUP	PROFESSIONAL SERVICES 3/20	3,750.00
			7,500.00
001515			
001515	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MGR 7/20	20,782.26
			20,782.26
001516			
001516	ALLSTATE INFORMATION MANAGEMNT	ACCT#736 - ARC & STOR - 5/20	29.94
			29.94
001517			
001517	FIRST ENVIRONMENT, INC.	FORECLOSED PROP 6/20	1,250.00
001517	FIRST ENVIRONMENT, INC.	ENVIRONMENTAL 6/20	17,824.08
			19,074.08
001518			
001518	THE CANNING GROUP LLC	QPA SERVICES 6/20	416.67
001518	THE CANNING GROUP LLC	QPA SERVICES 5/20	416.67
			833.34
001519			
001519	ORIGAMI RISK LLC	ADDL LICENSES 6.19.20	24,750.00
			24,750.00
		Total Payments FY 2020	108,033.67
		TOTAL PAYMENTS ALL FUND YEARS	\$108,033.67

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. 21-20

AUGUST 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>
001520			
001520	PERMA RISK MANAGEMENT SERVICES	POSTAGE 7/20	4.50
001520	PERMA RISK MANAGEMENT SERVICES	EXEC DIRECTOR/ADMIN 8/20	26,237.17
			26,241.67
001521			
001521	DORSEY & SEMRAU	ATTORNEY FEE 8/20	7,106.08
			7,106.08
001522			
001522	CHARLES CUCCIA	TREASURER FEE 8/20	1,706.50
			1,706.50
001523			
001523	PRINCETON PUBLIC AFFAIRS GROUP	PROFESSIONAL SERVICES 7/20	3,750.00
			3,750.00
001524			
001524	DANSKIN INSURANCE AGENCY INC	UNDERWRITING FEE 8/20	20,782.26
			20,782.26
001525			
001525	ALLSTATE INFORMATION MANAGEMNT	ACCT#736 - ARC & STOR - 6/20	32.48
			32.48
001526			
001526	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES 6/20	36,187.44
			36,187.44
001527			
001527	THE CANNING GROUP LLC	QPA SERVICES 8/20	416.67
			416.67
		Total Payments FY 2020	96,223.10
		TOTAL PAYMENTS ALL FUND YEARS	\$96,223.10

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. 22-20

SEPTEMBER 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>
001528			
001528	PERMA RISK MANAGEMENT SERVICES	EXEC DIRECTOR 9/20	26,237.17
			26,237.17
001529			
001529	AON RISK SERVICES CENTRAL - PREMIUM	ACTUARIAL SERVICES - 1ST HALF 2020	31,250.00
			31,250.00
001530			
001530	DORSEY & SEMRAU	ATTORNEY FEE 9/20	7,106.08
			7,106.08
001531			
001531	CHARLES CUCCIA	TREASURER FEE 9/20	1,706.50
			1,706.50
001532			
001532	PRINCETON PUBLIC AFFAIRS GROUP	PROFESSIONAL SERVICES 8/20	3,750.00
			3,750.00
001533			
001533	DANSKIN INSURANCE AGENCY INC	UNDERWRITING FEE 9/20	20,782.26
			20,782.26
001534			
001534	ATLANTIC HIGHLANDS MUNICIPAL MARINA	REIM FOR TEST & CONS REQ FOR AST 7/20	1,200.00
			1,200.00
001535			
001535	HOPATCONG BOROUGH	REIM FOR TEST & CONS REQ FOR AST 9/20	400.00
			400.00
001536			
001536	ALLSTATE INFORMATION MANAGEMNT	ACCT#736 - ARC & STOR - 7.31.20	32.48
			32.48
001537			
001537	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES - 1ST HALF 2020	45,354.08
			45,354.08
		Total Payments FY 2020	137,818.57
		TOTAL PAYMENTS ALL FUND YEARS	\$137,818.57

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. 23-20
RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
AUTHORIZING REFUND OF THE 1999, 2000, 2001, 2003, 2007, 2008 AND 2009
FUND YEAR'S 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 Municipal Environmental Risk Management Fund**, 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 \$450,000 can be refunded from the 1999 Fund year surplus accounts, \$400,000 can be refunded from the 2000 Fund year surplus accounts, \$300,000 can be refunded from the 2001 Fund year surplus accounts, \$400,000 can be refunded from the 2003 Fund year surplus accounts, \$400,000 can be refunded from the 2007 Fund year surplus accounts, \$450,000 can be refunded from the 2008 Fund year surplus accounts and \$100,000 can be refunded from the 2009 Fund year surplus accounts. Therefore, the total amount to be returned to the E-JIF members will be \$2,500,000.

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, 2019. 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.

**RESOLUTION OF THE NEW JERSEY MUNICIPAL ENVIRONMENTAL
RISK MANAGEMENT FUND AUTHORIZING THE HIRING OF A 2021
FUND PROFESSIONALS THROUGH THE COMPETITIVE
CONTRACTING PROCESS**

WHEREAS, the New Jersey Municipal Environmental Risk Management Fund (FUND) has a desire to provide for Fund Professional defined within N.J.S.A 40A:11-5 to wit:

Fund Treasurer
Fund Auditor
Executive Director
Claims Supervisor
Actuary
Underwriting Managers
Environmental Engineering Services;
and

WHEREAS, such services are currently available to be provided through the competitive contracting process under the New Jersey Local Publics Contract Law, N.J.S.A. 40A:11-4.1.; and

WHEREAS, the Fund desires to evaluate such service offerings from Vendors within the procedures as set forth in the New Jersey Local Publics Contract Law (N.J.S.A.40A:11-4.1 et. seq. and N.J.A.C. 5:34-4 et. Seq.,) of Price and Other Factors; and

WHEREAS, the Fund desires to enter into a contract for one (1) up to a five (5) year contract that will satisfy the needs of the Fund; and

WHEREAS, as per statute the process will be administered by the Qualified Purchasing Agent (N.J.S.A 40A:11-4.5(d));

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Environmental Joint Insurance Fund, State of New Jersey, as follows:

The Qualified Purchasing Agent is hereby authorized to commence the competitive contract/ procurement as allowable under the New Jersey Local Publics Contract Law for

Fund Treasurer, Fund Auditor, Executive Director, Claims Supervisor Actuary, Underwriting Managers, Environmental Engineering Services, allowing for a minimum of 20 days' notice after advertisement to receive responses, per Local Publics Contract Law.

New Jersey Municipal Environmental Risk Management Fund

RESOLUTION AWARDING INCREASING THE BID THRESHOLD

WHEREAS, effective July 1, 2020 the Governor of the State of New Jersey has adjusted the bid threshold for awarding contracts under the Local Public Contracts Law. The change in the bid threshold allows municipalities with a Qualified Purchasing Agent to increase their bid threshold up to \$44,000; and

WHEREAS, N.J.S.A. 40A:11-3a, permits an increase in the bid threshold if a Qualified Purchasing Agent is appointed as well as granted the authorization to negotiate and award such contracts below the bid threshold; and

WHEREAS, N.J.A.C. 5:34-5 et seq. establishes the criteria for qualifying as a Qualified Purchasing Agent; and

WHEREAS, Sean P. Canning of The Canning Group was appointed the New Jersey Environmental Risk Management Fund Qualified Purchasing Agent by the adoption of Resolution #2-20 and possesses the qualifications and designation of Qualified Purchasing Agent as issued by the Director of Local Government Services in accordance with N.J.A. C. 5:34-5 et seq.; and

WHEREAS, the New Jersey Environmental Risk Management Fund desires to take advantage of the increased bid threshold;

NOW, THEREFORE BE IT RESOLVED, that Fund commissioners of New Jersey Environmental Risk Management Fund hereby increase its bid threshold from \$40,000 to \$44,000 effective July 1, 2020.

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT FUND, AUTHORIZING THE QUALIFIED PURCHASING AGENT TO RECEIVE CERTAIN BIDS IN ACCORD WITH N.J.A.C.5:34-5.1, E- PROCUREMENT

WHEREAS, the New Jersey Environmental Risk Management Fund has appointed a Qualified Purchasing Agent in accord with N.J.S.A. 40A:11-9; and

WHEREAS, the State of New Jersey in Administrative Code in response to the Covid 19 crisis has promulgated rules to allow for electronic receipt of bids with the rules at N.J.A.C. 5:34-1 et. Seq. and

WHEREAS, Sean P. Canning, QPA has recommended the use of Bidnet Direct software which complies with all the administrative rule as required by the New Jersey Administrative Rules; and

WHEREAS, the electronic procurement platform is available to other officials as required to virtually observe bid openings in a transparent manner and provide for bids available for public inspection; and

WHEREAS, the cost to the Fund and to the Vendors wishing to conduct business with the Township is a zero cost;

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Environmental Risk Management Fund, as follows:

1. That Sean P. Canning QPA of The Canning Group LLC is hereby authorized to conduct bid openings and procurement in accord with N.J.S.A.40A:11-9 through E-Procurement in accord with N.J.A.C. 5:34-1 et. Seq., through Bidnet Direct at a zero cost to the Fund and to vendors for bid response.