

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF SEPTEMBER 1, 2021
ZOOM VIRTUAL MEETING
10:50 AM**

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

Pledge of Allegiance

ROLL CALL OF 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	Present

OTHERS PRESENT:

David Grubb, PERMA
Joseph Hrubash, PERMA
Brad Stokes, PERMA
Pauline Kontomanolis, PERMA
Jason Thorpe, PERMA
Tracy Lopez, PERMA
Sandra Cantwell, PERMA
Paul Miola, RPM
Paul Forlenza, RPM
Ezio Altamura, RMC
Frank Covelli, RMC
Lindsay Travali, RMC
Ed Cooney, CSB
Jonathon Tavares, CSB
Gabrielle Canaie, Esq., Dorsey & Semrau

APPROVAL OF MINUTES: June 2, 2021

MOTION TO APPROVE OPEN MINUTES OF JUNE 2, 2021

MOTION: Commissioner Franz
SECOND: Commissioner Wolk
VOTE: Unanimous

CORRESPONDENCE

Mr. Sacco referred to the NJ SEM advertisement that will be placed in the October issue of the League of Municipalities magazine.

TREASURER

Mr. Cuccia presented his report, Resolution No. 22-21 confirming the July Bill List, Resolution No. 23-21 confirming the July Supplemental Bill List, Resolution No. 24-21 confirming the August Bill List, and Resolution No. 25-21 approving the September Bill List as follows:

RESOLUTION 22-21 - JULY BILL LIST

FUND YEAR	AMOUNT
2021	\$ 106,191.79
Total	\$ 106,191.79

RESOLUTION 23-21 – JULY SUPPLEMENTAL BILL LIST

FUND YEAR	AMOUNT
2021	\$ 2,528.00
Total	\$ 2,528.00

RESOLUTION 24-21 - AUGUST BILL LIST

FUND YEAR	AMOUNT
2021	\$ 119,396.24
Total	\$ 119,396.24

RESOLUTION 25-21 - SEPTEMBER BILL LIST

FUND YEAR	AMOUNT
2021	\$ 65,564.65
Total	\$ 65,464.65

MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NOS. 22-21, 23-21, 24-21, AND 25-21

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

JCMI PROGRAM UPDATE – Mr. Cuccia reported that the E-JIF has \$26 million invested in the program at 97 basis points with the maturity out to 3.86 years. He added that the program is doing very well, considering the current market.

EXECUTIVE DIRECTOR/ADMINISTRATOR:

REGULATORY AFFAIRS – Mr. Sacco reported that PERMA filed the 2020 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.

2022 BUDGET PROCESS – Mr. Sacco reported that the Finance committee met via Zoom on August 20, 2021 to discuss the proposed 2022 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 slightly decreasing by 0.1%. He continued to review the line items and informed the Board that the overall 2022 budget is increasing 1.1%. 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 2022 budget.

MOTION TO INTRODUCE THE 2022 BUDGET FOR THE NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT FUND IN THE AMOUNT OF \$4,365,082 AND SCHEDULE A PUBLIC HEARING FOR OCTOBER 20, 2021 – TIME AND LOCATION TO BE DETERMINED.

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

2021 DIVIDEND - Mr. Sacco reported that the Finance Committee has reviewed the financials of the fund and is recommending a dividend of \$3,100,000. He then referred to Resolution # 26-

21 enclosed within the agenda packet and asked if there were any questions or comments on the recommendation. Mr. Grubb commented that the E-JIF dividend is nearly 75% of the 2022 budget which is remarkable. Mr. Sacco thanked Mr. Grubb for his comments and asked if there were any further questions or comments. Hearing none, he asked for a motion to adopt Resolution #26-21

MOTION TO ADOPT RESOLUTION # 26-21 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$3,100,000.

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

NOVEMBER MEETING – Mr. Sacco said the November E-JIF meeting is currently scheduled for November 17, 2021 at 12 noon during the League of Municipalities convention. He reported that an informal vote was taken of the Fund Commissioners to move the meeting to November 10th at 9:30 am via zoom. Mr. Sacco noted that the tally of the votes was 6-5 in favor of moving the meeting with 2 commissioners not voting. Mr. Sacco asked if there were any questions or comments on rescheduling the meeting. Hearing none, he asked for a motion to change the November meeting date.

MOTION TO RESCHEDULE THE NOVEMBER 17, 2021 MEETING TO BE HELD ON NOVEMBER 10TH AT 9:30 AM VIA ZOOM.

MOTION:	Commissioner Laureigh
SECOND:	Commissioner Rheinhardt
VOTE:	Unanimous

NEXT MEETING – Mr. Sacco advised that the next meeting of the EJIF is scheduled for Wednesday, October 20, 2021 and members will be notified whether it will be done in-person or via zoom.

FINANCIAL FAST TRACK – Mr. Sacco referred to Financial Fast Track as of June 30, 2021 enclosed within the agenda booklet. He reported that the statutory surplus stands at \$22.8 million and noted that the Fund is in excellent financial shape.

ATTORNEY:

Mr. Semrau reported that with regard to the Newark Bay II Federal Litigation, there are 35 members that have been named in the third-party complaint and the Fund Professionals have already worked through the notification of insurance carriers and coordination of the filing of a responsive pleading. He said that the Fund Professionals are off to a very consistent start, just as they were for the Newark Bay I State Litigation, and the same format will be followed. Mr. Semrau added that the fund was successful in providing the members with defense, coverage, and recovery for the Newark Bay I claim. He further added that he hopes that following the same format in Newark Bay II will lead to similar success.

UNDERWRITING MANAGERS:

Mr. Casagrande referred to the Underwriting Managers report enclosed within the agenda packet. He advised that the Request for Quotation for insurance coverage is out to the market with respect to Excess EJIF Coverage to be effective in 2022.

Lastly, Mr. Casagrande said with regard to Brownfields and Contaminated Property, Local Units' projects outside of the EJIF have been placed for multiyear terms. He advised that the underwriting managers will assist any local units for such projects that need to be placed outside the EJIF Coverage parameters.

ENVIRONMENTAL ENGINEER:

Mr. Erickson referred to the status update on the Stormwater Training Video project enclosed within the agenda packet. He advised that DEP has the 4 main scripts for the videos and are reviewing for comments.

ACTUARY

Mr. Kullman reported that loss fund budget for 2022 was updated as Mr. Sacco mentioned during his report. He added that the funding level for the budget is healthy and it is in line with prior years. Mr. Kullman noted that the funding level represents a 70th percentile which means it is expected that once every 3 to 3.5 years that the actual losses will exceed the budgeted amount.

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 August 31st and is recommending that the PARs be approved as presented.

MOTION TO APPROVE THE PARs AS RECOMMENDED BY THE CLAIMS COMMITTEE.

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

MOTION TO ADJOURN MEETING

MOTION: Commissioner Rheinhardt
SECOND: Commissioner Nolan
VOTE: Unanimous

Meeting Adjourned: 11:10 AM

Next Meeting:

October 2021
Meeting Format TBD

Respectfully submitted,

Prepared by Jason D. Thorpe, Assistant Secretary

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND BILLS LIST

Resolution No. 22-21

JULY 2021

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 2021

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001649			
001649	PERMA RISK MANAGEMENT SERVICES	POSTAGE 5/21	25.99
001649	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 7/21	27,067.67
			27,093.66
001650			
001650	DORSEY & SEMRAU	ATTORNEY FEE 7/21	7,331.17
			7,331.17
001651			
001651	CHARLES CUCCIA	TREASURER FEE 7/21	1,740.58
			1,740.58
001652			
001652	PRINCETON PUBLIC AFFAIRS GROUP	PROFESSIONAL SERVICES 6/21	3,750.00
			3,750.00
001653			
001653	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 7/21	21,438.75
			21,438.75
001654			
001654	NJ ADVANCE MEDIA	ACCT# XNJEN0555599 - MTG - 06.03.2021	51.15
			51.15
001655			
001655	ALLSTATE INFORMATION MANAGEMNT	ACCT# 736 - ARC. AND STOR. - 5.31.21	32.48
			32.48
001656			
001656	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES 5/21	44,337.33
			44,337.33
001657			
001657	THE CANNING GROUP LLC	QPA SERVICES 5/1/21-5/31/21	416.67
			416.67
		Total Payments FY 2021	106,191.79
		TOTAL PAYMENTS ALL FUND YEARS	106,191.79

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
SUPPLEMENTAL BILLS LIST**

Resolution No. 23-21

JULY 2021

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 2021

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001658	CONNER STRONG & BUCKELEW	POLICY #B6024108 - SFCIC - 5/1/21-5/1/22	2,528.00
001658			2,528.00
		Total Payments FY 2021	2,528.00
		TOTAL PAYMENTS ALL FUND YEARS	2,528.00

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. 24-21

AUGUST 2021

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 2021

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001664			
001664	HOPATCONG BOROUGH	VOID	0.00
			0.00
001659			
001659	PERMA RISK MANAGEMENT SERVICES	POSTAGE 6/21	4.59
001659	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 8/21	27,067.67
			27,072.26
001660			
001660	DORSEY & SEMRAU	ATTORNEY FEE 8/21	7,331.17
			7,331.17
001661			
001661	CHARLES CUCCIA	TREASURER FEE 8/21	1,740.58
			1,740.58
001662			
001662	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 8/21	21,438.75
			21,438.75
001663			
001663	AON RISK CONSULTANTS, INC.	ACTUARIAL SERVICES 1/1/21-6/30/21	31,250.00
			31,250.00
001665			
001665	ALLSTATE INFORMATION MANAGEMNT	ACCT# 736 - ARC. AND STOR. - 6.30.21	32.48
			32.48
001666			
001666	FIRST ENVIRONMENT, INC.	FORECLOSED PROPERTY INSPECTION 6/21	750.00
001666	FIRST ENVIRONMENT, INC.	PROF. SERVICES FOR PERIOD END 6.30.21	20,454.33
			21,204.33
001667			
001667	THE CANNING GROUP LLC	QPA SERVICES 6/1/21-6/30/21	416.67
			416.67
001668			
001668	KURT VOLTSMANN	STORMWATER TRNG VID - 50% OF FEE - 8/21	8,910.00
			8,910.00
		Total Payments FY 2021	119,396.24
		TOTAL PAYMENTS ALL FUND YEARS	119,396.24

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. 25-21

SEPTEMBER 2021

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 2021

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001669			
001669	PERMA RISK MANAGEMENT SERVICES	POSTAGE 7/21	37.33
001669	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 9/21	27,067.67
			27,105.00
001670			
001670	DORSEY & SEMRAU	ATTORNEY FEE 9/21	7,331.17
			7,331.17
001671			
001671	CHARLES CUCCIA	TREASURER FEE 9/21	1,740.58
			1,740.58
001672			
001672	PRINCETON PUBLIC AFFAIRS GROUP	PROFESSIONAL SERVICES 8/21	3,750.00
001672	PRINCETON PUBLIC AFFAIRS GROUP	PROFESSIONAL SERVICES 7/21	3,750.00
			7,500.00
001673			
001673	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 9/21	21,438.75
			21,438.75
001674			
001674	ALLSTATE INFORMATION MANAGEMNT	ACCT# 736 - ARC. AND STOR. - 7.31.21	32.48
			32.48
001675			
001675	THE CANNING GROUP LLC	QPA SERVICES 7/1/21-7/31/21	416.67
			416.67
		Total Payments FY 2021	65,564.65
		TOTAL PAYMENTS ALL FUND YEARS	65,564.65

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. 26-21
RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
AUTHORIZING REFUND OF THE 2000, 2001, 2003, 2007, 2008 AND 2010
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 \$650,000 can be refunded from the 2000 Fund year surplus accounts, \$650,000 can be refunded from the 2001 Fund year surplus accounts, \$600,000 can be refunded from the 2003 Fund year surplus accounts, \$250,000 can be refunded from the 2007 Fund year surplus accounts, \$250,000 can be refunded from the 2008 Fund year surplus accounts and \$700,000 can be refunded from the 2010 Fund year surplus accounts. Therefore, the total amount to be returned to the E-JIF members will be \$3,100,000.

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, 2020. 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.

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND