

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF SEPTEMBER 4, 2019
JAMESBURG, NEW JERSEY
10:50 AM**

Meeting called to order by Robert Law. The Open Public Meeting Notice was read into the record.

Pledge of Allegiance

ROLL CALL OF 2019 EXECUTIVE COMMITTEE:

Chairman:	Trico	Robert Law	Present
Secretary:	South Bergen	Greg Franz	Present
Executive Committee:	Bergen	Paul Tomasko	Present
	Burlco	David Matchett	Present
	NJUA	Bernie Rutkowski	Present
	Sub Essex JIF	Joe Catenaro	Present
	Monmouth	Thomas Nolan	Present
	Camden	Joe Wolk	Present
Alternates:			
	#1 Morris	Jon Rheinhardt	Present
	#2 Ocean	Veronica Laureigh	Present
	#3 Central	William Northgave	Present
	#4 PMM	Thomas Merchel	Present
	#5 Sub-Muni	Megan Champney	Absent

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	Absent

OTHERS PRESENT:

David Grubb, PERMA
Joseph Hrubash, PERMA
Cate Kiernan, PERMA
Pauline Kontomanolis, PERMA
Brad Stokes, PERMA
Nancy Ghani, PERMA
Jason Thorpe, PERMA
Paul Shives, JA Montgomery
Frank Covelli, P.I.A.
John Casagrande, Danskin Insurance Agency
Alison Kelly, Danskin Insurance Agency
Ezio Altamura, GJEM Otterstedt

APPROVAL OF MINUTES: June 5, 2019

Chairman Law advised that there were two minor corrections being made to the minutes, meeting location and an attendance update.

MOTION TO APPROVE OPEN & CLOSED MINUTES OF JUNE 5, 2019 WITH TWO MINOR CHANGES

MOTION: Commissioner Wolk
SECOND: Commissioner Merchel
VOTE: 8 ayes, 0 nays, 4 abstentions -
Commissioner Rheinhardt
Commissioner Northgrave
Commissioner Catenaro
Commissioner Matchett

CORRESPONDENCE :

None

TREASURER

Mr. Cuccia presented his report and Resolution Nos. 22-19 confirming the July Bill List, 23-19 confirming the August Bill List, and Resolution No. 24-19 approving the September Bill List as follows:

RESOLUTION 22-19 - JULY BILL LIST

FUND YEAR	AMOUNT
2019	\$ 112,621.85
Total	\$ 112,621.85

RESOLUTION 23-19 - AUGUST BILL LIST

FUND YEAR	AMOUNT
2019	\$ 116,742.80
Total	\$ 116,742.80

RESOLUTION 24-19 - SEPTEMBER BILL LIST

FUND YEAR	AMOUNT
2019	\$ 72,464.38
Total	\$ 72,464.38

MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NOS. 22-19, 23-19 AND 24-19

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

EXECUTIVE DIRECTOR/ADMINISTRATOR:

REGULATORY AFFAIRS – Mr. Sacco reported that PERMA filed the 2018 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.

2020 BUDGET PROCESS – Mr. Sacco reported that the Finance Committee met via teleconference on August 29, 2019 to discuss the proposed 2020 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 5.1%. He continued to review the line items and informed the Board that the overall 2020 budget is decreasing 2.0%. 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 2020 budget.

MOTION TO INTRODUCE THE 2020 BUDGET FOR THE NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT FUND IN THE AMOUNT OF \$4,235,950 AND SCHEDULE A PUBLIC HEARING FOR OCTOBER 16, 2019 AT THE FORSGATE CC, JAMESBURG, NJ AT 10:50 AM.

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

2019 DIVIDEND - Mr. Sacco reported that the Finance Committee has reviewed the financials of the fund and is recommending a dividend of \$2,000,000. He then referred to Resolution # 25-19 enclosed within the agenda packet.

MOTION TO ADOPT RESOLUTION #25-19 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$2,000,000.

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

LOBBYIST CONSULTING SERVICES RFP – Mr. Sacco reported that the Fund office issued a Competitive Contract RFP for the position of Lobbyist Consulting Service Provider, and noted the return date for the RFP was July 9, 2019. Mr. Sacco informed the Board that there was one RFQ response received, the incumbent, Princeton Public Affairs Group (PPAG). He referred to a memo from the fund’s QPA regarding the RFP process and Resolution 26-19 authorizing the award of competitive contract to PPAG enclosed within the agenda packet. Commissioner Merchel suggested adding an estimated fee amount per year to the resolution. The Board was in agreement with the suggestion. Mr. Sacco indicated that the resolution would be updated and asked if there were any additional comments or suggestions. Hearing none, he asked for a motion to adopt Resolution #26-19.

MOTION TO ADOPT RESOLUTION #26-19 AUTHORIZING THE AWARD OF A COMPETITIVE CONTRACT TO PRINCETON PUBLIC AFFAIRS GROUP FOR THE POSITION OF LOBBYIST CONSULTING SERVICE PROVIDER FOR A PERIOD OF 5 YEARS.

MOTION: Commissioner Nolan
SECOND: Commissioner Tomasko
ROLL CALL VOTE: 11 ayes, 0 nays, 1 abstention
Commissioner Matchett

38 LAGOON DRIVE PROPERTY – Mr. Sacco reported that the listing agent for the property owned by the EJIF has received a purchase offer in the amount of \$207,500. He noted that the Board previously authorized the acceptance of the offer but advised that it would be appropriate to memorialize the authorization during this meeting. Mr. Sacco then referred to Resolution #27-19 which ratifies the contract for sale and addendum to the contract for 38 Lagoon Drive enclosed within the agenda packet.

MOTION TO ADOPT RESOLUTION #27-19 RATIFYING THE CONTRACT FOR SALE AND ADDENDUM TO THE CONTRACT FOR THE 38 LAGOON DRIVE PROPERTY OWNED BY THE E-JIF.

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

FINANCIAL FAST TRACK – Mr. Sacco referred to Financial Fast Track as of June 30, 2019 enclosed within the agenda booklet. He reported that the statutory surplus stands at \$21.9 million and noted that the Fund is in excellent financial shape. Commissioner Matchett asked if there was a status update on the \$2 million recovery. Mr. Sacco advised that the claim is in the final stages of being closed out which needs to be done prior to receiving the recovery. He added that the Fund Attorney and Claims Administrator have been in contact with the reinsurer.

ATTORNEY:

Mr. Semrau indicated that he had nothing to report but noted there are claims to review during closed session.

UNDERWRITING MANAGERS:

Mr. Casagrande informed the Board that the underwriting managers have been requested over time to assist in securing protection for contaminated site specific properties. He noted that a placement was made recently on behalf of an EJIF Member for such coverage outside of the EJIF program.

Mr. Casagrande reported that in discussions with the EJIF Excess Carrier, the underwriting managers have been asked to consider how the EJIF going forward is to deal with perfluorooctanoic acid (PFOA) and perfluorooctane sulfonate (PFOS) exposures in view of the adoption by the NJDEP of the nation's most stringent standards. He advised that the EJIF professionals will consider options and present them through the EJIF Coverage Committee. Mr. Casagrande then referred to a copy of the September 2017 Environmental Alert on the topic enclosed within the agenda packet.

Lastly, Mr. Casagrande informed the Board that the underwriting managers continue to work regularly with the Executive Director, the Fund Claims Attorney & Fund Engineers in resolving coverage positions for EJIF Members. He noted that a claim under the 2006 EJIF Reinsurance Form underwritten by Zurich, is now ripe for submission as the recovery of insurance company settlements for that policy year are essentially completed.

ENVIRONMENTAL ENGINEERING:

Mr. Erickson reported that he has been tracking the PFOA issue for the past two years and noted that members have gone after manufacturers for assistance in covering the cost for treatment.

Lastly, Mr. Erickson reported that an issue with very low levels of mercury in rubberized gymnasium floors that were installed during the late 1970s through 1990s. He noted that it is an issue for members that have a recreation center with this type of floor. Mr. Erickson advised that the abatement of the floors will cost approximately \$500,000 per floor. Mr. Sacco advised that Mr. Erickson will draft an Environmental Alert on the topic

Lastly, Mr. Erickson advised that the EJIF seminar series focus on SPCC training is being scheduled for early October and noted that notices will be sent to the membership during the upcoming weeks.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

MEETING OPENED TO PUBLIC FOR COMMENT:

None.

PUBLIC COMMENT PORTION OF THE MEETING CLOSED

CLOSED SESSION:

MOTION FOR EXECUTIVE SESSION TO DISCUSS CLAIMS AND POTENTIAL LITIGATION.

MOTION:	Commissioner Catenaro
SECOND:	Commissioner Rheinhardt
VOTE:	Unanimous

MOTION TO RETURN TO OPEN SESSION

MOTION:	Commissioner Catenaro
SECOND:	Commissioner Wolk
VOTE:	Unanimous

MOTION TO APPROVE THE PARS AS PRESENTED DURING CLOSED SESSION

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

MOTION TO ADJOURN MEETING

MOTION:	Commissioner Northgrave
SECOND:	Commissioner Merchel
VOTE:	Unanimous

Meeting Adjourned: 11:18 AM

Next Meeting:

**October 2019
Forsgate CC
Jamesburg, NJ**

Respectfully submitted,

Prepared by Jason D. Thorpe, Assistant Secretary

NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND BILLS LIST

Resolution No. 22-19

JULY 2019

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 2019

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001378			
001378	PERMA RISK MANAGEMENT SERVICES	POSTAGE 5/19	3.00
001378	PERMA RISK MANAGEMENT SERVICES	EXEC DIRECTOR 7/19	25,363.74
			25,366.74
001379			
001379	DORSEY & SEMRAU	ATTORNEY FEE - 3RD QTR 2019	20,812.58
			20,812.58
001380			
001380	CHARLES CUCCIA	TREASURER FEE 7/19	1,673.08
			1,673.08
001381			
001381	DANSKIN INSURANCE AGENCY INC	UNDERWRITING FEE 7/19	20,089.00
			20,089.00
001382			
001382	NJ ADVANCE MEDIA	ACCT#XNJEN0555599 - NOTICE - 6.10.19	124.00
001382	NJ ADVANCE MEDIA	ACCT#XNJEN0555599 - NOTICE - 6.4.19	20.15
			144.15
001383			
001383	ALLSTATE INFORMATION MANAGEMNT	ACCT#736 - ARC & STOR - 5.31.19	27.73
			27.73
001384			
001384	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES 5/19	44,091.90
			44,091.90
001385			
001385	THE CANNING GROUP LLC	QPA SERVICES 5/19	416.67
			416.67
		Total Payments FY 2019	112,621.85
		TOTAL PAYMENTS ALL FUND YEARS	\$112,621.85

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. 23-19

AUGUST 2019

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 2019

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001386			
001386	PERMA RISK MANAGEMENT SERVICES	POSTAGE 6/19	3.15
001386	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR 8/19	25,363.74
			25,366.89
001387			
001387	AON RISK CONSULTANTS, INC.	ACTUARIAL SERVICES - 1ST HALF 2019	31,250.00
			31,250.00
001388			
001388	CHARLES CUCCIA	TREASURER FEE 8/19	1,673.08
			1,673.08
001389			
001389	DANSKIN INSURANCE AGENCY INC	UNDERWRITING FEE 8/19	20,089.00
			20,089.00
001390			
001390	MUNICIPAL EXCESS LIABILITY JIF	MEETINGS 6/5/19	1,561.87
			1,561.87
001391			
001391	ALLSTATE INFORMATION MANAGEMNT	ACCT#736 - ARC & STOR - 6.30.19	29.39
			29.39
001392			
001392	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES FOR 6.19	36,241.76
			36,241.76
001393			
001393	THE CANNING GROUP LLC	QPA SERVICES 6/19	416.67
			416.67
001394			
001394	TOWNSHIP OF TOMS RIVER	38 LAGOON DRIVE EAST-3RD QTR 2019 TAX	114.14
			114.14
		Total Payments FY 2019	116,742.80
		TOTAL PAYMENTS ALL FUND YEARS	\$116,742.80

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. 24-19

SEPTEMBER 2019

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 2019

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001395			
001395	PERMA RISK MANAGEMENT SERVICES	POSTAGE 7/19	3.50
001395	PERMA RISK MANAGEMENT SERVICES	EXEC DIRECTOR FEE 9/19	25,363.74
			25,367.24
001396			
001396	CHARLES CUCCIA	TREASURER FEE 9/19	1,673.08
			1,673.08
001397			
001397	DANSKIN INSURANCE AGENCY INC	UNDERWRITING FEE 9/19	20,089.00
			20,089.00
001398			
001398	ALLSTATE INFORMATION MANAGEMNT	ACCT#736 - ARC & STOR - 7.31.19	29.39
			29.39
001399			
001399	FIRST ENVIRONMENT, INC.	INV# 38121 - FORECLOSED PROP - 7/19	500.00
001399	FIRST ENVIRONMENT, INC.	INV# 38121 - ENVIRONMENTAL - 7/19	24,389.00
			24,889.00
001400			
001400	THE CANNING GROUP LLC	QPA SERVICES 7/19	416.67
			416.67
		Total Payments FY 2019	72,464.38
		TOTAL PAYMENTS ALL FUND YEARS	\$72,464.38

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. 25-19
RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
AUTHORIZING REFUND OF THE 1997, 1998, 2007 AND 2008 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 \$342,693 can be refunded from the 1997 Fund year surplus accounts, \$731,791 can be refunded from the 1998 Fund year surplus accounts, \$675,516 can be refunded from the 2007 Fund year surplus accounts, and \$250,000 can be refunded from the 2008 Fund year surplus accounts. Therefore, the total amount to be returned to the E-JIF members will be \$2,000,000.

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, 2018. 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 Environmental Joint Insurance Fund

RESOLUTION NO. 26-19

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT FUND AUTHORIZING THE AWARD OF COMPETITIVE CONTRACT CC# 1-2019 TO PRINCETON PUBLIC AFFAIRS GROUP FOR LOBBYIST CONSULTING SERVICES FOR A PERIOD OF UP TO FIVE (5) YEARS

WHEREAS, the Fund has a desire to provide for a Lobbyist Consulting Services through the competitive contract process in accord with N.J.S.A.40A:11-4.1 et. Seq, and

WHEREAS, the Fund authorized the competitive contract process through Resolution 21-19, in accord with N.J.S.A. 40A:11-4.1 and N.J.A.C.5:34-4; and

WHEREAS, Competitive Contract Proposals were duly advertised and received in a public fashion on July 9, 2019 at 11: 00A.M; and

WHEREAS, the evaluation committee having fully complied with the demands of N.J.S.A.40A:11-4.1 et. Seq., rated Princeton Public Affairs Group, 160 West State St. Trenton, NJ 08608, as the most advantageous vendor based upon price and other factors; and

WHEREAS, the summary report has been provided for publicly at least 48 hours prior to any action by the Fund; and

WHEREAS, Princeton Public Affairs Group has provided for a response for up to a five (5) year contract acceptable to the Fund.

. NOW, THEREFORE, BE IT RESOLVED by the New Jersey Environmental Risk Management Fund authorizing a contract of up to five (5) years, with Princeton Public Affairs Group of 160 West State Street, Trenton, N.J.08608, in accord with the tenets as provided for in CC# 1-2019.

New Jersey Environmental Joint Insurance Fund

RESOLUTION NO. 27-19

**RESOLUTION OF THE MUNICIPAL ENVIRONMENTAL JOINT INSURANCE FUND
RATIFYING THE CONTRACT FOR SALE AND ADDENDUM TO THE CONTRACT
FOR THE PROPERTY KNOWN AS
38 LAGOON DRIVE EAST, TOMS RIVER, NJ**

WHEREAS, the Municipal Environmental Joint Insurance Fund (“EJIF”) is the owner of certain property known as 38 Lagoon Drive East, Block 232.23, Lot 19 in the Township of Toms River, Ocean County, New Jersey; and

WHEREAS, by Resolution #19-18, dated June 7, 2018, the EJIF authorized the property being listed for sale; and

WHEREAS, the EJIF has received an offer to purchase the property from Daniel J. and Donna M. Wilk in the amount of \$207,500; and

WHEREAS, it was the consensus of the Fund to accept the offer prior to its convening in September;

WHEREAS, the Fund’s Attorney drafted an Addendum to the Contract which further delineates certain terms and conditions of the sale of the property and setting forth that said Contract and Addendum would be ratified at the Fund’s September 4, 2019 meeting; and

WHEREAS, it is in the best interest of the EJIF to ratify the Contract of Sale and Addendum so that the sale of the subject property can proceed and the Fund can avoid carrying costs, maintenance fees, real estate taxes, etc.

NOW, THEREFORE, BE IT RESOLVED, by the EJIF as follows:

1. The Municipal Environmental Joint Insurance Fund hereby ratifies the Contract of Sale and Addendum to the Contract of Sale, between the Fund and Daniel J. and Donna M. Wilk in the amount of \$207,500.
2. The Fund Attorney is hereby authorized to complete all necessary steps to finalize the transfer of title of the subject property to Daniel J. and Donna M. Wilk.
3. The resolution shall take effect immediately.

Adopted: September 4, 2019

New Jersey Environmental Joint Insurance Fund