

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
OPEN MINUTES
MEETING OF SEPTEMBER 5, 2018
JAMESBURG, NEW JERSEY
10:50 AM**

Meeting called to order by Joseph Catenaro. The Open Public Meeting Notice was read into the record.

Pledge of Allegiance

ROLL CALL OF 2018 EXECUTIVE COMMITTEE:

Chairman:	Sub Essex JIF	Joe Catenaro	Present
Secretary:	Monmouth	Thomas Nolan	Present
Executive Committee:	Camden	Joe Wolk	Present
	Sub-Muni	Jim Gildea	Present
	Trico	Robert Law	Present
	South Bergen	Greg Franz	Present
	Bergen	Paul Tomasko	Present
	Burlco	Meghan Jack	Present
Alternates:			
	#1 NJUA	Bernie Rutkowski	Present
	#2 Morris	Michael Guarino	Present
	#3 Ocean	Diane Lapp	Present
	#4 Central	William Northgrave	Present
	#5 PMM	Thomas Merchel	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 and Petracca	Peter King, Esq.	Present
Environmental Engineering Services	First Environment PS&S Engineering	Rich Erickson Matt Mee	Present Present
Actuary	AON	Chas Kullman	Present
Auditor	Nisivoccia, L.L.P.	Francis "Bud" Jones	Absent

OTHERS PRESENT:

Joseph Hrubash, PERMA
Cate Kiernan, PERMA
Pauline Kontomanolis, PERMA
Nancy Ghani, PERMA
Jason Thorpe, PERMA
Ezio Altamura, GJEM Otterstedt
Paul Shives, JA Montgomery
Paul Miola, AJG
Kathy Kissane, Qual-Lynx
John Sartor, PS&S

APPROVAL OF MINUTES: June 7, 2018

MOTION TO APPROVE OPEN AND CLOSED MINUTES OF JUNE 7, 2018

MOTION: Commissioner Wolk
SECOND: Commissioner Gildea
VOTE: 11 ayes, 0 nays, 1 abstention
Commissioner Guarino

CORRESPONDENCE :

Mr. Sacco referred the notice from the Fund Office notifying the membership that Environmental Engineer, Chris Gulics, has left PS&S and Matt Mee has taken over his responsibilities.

TREASURER

Mr. Cuccia presented his report and Resolution No. 20-18 confirming the July Bill List, Resolution No. 21-18 confirming the August Bill List, and Resolution No. 22-18 approving the September Bill List as follows:

RESOLUTION 20-18 -JULY BILL LIST

FUND YEAR	AMOUNT
2018	\$131,092.61
Total	\$131,092.61

RESOLUTION 21-18 - AUGUST BILL LIST

FUND YEAR	AMOUNT
2018	\$117,534.94
Total	\$117,534.94

RESOLUTION 22-18 - SEPTEMBER BILL LIST

FUND YEAR	AMOUNT
2018	\$105,604.09
Total	\$105,604.09

MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NOS. 20-18, 21-18 AND 22-18

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

EXECUTIVE DIRECTOR/ADMINISTRATOR:

REGULATORY AFFAIRS - Mr. Sacco informed the Board that the Fund Office filed the 2017 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.

2019 BUDGET PROCESS – Mr. Sacco referred the Committee to the 2019 draft budget enclosed within the agenda booklet. He reported that the Finance Committee met via teleconference to discuss the proposed 2019 budget options and dividend recommendation. Mr. Sacco informed the Committee that as a result of the policy form changes, there are several new line items in the Loss Fund section of the budget per the recommendation of the Fund Auditor. He noted that there is no change in coverage, the change is to simply identify the coverages properly. Mr. Sacco advised that the Loss Funds are decreasing by 3.5%. He continued to review the line items and informed the Board that the overall 2019 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. Chairman Catenaro commended Mr. Sacco and his team on putting together an excellent budget. Mr. Sacco asked if there were any additional comments. Hearing none, he asked for a motion to introduce the 2018 budget.

MOTION TO INTRODUCE THE 2019 BUDGET FOR THE NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT FUND IN THE AMOUNT OF \$4,144,041 AND SCHEDULE A PUBLIC HEARING FOR OCTOBER 17, 2018 AT THE FORSGATE CC, JAMESBURG, NJ AT 10:50 AM.

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

2018 DIVIDEND - Mr. Sacco advised that the Finance Committee also reviewed possible dividend disbursement during their teleconference. He added that the Committee is recommending a \$1,250,000.

MOTION TO ADOPT RESOLUTION # 23-18 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$1,250,000.

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

38 LAGOON DRIVE PROPERTY – Mr. informed the Board that the property owned by the EJIF has been listed for sale with a local realtor. He advised that 2 bids have been received to date, one of which has been withdrawn. Mr. Sacco indicated that a discussion will take place regarding this issue and the potential sale of the property during Closed Session.

NEXT MEETING- Mr. Sacco informed the Board that the next meeting of the EJIF is scheduled for October 17, 2018 at the Forsgate CC, Jamesburg.

FINANCIAL FAST TRACK – Mr. Sacco referred to the June 30th Financial Fast Track enclosed within the agenda booklet. He informed the Committee that as of June 30th the Fund is up \$952,724 for the year for a total statutory surplus of \$20.7 million.

ATTORNEY:

Mr. Semrau reported that discussions regarding the Lagoon Drive property and matter involving professional services and contract negotiations will take place during Closed Session.

UNDERWRITING MANAGERS:

Mr. Casagrande reported that the Fund Professionals met recently to formulate proposed coverage changes to The EJIF coverage form. He noted that this was a necessary prelude to convening a coverage committee to insure concurrence among the professionals before proposing changes to the EJIF Coverage Committee Members. Mr. Casagrande informed the Board that the Professionals are now ready to propose changes and have the EJIF Coverage Committee meet to consider those changes.

Mr. Casagrande advised that due to the upcoming seminars and the fast approaching compliance deadlines concerning Underground Storage Tanks and Stormwater Permits, it may be timely to reissue the two Environmental Alerts – “NJDEP Issues Revised Tier A and Tier B Stormwater Permits” and “Changes to the New Jersey UST Regulations” from last April.

Mr. Casagrande reported that the 38 Lagoon Drive property’s general liability coverage is due to expire on 09/27/2018. He recommended renewing the coverage as it is unlikely a sale and title closing will take place prior to that date. He added that the coverage will be cancelled when the property is finally transferred to a buyer.

Mr. Casagrande informed the Board that the Underwriting Managers have begun the marketing process for the 2019 EJIF Excess Coverage and has contacted various interested insurance carriers. He added that the Underwriting Managers will keep the Executive Director informed as to their progress.

Lastly, Mr. Casagrande informed the Board that under new UST regulations, a full copy of the insurance contract covering USTs need to be provided by the EJIF in order for our members to be in compliance.

ACTUARY:

Mr. Kullman reported that the Loss Funding decrease of 3.5% in the proposed budget is supported by both an exposure analysis and an experience analysis. He noted that the experience has been favorable over the last 12 months. Mr. Kullman added that 3.5% decrease represents the 75th percentile, meaning that once every four years you can expect actual losses to exceed the funded amount.

ENVIRONMENTAL ENGINEERING:

Mr. Erickson informed the Board that compliance with UST training has been good.

Mr. Erickson informed the Board that there is a new drinking water standard. He added that a bulletin was released by the E-JIF regarding this matter in September 2017.

Mr. Mee informed the Board that PS&S is in the process of planning its seminar series for all members. He advised that an invitation will be distributed to the membership in the upcoming week. Mr. Mee added that the topics will include changes to UST rules and Stormwater permit requirements.

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 PROFESSIONAL SERVICES CONTRACT NEGOTIATIONS AND THE SALE OF THE LAGOON DRIVE PROPERTY.

MOTION:	Commissioner Law
SECOND:	Commissioner Gildea
VOTE:	Unanimous

MOTION TO RETURN TO OPEN SESSION

MOTION: Commissioner Wolk
SECOND: Commissioner Rutowski
VOTE: Unanimous

MOTION TO ADJOURN MEETING

MOTION: Commissioner Jack
SECOND: Commissioner Nolan
VOTE: Unanimous

Meeting Adjourned: 11:16 AM

Next Meeting:

**October 2018
Forsgate CC
Jamesburg, NJ**

Respectfully submitted,

Prepared by Jason D. Thorpe, Assistant Secretary

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

I. Resolution No. 20-18

JULY 2018

II.

III. 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 2018

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001244			
001244	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEER SERV	129.54
001244	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEER SERV	19,785.68
			19,915.22
001245			
001245	PERMA RISK MANAGEMENT SERVICES	POSTAGE MAY	100.05
001245	PERMA RISK MANAGEMENT SERVICES	EXEC DIR FEE 7/18	23,754.75
			23,854.80
001246			
001246	AON RISK CONSULTANTS, INC.	ACT SERV	31,250.00
			31,250.00
001247			
001247	DORSEY & SEMRAU	2018 3RD Q RETAINER	19,301.24
			19,301.24
001248			
001248	CHARLES CUCCIA	TREASURER FEE 2018	1,640.25
			1,640.25
001249			
001249	PRINCETON PUBLIC AFFAIRS GROUP	GOV AFFAIRS REP	3,750.00
			3,750.00
001250			
001250	DANSKIN INSURANCE AGENCY INC	UW MGR FEE 7/18	18,814.67
			18,814.67
001251			
001251	SHERATON ATLANTIC CITY	DEPOSIT	500.00
			500.00
001252			
001252	ALLSTATE INFORMATION MANAGEMNT	MONTH SERV & STOR	49.72
			49.72
001253			
001253	FIRST ENVIRONMENT, INC.	FORCL PROP INSPECT	518.16
001253	FIRST ENVIRONMENT, INC.	PROF SERVICES	11,498.55
			12,016.71

Total Payments FY 131,092.61

TOTAL PAYMENTS ALL FUND YEARS \$131,092.61

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**

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 2018

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001254			
001254	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES THRU 6.30.18	45,226.87
			45,226.87
001255			
001255	PERMA RISK MANAGEMENT SERVICES	JUNE POSTAGE 08/18	2.35
001255	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 08/18	23,754.75
			23,757.10
001256			
001256	CHARLES CUCCIA	TREASURER FEE 2018 08/18	1,640.25
			1,640.25
001257			
001257	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MGR FEE 08/18	18,814.67
			18,814.67
001258			
001258	NJ ADVANCE MEDIA	ACCT: XNJEN0555599 - NJ MER - 06/29	508.56
			508.56
001259			
001259	MUNICIPAL EXCESS LIABILITY JIF	REIMBURSE 1/3 OF MEETINGS ON 6/7/18	884.27
			884.27
001260			
001260	ALLSTATE INFORMATION MANAGEMNT	MONTHLY ARCH SERV & STOR 6.30.18	27.21
			27.21
001261			
001261	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES 6/1/18-6/30/18	26,368.51
001261	FIRST ENVIRONMENT, INC.	FORECLOSED PROP INSPECT 08/18	194.31
			26,562.82
001262			
001262	TOWNSHIP OF TOMS RIVER	38 LAGOON DRIVE EAST 08/18	113.19
			113.19
		Total Payments FY 2018	117,534.94

TOTAL PAYMENTS ALL FUND YEARS \$117,534.94

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. 22-18

SEPTEMBER 2018

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 2018

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
001263			
001263	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES THRU 7.31.18	35,321.94
			35,321.94
001264			
001264	PERMA RISK MANAGEMENT SERVICES	JULY POSTAGE 9/18	9.35
001264	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 09/18	23,754.75
			23,764.10
001265			
001265	CHARLES CUCCIA	TREASURER FEE 9/18	1,640.25
			1,640.25
001266			
001266	PRINCETON PUBLIC AFFAIRS GROUP	PROFESSIONAL SERVICES 8/18	3,750.00
			3,750.00
001267			
001267	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MGR FEE 9/18	18,814.67
			18,814.67
001268			
001268	WEST DEPTFORD TOWNSHIP	REIMB: TESTING & CONSTRUCT REQ 6.1.18	800.00
			800.00
001269			
001269	ALLSTATE INFORMATION MANAGEMNT	MONTHLY ARCH SERV & STOR 7.31.18	27.21
			27.21
001270			
001270	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES 7/1/18-7/31/18	20,493.42
			20,493.42
001271			
001271	DANSKIN INSURANCE AGENCY, INC.	GL - RENEWAL OF EVANSTON POLICY# 3EM6498	992.50
			992.50
		Total Payments FY 2018	105,604.09

TOTAL PAYMENTS ALL FUND YEARS \$105,604.09

RESOLUTION NO. 23-18
RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND
AUTHORIZING REFUND OF THE 1997, 1998 AND 2007 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 \$200,000 can be refunded from the 1997 Fund year surplus accounts, \$200,000 can be refunded from the 1998 Fund year surplus accounts and \$850,000 can be refunded from the 2007 Fund year surplus accounts. Therefore, the total amount to be returned to the E-JIF members will be \$1,250,000.

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, 2017. 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.

E-JIF