

**NJ MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND  
OPEN MINUTES  
MEETING OF SEPTEMBER 6, 2017  
JAMESBURG, NEW JERSEY  
10:50 AM**

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

Pledge of Allegiance

**ROLL CALL OF 2017 EXECUTIVE COMMITTEE:**

<b>Chairman:</b>	Central	Robert Landolfi	Present
<b>Secretary:</b>	Sub Essex JIF	Joe Catenaro	Present
<b>Executive Committee:</b>	Monmouth	Thomas Nolan	Present
	Camden	Joe Wolk	Present
	Sub-Muni	Jim Gildea	Present
	Trico	Robert Law	Present
	Ocean	Paul Shives	Present
	South Bergen	Greg Franz	Present
<b>Alternates:</b>			
	<b>#1</b> Bergen	Paul Tomasko	Present
	<b>#2</b> Burlco	David Mattchett	Present
	<b>#3</b> NJUA	Bernie Rutkowski	Present
	<b>#4</b> PMM	Tom Czeniecki	Present
	<b>#5</b> Morris	Jon Rheinhardt	Present

**APPOINTED OFFICIALS PRESENT:**

Executive Director/ Administrator	<b>Perma Risk Management Services</b>	Stephen Sacco	Present
Attorney	<b>Dorsey &amp; Semrau</b>	Fred Semrau, Esq.	Present
Treasurer		Charles S. Cuccia	Present
Underwriting Managers	<b>The Danskin Agency Conner Strong &amp; Buckelew</b>	Chuck Casagrande Mike Avalone	Present Present
Claims Administrator	<b>King and Petracca</b>	Peter King, Esq.	Present
Environmental Engineering Services	<b>First Environment PS&amp;S Engineering</b>	Rich Erickson Chris Gulics	Present Present
Actuary	<b>AON</b>	Chas Kullman	Present
Auditor	<b>Nisivoccia, L.L.P.</b>	Francis "Bud" Jones	Absent

**OTHERS PRESENT:**

David Grubb, PERMA  
Joseph Hrubash, PERMA  
Cate Kiernan, PERMA  
Brad Stokes, PERMA  
Pauline Kontomanolis, PERMA  
Nancy Ghani, PERMA  
Jason Thorpe, PERMA  
Joeen Ciannella, PERMA  
John Casagrande, Danskin Agency  
Frank Covelli, RMC  
Paul Miola, AJ Gallagher  
John Clarke, NJPHA JIF

**APPROVAL OF MINUTES:** June 1, 2017

**MOTION TO APPROVE OPEN MINUTES OF JUNE 1, 2017**

**MOTION:** Commissioner Wolk  
**SECOND:** Commissioner Catenaro  
**VOTE:** 12 ayes, 0 nays, 1 abstention  
Commissioner Rheinhardt

**CORRESPONDENCE**

None

**TREASURER**

Mr. Cuccia presented his report and Resolution Nos. 19-17 and 20-17 confirming the July and August Bill Lists and Resolution No. 21-17 approving the September Bill List as follows:

**RESOLUTION 19-17 - JULY BILL LIST**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2017	\$ 158,681.96
<b>Total</b>	<b>\$ 158,681.96</b>

**RESOLUTION 20-17 -AUGUST BILL LIST**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2013	\$ 449.64
2017	\$ 107,923.73
<b>Total</b>	<b>\$ 108,373.37</b>

**RESOLUTION 21-17 - SEPTEMBER BILL LIST**

<b>FUND YEAR</b>	<b>AMOUNT</b>
2017	\$ 99,133.92
<b>Total</b>	<b>\$ 99,133.92</b>

**MOTION TO APPROVE PAYMENT OF BILLS - RESOLUTION NO. 19-17, 20-17, AND 21-17**

**MOTION:** Commissioner Nolan  
**SECOND:** Commissioner Czerniecki  
**ROLL CALL VOTE:** Unanimous

**EXECUTIVE DIRECTOR/ADMINISTRATOR:**

**REGULATORY AFFAIRS** - Mr. Sacco informed the Board that the Fund Office filed the 2016 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.

**2018 BUDGET PROCESS** – Mr. Sacco referred the Committee to the 2018 draft budget enclosed within the agenda booklet. He reported that the Finance committee met via teleconference to discuss three proposed 2018 budget options and dividend recommendation. Continuing with the conservative approach that the EJIF has taken in the past, Mr. Sacco reported that the Finance Committee chose the highest confidence level and the highest funding level provided by the actuary. He informed the Board that the overall 2018 budget is decreasing 3.1%. Mr. Sacco asked if there were any questions on the proposed budget. Hearing none, he asked for a motion to introduce the 2018 budget.

**MOTION TO INTRODUCE THE 2018 BUDGET FOR THE NEW JERSEY ENVIRONMENTAL RISK MANAGEMENT FUND IN THE AMOUNT OF \$4,136,449 AND SCHEDULE A PUBLIC HEARING FOR OCTOBER 18, 2017 AT THE FORSGATE CC, JAMESBURG, NJ AT 10:50 AM.**

**MOTION:** Commissioner Nolan  
**SECOND:** Commissioner Catenaro  
**ROLL CALL VOTE:** Unanimous

**2017 DIVIDEND** - Mr. Sacco advised that the Finance Committee also reviewed possible dividend disbursement during their teleconference. He added that the Committee is recommending a \$1,000,000.

**MOTION TO ADOPT RESOLUTION # 22-17 AUTHORIZING A TOTAL RETURN DIVIDEND OF \$1,000,000.**

**MOTION:** Commissioner Tomasko  
**SECOND:** Commissioner Wolk  
**ROLL CALL VOTE:** Unanimous

**2018 RFQ RESULTS** – Mr. Sacco referred to the results of the RFQ bid opening. He noted that there were no challenges and that recommendations will be presented at our re-organization meeting in January.

**NEXT MEETING-** Mr. Sacco informed the Board that the next meeting of the EJIF is scheduled for October 18, 2017 at the Forsgate CC, Jamesburg.

**FINANCIAL FAST TRACK** – Mr. Sacco referred to the June 30<sup>th</sup> Financial Fast Track enclosed within the agenda booklet. He informed the Committee that as of June 30<sup>th</sup> the Fund increased its statutory surplus by \$3.4 million for a total of \$19.9 million. He noted that the amounts were slightly inflated as the reserves for the federal action on the Newark Bay claim has been booked on this month's PARs. Mr. Sacco further noted that Mr. King would provide a report during closed session.

**ATTORNEY:**

Mr. Semrau indicated that his report would be provided during closed session.

**UNDERWRITING MANAGERS:**

Mr. Casagrande reported that the Coverage Committee met on 05/23/2017 and reviewed the revised storage tank form and requested that all the Fund Professionals review the suggested form carefully before recommending adoption of this policy document. Mr. Casagrande said that there were no changes or suggestions from the Fund Professionals and the Underwriting Managers recommend adoption during the November EJIF Meeting. He noted that the intention of this rewrite is not to change the coverage but to modernize the policy form based on the Liberty Mutual Tank Form.

Mr. Casagrande reported that a suggested endorsement to the EJIF EIL Policy to cover temporary transit coverage was also reviewed by the EJIF Coverage Committee. He noted that the coverage would provide a \$250,000 sublimit for such coverage. He also noted that no further changes were offered and the Underwriting Managers recommend adoption at the November EJIF Meeting.

Mr. Casagrande said the EJIF professionals will be presenting information and benefits of EJIF Membership to the Atlantic County JIF Coverage Committee on September 8<sup>th</sup>. The Atlantic County JIF currently has forty one (41) member municipalities.

Mr. Casagrande informed the Board that the Fund's excess Insurance Carrier, Liberty Mutual, has recently acquired the Ironshore Group of Insurance Companies. There is an integration process that will combine the Environmental Divisions of both companies and has somewhat delayed our excess renewal discussions. He noted that the Underwriting Managers have had preliminary discussions and do not anticipate any significant changes.

Lastly, Mr. Casagrande informed the Board that a reinsurance recovery for the 2006 policy year is being submitted as it appears claims will exceed the attachment point for that year. As previously mentioned, Attorney Peter King had put the reinsurer for that policy year, Zurich Insurance Company, on notice.

## **ENVIRONMENTAL ENGINEERING:**

Mr. Erickson reported that the end of the inspection year is approaching and there has been a very good trend of the reduction of USTs and AGTs with UGPs. Mr. Erickson also reported that his office has drafted an Environmental Alert pertaining to a PFOA chemical.

Mr. Gulics reported that the continuing education program has been scheduled and invitations will be sent to the membership in the upcoming weeks. He noted that there are 4 sessions currently scheduled throughout the state.

## **ACTUARY**

Mr. Kullman reported that the loss experience for the Fund over the past 12 months has been favorable which has resulted in a budget decrease.

## **OLD BUSINESS:**

None.

## **NEW BUSINESS:**

Chairman Landolfi advised that he is appointing a representative from AJ Gallagher to serve on the E-JIF sub-committees going forward.

## **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.**

<b>MOTION:</b>	Commissioner Wolk
<b>SECOND:</b>	Commissioner Rutkowski
<b>VOTE:</b>	Unanimous

## **MOTION TO RETURN TO OPEN SESSION**

<b>MOTION:</b>	Commissioner Shives
<b>SECOND:</b>	Commissioner Wolk
<b>VOTE:</b>	Unanimous

**MOTION TO APPROVE THE PARS AS PRESENTED DURING CLOSED SESSION**

**MOTION:** Commissioner Nolan  
**SECOND:** Commissioner Gildea  
**ROLL CALL VOTE:** Unanimous

**MOTION TO ADJOURN MEETING**

**MOTION:** Commissioner Law  
**SECOND:** Commissioner Tomasko  
**VOTE:** Unanimous

Meeting Adjourned: 11:12 AM

*Next Meeting:*

**October 2017  
Forsgate CC  
Jamesburg, NJ**

*Respectfully submitted,*

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Prepared by Jason D. Thorpe, Assistant Secretary

# NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND BILLS LIST

Resolution No. 19-17

JULY 2017

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 2017**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
<b>001112</b>			
001112	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES - 5/31/17	508.00
001112	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES - 5/31/17	22,887.80
001112	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES - 4/28/17	9,750.50
001112	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES - 4/28/17	1,778.00
			<b>34,924.30</b>
<b>001113</b>			
001113	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 06/2017	7.67
001113	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 07/2017	21,488.81
001113	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 05/2017	52.87
			<b>21,549.35</b>
<b>001114</b>			
001114	AON RISK CONSULTANTS, INC.	ACTUARIAL SERVICES JAN-JUN'17 - 2594230	30,851.00
			<b>30,851.00</b>
<b>001115</b>			
001115	DORSEY & SEMRAU	ATTORNEY FEE 3RD QTR 2017	18,894.29
			<b>18,894.29</b>
<b>001116</b>			
001116	CHARLES CUCCIA	TREASURER FEE 07/2017	1,608.00
			<b>1,608.00</b>
<b>001117</b>			
001117	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 07/2017	18,312.82
			<b>18,312.82</b>
<b>001118</b>			
001118	ALLSTATE INFORMATION MANAGEMNT	ACCT: 736 - ACT & STOR 5/31/2017	70.87
			<b>70.87</b>
<b>001119</b>			
001119	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES - 05/2017	29,927.08
			<b>29,927.08</b>
<b>001120</b>			
001120	CONNER STRONG & BUCKELEW	POSITION BOND - 5/1/2017	2,434.00
			<b>2,434.00</b>
<b>001121</b>			
001121	TOWNSHIP OF TOMS RIVER	TAX ACCT: 30406 - 6/23/17	110.25
			<b>110.25</b>
Total Payments FY 2017			158,681.96

**TOTAL PAYMENTS ALL FUND YEARS \$ 158,681.96**

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

**Resolution No. 20-17**

**AUGUST 2017**

**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>
<b>001122</b>			
001122	TOMS RIVER TOWNSHIP	TAX #30406/BLOCK #232.26/LOT #19 - 17/18	449.64
			<b>449.64</b>
		Total Payments FY 2013	449.64

**FUND YEAR 2017**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
<b>001123</b>			
001123	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES - 06/30/2017	1,905.00
001123	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES - 6/2017	32,470.90
			<b>34,375.90</b>
<b>001124</b>			
001124	PERMA RISK MANAGEMENT SERVICES	POSTAGE FEE 07/2017	4.14
001124	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 08/2017	21,488.81
			<b>21,492.95</b>
<b>001125</b>			
001125	CHARLES CUCCIA	TREASURER FEE 08/2017	1,608.00
			<b>1,608.00</b>
<b>001126</b>			
001126	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 08/2017	18,312.82
			<b>18,312.82</b>
<b>001127</b>			
001127	MUNICIPAL EXCESS LIABILITY JIF	REIMBURSE 1/3 OF MTG COST OF 6/17 MTG	1,116.67
			<b>1,116.67</b>
<b>001128</b>			
001128	ALLSTATE INFORMATION MANAGEMNT	ACCT: 736 - ACT & STOR 06/30/2017	25.51
			<b>25.51</b>
<b>001129</b>			
001129	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES - 06/2017	30,991.88
			<b>30,991.88</b>
		Total Payments FY 2017	107,923.73

**TOTAL PAYMENTS ALL FUND YEARS \$ 108,373.37**

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

Resolution No. 21-17

SEPTEMBER 2017

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 2017**

<u>Check Number</u>	<u>Vendor Name</u>	<u>Comment</u>	<u>Invoice Amount</u>
<b>001130</b>			
001130	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES - 7/31/17	4,064.00
001130	PAULUS,SOKOLOWSKI & SARTOR LLC	ENGINEERING SERVICES - 7/31/17	34,120.70
			<b>38,184.70</b>
<b>001131</b>			
001131	PERMA RISK MANAGEMENT SERVICES	EXECUTIVE DIRECTOR FEE 09/2017	21,488.81
			<b>21,488.81</b>
<b>001132</b>			
001132	CHARLES CUCCIA	TREASURER FEE 09/2017	1,608.00
			<b>1,608.00</b>
<b>001133</b>			
001133	DANSKIN INSURANCE AGENCY INC	UNDERWRITING MANAGER FEE 09/2017	18,312.82
			<b>18,312.82</b>
<b>001134</b>			
001134	SHERATON ATLANTIC CITY	DEPOSIT 11/15/17 - STEEL & STATES RM	500.00
			<b>500.00</b>
<b>001135</b>			
001135	ALLSTATE INFORMATION MANAGEMNT	ACCT: 736 - ACT & STOR - 7/31/17	25.51
			<b>25.51</b>
<b>001136</b>			
001136	FIRST ENVIRONMENT, INC.	PROFESSIONAL SERVICES - 07/2017	19,014.08
			<b>19,014.08</b>
		Total Payments FY 2017	99,133.92

**TOTAL PAYMENTS ALL FUND YEARS \$ 99,133.92**

**RESOLUTION NO. 22-17**  
**RESOLUTION OF THE EXECUTIVE COMMITTEE**  
**OF THE NEW JERSEY MUNICIPAL ENVIRONMENTAL RISK MANAGEMENT FUND**  
**AUTHORIZING REFUND OF THE 2001 AND 2005 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 \$600,000 can be refunded from the 2001 Fund year surplus accounts and \$400,000 can be refunded from the 2005 Fund year surplus accounts. Therefore, the total amount to be returned to the E-JIF members will be \$1,000,000.

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, 2016. 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**